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THE POTENTIAL IMPLICATIONS OF ELIMINATING BROAD-BASED CATEGORICAL ELIGIBILITY FOR SNAP HOUSEHOLDS

HEARING

BEFORE THE

SUBCOMMITTEE ON NUTRITION, OVERSIGHT, AND DEPARTMENT OPERATIONS

OF THE

COMMITTEE ON AGRICULTURE
HOUSE OF REPRESENTATIVES

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THE POTENTIAL IMPLICATIONS OF ELIMINATING BROAD-BASED CATEGORICAL ELIGIBILITY FOR SNAP HOUSEHOLDS

THURSDAY, JUNE 20, 2019

HOUSE OF REPRESENTATIVES,
SUBCOMMITTEE ON NUTRITION, OVERSIGHT, AND DEPARTMENT OPERATIONS,
COMMITTEE ON AGRICULTURE,
Washington, D.C.

The Subcommittee met, pursuant to call, at 2:00 p.m., in Room 1300, Longworth House Office Building, Hon. Marcia L. Fudge [Chair of the Subcommittee] presiding.

Members present: Representatives Fudge, McGovern, Adams, Hayes, Schrier, Van Drew, Lawson, Johnson, Davis, Yoho, Bacon, Hagedorn, and Conaway (*ex officio*).

Staff present: Kellie Adesina, Jasmine Dickerson, Alison Titus, Bart Fischer, Patricia Straughn, Jennifer Tiller, Dana Sandman, and Jennifer Yezak.

OPENING STATEMENT OF HON. MARCIA L. FUDGE, A REPRESENTATIVE IN CONGRESS FROM OHIO

The CHAIR. Good afternoon. This hearing of the Subcommittee on Nutrition, Oversight, and Department Operations, entitled *The Potential Implications of Eliminating Broad-Based Categorical Eligibility for SNAP Households,* will come to order.

Let me begin with my statement.

The purpose of today's hearing is to examine the impact of any potential action by the Administration to eliminate or dramatically restrict the Supplemental Nutrition Assistance Program's use of categorical eligibility, or cat-el. Cat-el is a longstanding bipartisan policy that helps streamline the administration of social service programs for states.

According to the Congressional Budget Office, eliminating broad-based cat-el would mean 400,000 eligible households would lose SNAP benefits. An estimated 265,000 eligible children would lose direct access to free school meals.

Unfortunately, this isn't the first time in recent memory that changes to cat-el have been offered by our Republican colleagues. A similar proposal was included in the House-passed 2014 Farm Bill, and, again, the same attempt was made during last year's farm bill negotiations. In both cases, Congress debated the issue, and the proposals were ultimately excluded from the final conference agreements.

I believe these ill-conceived attempts to eliminate broad-based cat-el were unsuccessful, in part, because cat-el is a state option that is widely used. Forty-three states and territories, including many with Republican Governors, use broad-based categorical eligibility. These states rely on cat-el for its flexibility to provide critical assistance to those in their respective states in need of a hand up and to make ends meet.

Cat-el enables states to better meet the needs of hardworking families by matching gross income qualifications with the Temporary Assistance for Needy Families, or TANF program, and SNAP.

As I have said previously, Republicans love talking about states' rights, providing states flexibility, and handing over to the states the administration of Federal safety net programs, but when it comes to putting that rhetoric into practice for SNAP, they want something very different, this, despite decades of proof that cat-el provides states the flexibility they need and want to better serve vulnerable households. Eliminating cat-el would increase the burden on states while providing no additional resources for the extra paperwork and personnel. It is just another unfunded mandate for the states. It seems Republicans only like to promise states' rights when it means cutting off access to benefits and weakening the social safety net.

At the same time, the Administration is working to restrict states' use of cat-el, the USDA issued guidance encouraging SNAP states to adopt flexibilities to pursue child support orders, a widely unpopular and sparsely used state option with high associated administrative costs. The party of states' rights seems more interested in a one-size-fits-all approach based solely on conservative ideology.

They continue to criticize the program from on high. They talk about the dignity of work and the cycle of poverty using pseudo-academic data from armchair think tanks. And they ignore already-strict work requirements in statute to paint a dishonest picture of greedy, shiftless welfare sponges. At every turn, Republicans invoke the welfare reform of President Bill Clinton in the 1990s. Well, we have news for you: It was Clinton and then-Speaker Newt Gingrich who established cat-el as the law of the land, a bipartisan, state-centered approach.

The Administration's Fiscal Year 2020 budget forewarned us of potential changes to cat-el, so it is no surprise that there is a related pending rule in USDA's regulatory agenda. Now here we are again with my Republican colleagues looking to the White House to accomplish what they could not: dramatically change cat-el.

Again I ask, what do Congressional Republicans and this Administration have against poor people? I have asked that question in past hearings on this issue, across multiple Congresses.

I am willing and eager to engage my Republican colleagues in a conversation about how to make this program more effective and accessible to hungry Americans so long as that conversation does not start with the same tired attempts to reduce the SNAP rolls. That is not a conversation that I am willing to have.

[The prepared statement of Ms. Fudge follows:]

PREPARED STATEMENT OF HON. MARCIA L. FUDGE, A REPRESENTATIVE IN CONGRESS FROM OHIO

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Unfortunately, this isn't the first time in recent memory that changes to cat-el have been offered by our Republican colleagues.

A similar proposal was included in the House-passed 2014 Farm Bill and again, the same attempt was made during last year's farm bill negotiations.

In both cases, Congress debated the issue and the proposals were ultimately excluded from the final conference agreements.

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Forty-three (43) states and territories—including many with Republican Governors—use broad-based categorical eligibility.

These states rely on cat-el for its flexibility to provide critical assistance to those in their respective states in need of a hand up to make ends meet.

Categorical eligibility enables states to better meet the needs of hard-working families by matching gross income qualifications with the Temporary Assistance for Needy Families, or TANF program, and SNAP.

As I've said previously, Republicans love talking about states' rights, promoting state flexibility, and handing over to states the administration of Federal safety net programs.

But when it comes to putting that rhetoric into practice for SNAP, they want something very different. This despite decades of proof that cat-el provides states the flexibility they need and want to better serve vulnerable households.

Eliminating cat-el would increase the burden on states, while providing no additional resources for the extra paperwork and personnel, another unfunded mandate for states.

It seems Republicans only like to promote states' rights when it means cutting off access to benefits and weakening the social safety net. At the same time the Administration is working to restrict states' use of cat-el, USDA issued guidance encouraging SNAP states to adopt flexibilities to pursue child support orders; a widely unpopular and sparsely used state option with high associated administrative costs.

"The party of states' rights" seems more interested in a one-size-fits-all approach based solely on conservative ideology.

They continue to criticize the program from on high; they talk about the 'dignity of work' and the 'cycle of poverty' using pseudo-academic data from armchair thinktanks; and they ignore already-strict work requirements in statute to paint a dishonest picture of greedy, shiftless welfare sponges.

At every turn, Republicans invoke the welfare reform of President Bill Clinton in the mid-1990s.

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Again, I ask what do Congressional Republicans and this Administration have against poor people? I've asked that question in past hearings on this issue, across multiple Congresses.

I am willing and eager to engage my Republican colleagues in a conversation about how to make this program more effective and accessible to hungry Americans. So long as that conversation does not start with the same tired attempts to reduce the SNAP rolls. That's not a conversation that I'm willing to have.

The CHAIR. I now recognize Ranking Member Johnson for his opening statement.

OPENING STATEMENT OF HON. DUSTY JOHNSON, A REPRESENTATIVE IN CONGRESS FROM SOUTH DAKOTA

Mr. JOHNSON. Thank you, Madam Chair.

And I do appreciate the opportunity for us to have a hearing on a loophole within this food stamp program that is desperately in need of improvement.

There are times when broad-based categorical eligibility is, frankly, an embarrassment. There are times when it simply doesn't work.

And I know we will hear some comments, hopefully we will have some good discussion today, about administrative efficiencies. I suspect we will hear some hyperbolic examples of how changes to this BBCE can have a decimating impact on school lunch programs.

And I think what I try to keep in mind is that we do need to find a positive way forward and that scare tactics, false advocacy, they don't hide the true issue here, and that is, there are times when overreaching eligibility for this program means that we are not targeting this program to our most needy friends and neighbors. We should make no doubt about it: We need the SNAP program, and we need it to be effective.

Above all, of course, states must convey SNAP benefits to those who apply to other social safety net programs. And there are all kinds of instances where that makes sense. But through imperfect regulatory language, states are permitted additional administrative flexibilities, and some states have abused that flexibility.

Let's take Vermont, for instance, where the receipt of a bookmark can provide eligibility for the SNAP program. And in other states, eligibility can be granted via a line on an application, a pamphlet with information that isn't even relevant to the household receiving it, a brochure that is for a different program entirely, that that program, again, doesn't qualify for.

I am looking right now at Mr. Rob Undersander. He is a Minnesota millionaire.

And, Mr. Undersander, welcome.

This is a man with assets in the millions who was able to receive more than a nominal amount of SNAP benefit for months and months. And he didn't do this out of any kind of a dark heart; he did this to call attention to the fact that there are flaws in the system. And it is Minnesota's abuses of this administrative flexibility that has caused this problem.

I want to make it very clear: the data suggests that Mr. Undersander is not alone. A report prepared for USDA found that most income-eligible households with financial resources exceeding the Federal resource limit have more than $20,000 in countable assets. One in five had more than $100,000 in assets, including tens of thousands of households with more than $1 million in assets. Mr. Undersander is not alone.

Now, I want to make it clear: I am not impugning his reputation. He didn't lie on any forms. He simply exposed the flaws of a failed system. It isn't his fault that we in D.C. haven't done our job.

Receiving a check from our social safety net programs should not be easier than applying for a job. And if millionaires can receive these benefits, as they have, this Committee has work to do.

Defenders of this regulatory flexibility claim it reduces administrative costs. And I worked in state government for 12 years, at times very involved in our welfare programs, and I just have not seen evidence, real evidence, that that is necessarily the case. In fact, most state administrative costs are high because of program enrollment. The more folks you enroll, the higher your administrative costs. And so closing this loophole could reduce administrative costs by $660 million per year.

And I think it is right that we ask the question here: what about the poor people? How do we help them? That is the goal of programs like this. And so I look at that $660 million through a really critically important lens, which is: Those dollars could be better deployed to meet the critical goals and mission of this program.

I sit on the Education and Labor Committee, where, just a few weeks ago, I think an incorrect nexus was discussed at length as it relates to this policy and school lunch. What we never heard at Ed and Labor is that, even if the proposal were to alter the regulatory language regarding categorical eligibility, 99.9 percent of children receiving free and reduced lunch would still remain eligible. We need to remember that the National School Lunch Program doesn't base its eligibility on SNAP—it has its own eligibility requirements—and that children who qualify will still receive these benefits.

Last, proponents talk about administrative burden to the recipient, and that is a legitimate concern. We can probably find a lot of bipartisan ground to address.

And so I just want to ask on the record for my colleagues to host a hearing on technology. There are a variety of innovations used today across other Federal and state programs that can significantly ease the application process and that shouldn't require any statutory manipulation. In that way, we can help the most needy among us. And we should have that conversation.

I welcome the witnesses, Madam Chair, and I look forward to their testimony.

The CHAIR. Well, thank you very much, Mr. Johnson.

And let me just say that I challenge my colleagues to find any program that is perfect. I would be happy to hear of perfection in any program run by any state or the Federal Government or any city, and just let me know what that is.

But I also am concerned about the fact that someone would intentionally try to take resources from people in need.

Now, I have heard about this ridiculous millionaire stunt. Chairman Peterson and I talked this morning, and since he is in a Veterans' Affairs hearing right now, I will share some of the facts that you need to know.

When this story broke 2 years ago, the Chairman called the office in Sterns County, where the alleged millionaire, Mr. Undersander, enrolled in the program. Mr. Undersander told the caseworkers that he wanted to be famous for his crusade against SNAP.

Mr. Undersander may be in this room, and if he is, I would just like to say this directly to him. You willfully and maliciously gained SNAP benefits. You, an alleged millionaire, used mischaracterizations of your finances to cheat the program. You took benefits meant for the very seniors in Minnesota you serve

through your volunteer work. And you did this all to continue the right-wing crusade against poor people.

Now, we all know that cat-el is a widely used option and exists to provide states flexibility and to save administrative costs. If I did everything I could to find a way to game something, I could do it. But what we expect is that people, decent people, in this country would do the right thing and try to help people as opposed to hurt them.

Mr. JOHNSON. Madam Chair, I would ask, Mr. Undersander has a different characterization of those events, and I would just ask unanimous consent to submit his opinion column from his local newspaper into the record so people can hear his side as well.

The CHAIR. Without objection, so ordered.

Mr. JOHNSON. Thank you.

[The article referred to is located on p. 107.]

The CHAIR. Mr. Conaway, do you wish to make an opening statement?

OPENING STATEMENT OF HON. K. MICHAEL CONAWAY, A REPRESENTATIVE IN CONGRESS FROM TEXAS

Mr. CONAWAY. Just a couple comments, Madam Chair. Thank you for that opportunity. I appreciate that.

States' rights were invoked as a part of our legitimate disagreement on how this works. I am a flat-out 10th Amendment kind of guy as well. But these are Federal resources that we are talking about, and the states should have restrictions on how those resources are deployed. And I don't think it is unreasonable that those restrictions make sense, and having an asset test ignored on SNAP is regrettable.

I don't blame the Governors. I don't blame the states. We have set up a system that allows them to draw Federal resources into their state to help the poor and to help anybody. And so if I am a Governor and I have an opportunity to bring Federal dollars to my state, I am going to move heaven and earth to make that happen. They are just operating within the rules and the law that we have set up.

Our problem is us. We need to adjust it and make adjustments to these rules and the regulations in order that—you are right—scarce resources can, in fact, go to the folks who need them the most. And that is what we are all about.

I would like to get it into the record that, when my colleague said that she would be willing to work with us, last year, when we had this subject matter in front of the Committee, she and her team chose to not offer one single amendment to the bill that we had up.

You didn't offer an amendment to strike everything we did. You didn't offer an amendment to improve or fix it. You just sat and said no. And that is discouraging, in and of itself, to have an opportunity, every 5 years, when we engage on this issue, you guys just didn't do it and didn't engage. And I just wanted to get one into the record as well.

But I appreciate you having this hearing today. It is helpful for us to have these conversations about a really important program that we are all supportive of. We just want it to do better. And to

invoke the idea that a program that is not perfect shouldn't get better is a bit of an odd argument as well.

I appreciate you giving me a chance to say a couple of words, and I yield back.

Mr. MCGOVERN. Madam Chair?

The CHAIR. Yes, Mr. McGovern.

Mr. MCGOVERN. I just wanted to clarify the record.

Yes, it is true the Democrats didn't offer any amendments to the farm bill, in large part because of the nutrition title. I was, at that time, the Ranking Democratic Member on the Nutrition Subcommittee, and we were never consulted about the nutrition title. We don't even know where it was written. We don't even know where it came from. It came out of nowhere. It didn't reflect any of the hearings that we had. It was clear that it was just yet another part of this attack on poor people. And, quite frankly, we were offended.

And I am relieved that the final farm bill that reflected the negotiation between the House and Senate basically cut out all of this language that would have punished low-income people in this country.

And let me just also say for the record, if somebody intentionally defrauds the Federal Government, they ought to go to jail.

I yield back.

The CHAIR. We really do need to get to our witnesses.

Mr. CONAWAY. Would the gentleman yield?

The CHAIR. Is it short?

Mr. CONAWAY. Yes.

The concepts of what we used to write the farm bill SNAP programs were shared with then-Ranking Member Peterson. We shared all of the language with him in February. The markup was in March. There was plenty of time for you guys to have read the documents.

And Mr. Undersander did not break the law. He simply abided by the rules that were in place. He didn't defraud——

Mr. MCGOVERN. He intentionally defrauded the Federal Government. That is, in my opinion, breaking the law.

The CHAIR. Okay. But let me close this part of the conversation, because we have witnesses waiting.

You may have given the information to Mr. Peterson, but you swore him to not share it with us.

We are going to now move to our witnesses.

And let me introduce now our first witness, who is the Lieutenant Governor of Wisconsin, Mr. Mandela Barnes.

Our second witness, Dr. John Davis, Executive Director of the Mississippi Department of Human Services.

We will also hear from Ms. Lisa Davis, Senior Vice President, No Kid Hungry Campaign, Share Our Strength.

Our final witness is Ms. Elaine Waxman, Senior Fellow at the Urban Institute Income and Benefits Policy Center.

Mr. Barnes, you are recognized for 5 minutes.

STATEMENT OF HON. MANDELA BARNES, LIEUTENANT GOVERNOR, STATE OF WISCONSIN, MADISON, WI

Mr. BARNES. Thank you, Madam Chair, Ranking Member Johnson, and other distinguished Members of the Committee. Good afternoon. I am looking forward to a very productive conversation.

Again, I am Mandela Barnes, Lieutenant Governor of the State of Wisconsin. I want to thank you for the opportunity to appear before you today to discuss how restricting or eliminating categorical eligibility would not only put millions of families in danger of losing SNAP benefits and also increase their risk of food insecurity, but it would also add a costly burden on the states and impede on our right to provide the resources we deem crucial and necessary for our citizens to thrive.

Like many of you here today, I was raised to believe that I could do anything and be anything I wanted to be if I worked hard enough. My mother was a schoolteacher, and she taught me the value of education. My father was an auto worker, and he taught me the value of hard work.

After college, I chose to pursue a career in public service, and I found myself in a job where I helped others find employment. I was able to assist people of all ages in my community and help break down barriers to help them become contributing members of our society and also work toward lifting themselves out of poverty.

Now, ironically, I lost my job helping other people find jobs, and during the short time I was unemployed, and even before that I had my hours cut at that job, and I did receive a modest SNAP benefit. And that allowed me to be able to put food on the table instead of forcing myself to choose between groceries and paying the bills.

I still have my SNAP card, my FoodShare card, somewhere laying around at the house. I was going to bring it today, because it normally sits around to remind me that I was once in a position where I, too, needed assistance.

And as I have traveled the State of Wisconsin as Lieutenant Governor, I have heard so many similar stories. I have been able to hear from families who are more at ease because they know that their elderly relatives' SNAP benefits will ensure that they have access to healthy food. I have also been able to meet with parents who are thankful that they are able to put dinner on the table each night because of their SNAP benefits.

And I have heard from teachers and principals, and they tell me how important it is that free and reduced lunch are available, and what that means for so many of their students in their schools and in their school districts.

You see, in Wisconsin, we have a responsibility, like every other state, to make sure that opportunity exists in every part, every county, every ZIP Code. That means ensuring that each and every person has access to nutritious food, whether it is in our largest cities, whether it is in our Native communities, in our schools, or the most rural parts of our states.

Broad-based categorical eligibility is a crucial component in ensuring that our state can provide the full set of services that struggling families need to lift themselves out of poverty.

Categorical eligibility helps more than 25,000 families in Wisconsin; it helps them to put food on the table. These individuals, many of whom are elderly or just families trying to make ends meet, these are people who will lose all of their benefits under the Administration's proposed change.

Now, I recently met with an aging group in my state, and one of their primary concerns were the barriers that many elderly face in getting nutritious food. We are talking about people who have done everything right their entire lives, people who have worked hard, people who have contributed to our society and are valued and respected members of their communities. But their fixed incomes often create challenges in keeping their refrigerators and pantries stocked with healthy food. And the small benefit they receive goes a long way and ensures that our aging population remains healthy and that we are treating them with the dignity and the respect that they deserve.

Reducing or eliminating broad-based categorical eligibility would also have a profound impact on the health and well-being of our children. Roughly 24,000 children in our state will lose access to nutritious food under this proposed rule change.

Also worrisome is that these children also lose eligibility for free and reduced-price breakfast and lunch at their schools, thereby creating an additional hardship for families and a cost to the school system.

The consequences of going hungry as a child will have a lasting effect on a person's health, their education, and ultimately their future. In Wisconsin, we believe that what is best for our kids is what is best for our state, so we cannot afford to have 24,000 children go hungry in our state.

Finally, many of the families who also qualify for SNAP through broad-based categorical eligibility are the working poor. They not only benefit from food assistance but also from the additional job training or retraining provided to those eligible for SNAP. These services help lift families out of poverty.

They are helping farmers, caregivers, and factory workers all across our state. These people are contributing members of our society and they are taxpayers, but, unfortunately, low wages and high expenses, like childcare and rent, are making it hard for them to make ends meet. Broad-based categorical eligibility provides needed relief for these families, and it promotes work. Eliminating it would have dangerous repercussions in Wisconsin, including added fiscal costs for our state and less flexibility.

But most concerning is that reducing or eliminating broad-based categorical eligibility would impose a benefit cliff. Instead of making it harder for states to provide nutritional food to their residents, such as the proposed Administration change would do, the Federal Government should be allowing states the flexibility to makes decisions that are best for their state.

Categorical eligibility allows states to build a safety net that supports work and fosters opportunity. And it is my responsibility, as Lieutenant Governor, to ensure that opportunity exists for all people in my state—for children, for the poor, for the hungry, for the working men and women, for the elderly, for those with different

abilities, for everybody who has been left behind. And as respected leaders, we all have this responsibility.

Thank you for your time today.

[The prepared statement of Mr. Barnes follows:]

PREPARED STATEMENT OF HON. MANDELA BARNES, LIEUTENANT GOVERNOR, STATE OF WISCONSIN, MADISON, WI

Chair Fudge, Ranking Member Johnson, and other distinguished Members of the Committee—good afternoon.

Thank you for the opportunity to appear before you today to discuss how restricting or eliminating categorical eligibility would not only put millions of families in danger of losing Supplemental Nutrition Assistance Program (SNAP) benefits and increasing their risk for food security—but it would also add a costly burden onto states and impede on our right to provide the resources we deem crucial and necessary for our citizens to thrive.

I am Mandela Barnes, Lieutenant Governor of Wisconsin. Like many of you here today, I was raised to believe that I could do anything and be anything if I worked hard. My mother, a schoolteacher, taught me the value of education, and my father, an auto parts manufacturer, taught me the value of hard work. After attending college at Alabama A&M, I chose to pursue a career in public service. Soon after college, I found myself working in my hometown of Milwaukee, in a job helping others find employment. I assisted people of all ages in my community break down barriers, become contributing members of our society, and work toward lifting themselves out of poverty. Ironically, I lost my job that helped others find jobs. I didn't immediately find work, but thankfully I qualified to receive a modest SNAP benefit, which allowed me to put food on the table instead of forcing me to choose between groceries and paying my bills. SNAP helped me for short time when I needed it most.

Since it was established over 50 years ago, the Supplemental Nutrition Assistance Program, also known as SNAP, has proven to be the singular most effective anti-hunger program in the country—helping more than 40 million people—many of them low-wage working families, low-income seniors, and people with disabilities living on fixed incomes—afford a nutritionally adequate diet.

In Wisconsin, each month—an average of 615,000 people with limited resources buy the food they need to stay healthy. 41% of these people are children.

Broad-Based Categorical Eligibility

Eligibility requirements for SNAP are largely set by the Federal Government while states administer the program. We view our state as a key partner in SNAP's success, and we believe SNAP is a crucial component of the full set of benefits and services that we offer to struggling families and communities. I appreciate you giving me the opportunity to explain how we've used the broad-based categorical eligibility option to strengthen SNAP for those in our communities who face some of the biggest obstacles in life.

Federal law gives states several options to set the program's rules, including the one we are here to discuss today: broad-based categorical eligibility. Under broad-based categorical eligibility, states have the option to raise income cutoffs and ease asset limits for households that receive a TANF-funded benefit other than cash assistance.

By using the same gross income and asset limits of other programs, the process to enroll in SNAP is more streamlined and reduces confusion for many households. In Wisconsin, individuals and families who use our Department of Workforce Development's job center resources, that are paid for by the TANF Federal or state maintenance-of-effort funds, are eligible as broad-based categorically eligible.

Households that qualify through broad-based categorical eligibility still must go through the traditional eligibility screening process which requires that they document their income and circumstances, so that the state can determine if their net income is low enough to qualify for SNAP benefits. It is possible for a family to be categorically eligible for SNAP, but unable to receive a SNAP benefit because their net income is too high.

The mechanics around how categorical eligibility works is far less important than who it helps. Wisconsin used the broad-based option to raise our gross income test and to eliminate our SNAP asset test. Wisconsin adopted broad-based categorical eligibility to address the problem of struggling families fearing that they would lose public assistance entirely if they earned any extra income or saved too much money or bought a car to get a new job.

Relaxing those rules means that Wisconsin can better support working families trying to earn their way up the economic ladder, as well to promote savings. Supporting work and promoting savings among households with low income, including workers, seniors, and people with disabilities, has been important in Wisconsin. We strive to build a safety net that supports hard work and fosters opportunity. Options like categorical eligibility in SNAP help make Wisconsin's health and human services programs more responsive to the needs of struggling citizens and communities.

Impact on Wisconsin Families

Broad-based categorical eligibility is important to ensuring Wisconsin's communities are healthy and strong. Eliminating it would hurt hard-working families, seniors, and people with disabilities. Doing so would also increase administrative burden and exacerbate the benefit cliff.

Broad-based categorical eligibility helps more than 25,000 families in Wisconsin put food on their tables. In an analysis done by the Wisconsin Department of Health Services in 2017, it was found that lowering the income limit from 200% FPL to 130% FPL would negatively impact about eight percent of SNAP families—which equals to about 25,000 Wisconsin families. These individuals would lose all their benefits under the Administration's proposed change. Many of these households are older adults on a fixed income.

The higher gross income limits allowed under broad-based categorical eligibility are especially important for households that have high expenses such as rent or childcare. In Milwaukee County, the median household income is not high enough to afford the county's median rent—meaning many in the county are using a large portion of their income to pay for housing.[1] Another barrier working families in Wisconsin face is the high cost of child care. In Wisconsin, child care costs outpace tuition at that state's 4 year universities.[2] With working families, who earn low wages, forced to pay high amounts for things like child care and rent, SNAP's broad-based categorical eligibility option ensures that families are able to obtain nutritious food while still being able to afford basic necessities—necessities that are crucial for families to have in order to hold on down a steady job.

The option has also allowed Wisconsin to eliminate its asset test. While asset tests were put in place with the notion that public assistance programs should only provide benefits to people with too few resources to avoid destitution, there is no doubt that denying benefits to individuals with large assets helps the government to save money. In reality though, low income households do not have very many assets. Most applicants for SNAP have, at most, a few hundred dollars. Requesting information about financial holdings that families do not have is wasteful administratively. More important, from a public policy standpoint is that asset-testing also creates a powerful incentive for families *not* to save money. Our state wants to encourage families to save.

Allowing low-income households to build assets can help move them out of poverty more quickly and effectively. Savings allow families to address small problems without them becoming large crises, like paying for a car or house repair or being able to cover rent when a earner's income dips unexpectedly. Savings also allow individuals to build for the future—whether it be buying a reliable car, obtaining a key license for employment, or helping to move to a better neighborhood. Re-imposing the Federal asset limit in SNAP would discourage savings. Families would know that setting aside funds in savings could put their access to food through SNAP at risk.

Research has shown that higher asset limits are beneficial for elderly individuals, as is broad-based categorical eligibility as a whole. Elimination of it would have a devastating impact on the elderly. I recently met with an aging group in rural Wisconsin, and one of their primary concerns was access to food for the growing aging population in Wisconsin. They highlighted the barriers many elderly face in getting nutritious food. These are people who did everything right their entire lives: worked hard, contributed to our society, and are valued and respected members of our communities—but their fixed incomes often create challenges in keeping their refrigerators and pantries stocked with healthy food. The small benefit they receive goes a long way, and it ensures that our aging population remains healthy and that we are treating them with the dignity and respect they deserve.

If broad-based categorical eligibility were to be eliminated, it would have a profound impact on the health and well-being of children in Wisconsin. Roughly 24,000 children in the state would lose access to nutritious food under the proposed rule

[1] *https://wispolicyforum.org/research/the-cost-of-living-milwaukee-countys-rental-housing-trends-and-challenges/.*

[2] *https://www.epi.org/child-care-costs-in-the-united-states/#/WI.*

change—that's 41% of those who qualify for SNAP under broad-based categorical eligibility. Also worrisome is that these children would also lose eligibility to free or reduced priced breakfasts and lunches at their schools, thereby creating an additional hardship for families and a cost to the school system.

Finally, many of the families who qualify for SNAP through broad-based categorical eligibility are the working poor. They not only benefit from food assistance, but also from the additional job training or retraining provided through our FoodShare Employment Services, which they would not be qualified for if they were not eligible for SNAP. These services help lift families out of poverty. With poverty on the rise in Wisconsin,[3] it is critical that families continue to have access to services that will help break the cycle of poverty. I know ending poverty is a priority for all leaders.

Broad-based categorical eligibility has numerous benefits to the working poor in Wisconsin. For example, qualifying for SNAP also qualifies families for other programs within local municipalities. For example, in the City of Madison, individuals who show their EBT card can access reduced cost thirty day bus passes. Households that are eligible for SNAP may also be eligible for lifeline telephone services which provides phone services at low or no cost, which can be very valuable for our elderly and people with disabilities who live in rural and remote areas of our state.

It must be noted that categorical eligibility does not result in substantial SNAP benefits going to non-needy families and does not mean households automatically get SNAP benefits—they must qualify for benefits under Federal SNAP rules. This program truly helps those in need and provides assistance when people need it most in their lives. SNAP supports work and does not punish individuals for building assets—something that helps low-income families invest in their futures.

Benefit Cliff

The Administration's proposal to reduce or eliminate broad-based categorical eligibility would impose a benefit cliff in 42 states and territories, including Wisconsin, that currently use categorical eligibility to raise the gross income limit.[4]

Without categorical eligibility, a family would lose substantial SNAP benefits from a small increase in earnings that raises their gross income above 130 percent of the Federal poverty level—creating a steep benefit cliff. A modest increase in hourly wages could make families ineligible for SNAP, but the income increase could be less than the amount the family loses in benefits—forcing parents to choose between putting food on the table for their families or an increase in income. This is counterproductive to our goal of encouraging individuals to work. In a best-case scenario, a family is only marginally better off. But worst-case scenario, parents work more and earn more, but their families are worse off financially.[5] Categorical eligibility allows for families to gradually phase off the SNAP program as their wages increase.

Administrative and Fiscal Burden on States

This change will not only negatively affect Wisconsin families, but it will also create a financial burden for state agencies and will have adverse effects on our economy. Altering SNAP eligibility rules will force us and the other 42 states and territories who have adopted this option to make dramatic administrative changes and would also make SNAP rules considerably more complicated.

Wisconsin eliminating categorical eligibility could cost taxpayers $2 million and likely would take about 18 months to implement the change. Income maintenance agencies and counties across Wisconsin would also see increased costs if this option was eliminated, because it would take them longer to complete member interviews, request verifications, and process those verifications.

There is also an overall impact to the Wisconsin economy with reduced SNAP benefits, as most economists agree that SNAP benefits have a multiplier effect on local economies. Many research papers cite $1.50 to $1.70 being put into the local economy for each SNAP dollar spent. The proposed changes could mean that $29.9 million will not be spent in Wisconsin communities annually.[6]

Closing

As leaders, we have committed ourselves to providing opportunity and justice for all—this includes our youngest, our oldest, and those who are working to climb out poverty. In a nation as great and as wealthy as the United States of America, no one should go hungry—no child, no one's grandmother, or no one's neighbor. Broad-

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[3] *https://www.irp.wisc.edu/study-finds-wisconsin-poverty-rate-increased-in-2016-despite-jobs-growth/.*

[4] Center on Budget and Policy Priorities.

[5] *http://www.nccp.org/projects/files/NCCP_CO_presentation07.pdf.*

[6] Wisconsin Department of Health Services.

based categorical eligibility helps ensure parents all across our country can put a meal on their table at the end of a long, hard, workday. 24,000+ children in Wisconsin are depending on it. We are looking to Congress and the Administration to give us more options, not take them away, to strengthen the safety net and to support opportunity. If this option were eliminated or cut back, it would have a detrimental impact on families, limit state's from having the flexibility to choose what is best for their citizens, and be a fiscal burden to states like Wisconsin.

Governor Tony Evers and I have a responsibility to make sure that opportunity exists in every part of Wisconsin—and that includes ensuring that each and every person has access to nutritious food—whether that's in our largest cities, within our Native communities, in our schools, or in the most rural parts of our state. And as Lieutenant Governor of Wisconsin, I am focused on helping make my state more equitable. That starts with making sure every person in Wisconsin—regardless of [ZIP C]ode or income status—has the tools and resources they need to succeed in life.

The CHAIR. Thank you very much.

I am sure you have now figured out the lighting system. I neglected to tell you about it. It is not very difficult. When the light is green, you begin. When the light turns yellow, it is time to start to close; you have 1 minute left. When the light turns red, your time is up, so please try to wrap up as quickly as you can.

Mr. BARNES. I apologize.

The CHAIR. No, no, you were perfect. You were perfect. Now, I am not going to let them go over, but you were perfect.

You are recognized, Dr. Davis, for 5 minutes.

STATEMENT OF JOHN DAVIS, PH.D., EXECUTIVE DIRECTOR, MISSISSIPPI DEPARTMENT OF HUMAN SERVICES, BROOKHAVEN, MS

Dr. JOHN DAVIS. Thank you, Madam Chair, Ranking Member Johnson, and all the Committee Members. It is a privilege to be here today to talk to you guys. I am humbled at the opportunity to get to speak to this particular situation.

The Mississippi Department of Human Services is in a very unique position to create a new approach to human services and needs-based programs in our state. We recognize more than ever the need to work with families holistically rather than simply determining eligibility and waiting for self-sustainability. Our staff approaches an individual who walks in to the MDHS office with the understanding that they are not asking for a handout, but, in fact, they are asking for a hand up.

MDHS has been collaborating with multiple state agencies. All of this came about specifically with the WIOA, Workforce Investment Opportunity Act. It kind of forced states to start look at, holistically, the agencies working together to build a better Mississippi. We began in 2016 by focusing our efforts on four priorities that I am going to describe, and we began by reengineering our offices to offer a multigenerational, collaborative approach.

Those four areas were: invest in children and families through workforce development and training; improve opportunities for individuals to make healthy, self-sustaining choices; increase department capacity and efficiencies; and then improve systems. Because we recognize individuals are worth that, families are worth that.

The priorities that I have listed was a mission for a more effective, efficient, and open government. Focusing on those priorities has allowed the state to realize the commonalities between social capital, health and wellbeing, economic supports, education and

training, which will ultimately allow the state to maximize its resources by eliminating duplication of services, but also never to be last again in anything, as we are always labeled.

The first, investing in children and families, is important as we start talking about BBCE, broad-based categorical eligibility. MDHS's success will be measured and has been measured by the success of the clients that are served by the agency. A family-centered, multigenerational approach has been developed to invest in early intervention programs that will improve life outcomes for children and families.

MDHS is doing this through the support of early involvement in case decision-making and providing access to activities which lead to livable wages through higher education, including vocational and technical training.

The MDHS approach continues to recognize the importance of the family unit as it relates to the overall success of each of the members in the household.

MDHS has proven through the years that we are more proficient in determining eligibility timely, accurately, and efficiently. However, the mentality of simply moving individuals in and out must be replaced with an effort to move them to self-sustainability.

Assisting individuals with a needs-based program is providing them with a supplemental or temporary support as they move to initial employment and beyond to greater employment. We understand it as being more important to not just get the first job but the second job and the third job so that individuals can become who they want to be, not who I want them to be.

The overarching goal has been to stabilize the households and then provide an opportunity for greater individual success for household members. Assisting the adult in finding employment is only the first step if children are also part of the home. MDHS case managers must also look back and see how the children may be assisted. Providing resources for the child to be exposed to training, counseling, mentoring, tutoring will provide stability for current and the future healthy choices.

Partners for success in workforce development: We have partners in multiple state agencies.

The Employment Security Office, which is our Department of Labor in the state, has now taken on some of the responsibility of helping us to move these individuals through the process to employment. They have helped us with 5,800 cases on the TANF side, a little more than 253,000 cases on the SNAP side. That provides an individual with a subject-matter expert on how to actually find a job that they want, that they can be successful in, rather than our office, our eligibility staff being responsible for helping that individual find the job.

The Mississippi Board of Community College and Junior Colleges has been a critical partner in our efforts. The Institutions for Higher Learning, which is our university system in the state, has also been critical.

We also understand this with broad-based categorical eligibility: by simply saying that we do not have that in our state—which July 1 begins that we will not have BBCE in the State of Mississippi. But we know that it takes investment in our staff through things

like Law of 16, which is our personal and professional development programs for our staff members, to then replicate that over with our clients to make sure that they are empowered to be whom they have been called to be. BBCE alone is not necessarily, for the State of Mississippi, the answer for individuals to be become successful.

Thank you very much.

[The prepared statement of Dr. John Davis follows:]

PREPARED STATEMENT OF JOHN DAVIS, PH.D., EXECUTIVE DIRECTOR, MISSISSIPPI DEPARTMENT OF HUMAN SERVICES, BROOKHAVEN, MS

The Mississippi Department of Human Services (MDHS) is in a very unique position to create a new approach to human services and needs based programs in this state. We recognize, more than ever, the need to work with families holistically rather than simply determining eligibility and waiting for self-sustainability. Our staff approaches an individual who walks into an MDHS office with the understanding they are not asking for a "hand-out" but in fact, they are asking for a "hand-up."

MDHS is collaborating with other agencies and stakeholders to build a better Mississippi. We began in 2016 by focusing our efforts on the four priorities described below, and we are reengineering our offices to offer a multi-generational, collaborative approach.

- Invest in children and families through workforce development and training;
- Improve opportunities for individuals to make healthy self-sustaining choices;
- Increase department capacity and efficiencies; and
- Improve systems.

The priorities listed above align with our mission for a more effective, efficient, and open government. Focusing on these priorities will allow the state to realize the commonalities between social capital, health and well-being, economic supports, education, and training which will ultimately all the state to maximize its resources by eliminating duplication of services.

Invest in Children and Families

MDHS' success will be measured by the success of the clients served by the agency. A family-centered, multi-generational approach will be developed to invest in early intervention programs that will improve life outcomes for children and families. MDHS is doing this through the support of early involvement in case decision-making, and providing access to activities which lead to livable wages through higher education including vocational and technical training. The MDHS approach continues to recognize the importance of the family unit as it relates to the overall success of each of the members of the household.

The county MDHS offices are going through major changes to accommodate the case management approach to all individuals receiving services through the programs offered. We will be reducing the number of Eligibility Workers and increasing the number of Case Managers to accomplish our multi-generational approach. We have already seen more cost and customer efficiencies without creating an overall increase is staffing.

MDHS has proven through the years that we are very proficient in determining eligibility timely, accurately, and efficiently. However, the mentality of simply moving individuals in-and-out must be replaced with an effort to move them to self-sustainability. Assisting individuals with a needs based program is providing them with a supplemental or temporary support as they move to initial employment and beyond to greater employment. Case management staff will be assigned to applicants to guide them through this process and then track outcomes.

The overarching goal is to stabilize the home and then provide an opportunity for greater individual success for household members. Assisting the adult in finding employment is only the first step if children are also part of the home. MDHS Case Managers must also look back and see how the children may be assisted. Providing resources for the child to be exposed to training, counseling, mentoring and tutoring will provide stability for current and future healthy choices.

Partners for Success in Workforce Development

Mississippi Department of Employment Security (MDES). We have entered into a partnership with MDES so they may provide Job Readiness Assessments (JRA), Employment Development Plans (EDP), soft-skills training, résumé building, *etc.* to

all adults who apply for services at MDHS. The first steps were taken taken to implement this plan in the Temporary Assistance for Needy Families (TANF) program which affects approximately 5,800 cases. The second step is currently under way to be implemented during this fiscal year will be the individuals in the Supplemental Nutrition Assistance Program (SNAP) which affects approximately 253,000 cases This also includes ensuring each of the applicants are entered into the Mississippi Works system. Therefore, a request for assistance through MDHS is also a request for assistance to find employment. Prior to this agreement, MDHS and MDES were duplicating services with no single plan of action for the individual. The partnership with MDES also includes allowing them to co-locate in strategic MDHS offices for efficiency in services for those seeking assistance as well as the taxpayer who funds these programs.

Mississippi Board of Community and Junior Colleges (MBCJC). MDHS continues to build on the partnership with MBCJC to develop opportunities for training and education. The collaboration has grown significantly over the past 6 months and will continue to develop new opportunities for those we seek to serve. The MBCJC also is working closely with MDHS in our efforts with the SNAP Employment and Training (E&T) program. MBCJC has also partnered with MDHS to provide Child Care Provider training at no cost to the state.

Institutions for Higher Education (IHL). MDHS is working to partner with IHL to offer individuals an opportunity to complete their degree the Complete 2 Compete (C2C). There are a significant number of adults who have multiple college credits but have not received a degree. This program will provide an additional resource for those seeking self-sufficiency.

Eight State Universities. MDHS has reached out to each of the eight state universities to establish Youth Development programs. There has been initial information that indicates as many as 40% of all athletes attending the state universities are already parents. Many of these are non-custodial parents. MDHS and the universities developed programs to assist these athletes and multiply the affect by letting them reach out to the youth in their communities. This may be the only exposure many of the youth will have to university campuses. We will also offer career technical training in an effort to guide the youth to future success.

Mississippi Community Education Center/Families First Resource Centers (FFRC). Dr. Nancy New in their capacity as leaders in the FFRCs have expanded their services to include counseling, mentoring, vocational training, career development, tutoring, forensic interviewing, fatherhood initiatives, Healthy Teens for a Better Mississippi, parenting classes, *etc.* These services are now offered in every county of the state. MDHS and FFRC will continue to offer services as appropriate based on the needs of each community and individual. The FFRCs will also be a valuable resource for the MDHS case management staff as they offer solutions to those who seek our services.

Improve Opportunities for Individuals

As part of the multi-generational approach, MDHS is committed to improving opportunities for individuals to make healthy self-sustaining decisions. The partnerships we have developed over the previous 3 years will continue to expand and become the base of operation. MDHS recognizes the need to maximize resources and multiply opportunities. With shrinking state funds, we must identify duplicated and overlapping services to eliminate. In doing so, we will identify public-private partnerships that will produce cost savings with added capacity and performance based outcomes. This will also ensure the elimination of Broad Based Categorical Eligibility and not waiving the ABAWD requirements will not adversely affect those we seek to serve.

The MDHS case management staff offer a guided approach through the complicated process of accessing resources. With your leadership, the agency partnered with the majority of other related agencies to produce the first approved Workforce Innovation and Opportunity Act (WIOA) State Plan. This partnership provides for four Workforce Areas around the state where the participating agencies will be housed in one location for maximum service delivery.

The FFRCs will provide a valuable resource to identify ways to improve opportunities for individuals. In addition, organizations such as Boys and Girls Clubs, YMCA, and Jobs for Mississippi Graduates are available for additional capacity building.

Improve Department Capacity and Efficiency

MDHS has identified multiple opportunities to increase capacity and efficiency. Evaluating each of the 13 divisions within the agency has exposed cost allocation

and matching deficiencies. MDHS will maximize Federal funds while reducing state general funds.

There will be further analysis to determine how the agency will shed antiquated and inefficient policies and procedures. Every contract, sub-grant and MOU will be evaluated. In addition, further accountability will be implemented within the agency. An Internal Audit Department has been established to provide the necessary oversight of operations both administrative and programmatic. This too will provide opportunities for improvement and efficiencies.

Effective October 1, 2016, MDHS entered into a contract with Young Williams, a private nationally recognized Child Support organization based in Mississippi, to operate the MDHS local offices for child support. This action was taken as a result of reductions in the MDHS budgets, space needs for the recently created Mississippi Department of Child Protection Services (MDCPS) and a desire to modernize the program. During the first several months, MDHS will transfer operations in a way that will maintain current operations with no changes. *i.e.,* same offices, same processes, same employees, *etc.* With this action, all 82 county Child Support operations are managed by this private company.

During the Young Williams pilot program for 17 counties in Southwest Mississippi, it was proven successful both with results and with saving Mississippi tax dollars. MDHS estimates there will be a minimum of $1 million in cost savings with the potential for $2 million in state funds saved. The state-wide transition to Young Williams is complex as it involves over 250,000 cases. All MDHS Child Support staff were offered jobs at or above the MDHS pay rate, with similar benefits and retirement options. Young Williams has designed the transition to take place over a period of time to avoid disruption of services.

There is ongoing work to reorganize the agency to align more completely with your priorities. Specifically, a Workforce Development Unit within Field Operations has been created while eliminating the Division of Family Foundation and Support. This was accomplished by utilizing the FFRCs to provide the functionality previously administered by state employees. This model will be replicated across the agency.

Improve Systems

The industry standard in human services across the nation is moving more toward an automated technology driven delivery system. Mississippi, and specifically MDHS, has lagged behind in this critical area for many years. The four legacy systems and three stand-alone systems within the agency lack efficiency and are tremendously expense to maintain. However, they have proven to be workhorses that could provide more capacity with the proper updates. MDHS has worked for 2 years with the ITS procurement process and finally has the approval to move forward with the updates necessary to truly affect positive and lasting change. We have also created in-house referral systems that ensure the Generation Plus (gen+) approach remains viable.

The efficiency and cost savings realized from the updates currently being implemented, will provide the front-line county employees a greater resource for achieving the multi-generational goals identified above. The agency utilizes technology to further identify how best to allocate agency resources. This includes staff assignment.

Issues of Concern Identified in Prior Legislative Session

The issues that were identified in the prior legislative session were centered around the bill known as H.O.P.E. Act. The East Coast group, FGA, worked with the legislature during the last session to offer strategies to address their perceived "loopholes" in the Medicaid, SNAP and TANF programs. The major issues include:

Loopholes in Eligibility—FGA states the Broad Based Categorical Eligibility (BBCE) option, which allows the resources of applicants to be disregarded, produces fraud and abuse. The state has begun the process effective July 1, 2019. Time-frame for policy re-writes and system re-design took approximately six to design and implement. Costs associated with this change has been minimal.

Start Checking Assets—With the elimination of BBCE we now are federally required to "check assets". Mississippi is confident we can do this in a very effective and least invasive way possible. This requires cooperation and automation between state agencies, financial institutions, *etc.* The agreements with state agencies would not be difficult but, automation would be very expensive requiring an initial upfront investment of state funds. I would need to include this additional funds request in my 2018 budget with your approval. The estimated cost associated with this change would be approximately $1.5 million conservatively.

Codify Work Requirements—The WIOA State Plan specifically addresses both TANF and SNAP caseloads in the Workforce Development initiative.

Improve Eligibility Verification and Monitoring—The current eligibility verification and monitoring process with SNAP and TANF is significant . We spend more than $3 million per year to utilize all Federal match opportunities. In addition, the MOU with MDES is intended to further the income verification process with minimal costs associated with this match.

Improve Identity Verification—The FGA report targets improved identity verification as a solution to identity fraud *etc.* in the Medicaid program. The SNAP Federal regulations allow the state to pend eligibility verification for head of household but not for the other household members.

Share Data Across Agencies—MDHS has executed multiple MOUs with the specific agencies associated with the needs based programs we administer. The WIOA State Plan as well as the State Workforce Development Board have been driving forces in the data sharing project. NSPARC reports the new "hubs" for real time data sharing will be fully available July 2019.

Add Additional Programs to the National Accuracy Clearinghouse (NAC)—MDHS has lead the nation in developing the NAC with five states as part of the original consortium through a pilot program allowed by the United States Department of Agriculture (USDA). The national office recently announced they would allow an expansion of this project. The USDA is not offering additional funding but, Mississippi agreed to continue to lead this effort. The governance structure for the program is being developed with our Federal partners and there are 22 states who have expressed interest in joining the project. Other programs, such as Medicaid, has definitely been a key factor in the design. This took approximately 12 months of onboarding associated with this process.

Law of 16

We have [i]dentified the need for professional and personal development for both our staff and those we serve. The Law of 16 Development Program has been implemented agency wide and we are now working with other state agencies to train their staff. In addition, we have implemented this program to address the needs of those we serve. We see this as a way to eliminate one of the last barriers to finding true self sufficiency for those who seek to not be dependent on needs based programs. Empowering individuals and families is transformational in the field of Human Services and we are more than willing to be leaders in this area.

Childcare Fraud and Biometrics

The National Child Care Reauthorization Bill passed in 2015 with final rules received at the end of September 2016 imposes a multitude of changes on states. Many have called these changes unfunded mandates. Working with partner agencies as well as the SECAC, MDHS submitted the Child Care State Plan which was conditionally approved. Our Federal partners are allowed the state up to 18 months to develop a working plan to submit for approval followed by statewide implementation. Fraud prevention and a quality are two of the key components of the new requirements

Summary and Moving Forward

The agency will continue to move forward to identify cost savings and efficiencies to ensure we are responsive to those seeking our services but, more importantly to the taxpayers of Mississippi. MDHS is rebranding the agency to move towards Workforce Development centered practice.

MDHS is up for the challenge. Restructuring human services to meet the ever evolving needs specific to Mississippi is worth the energy and effort. Please find enclosed a quick view of highlights from each of the program areas.

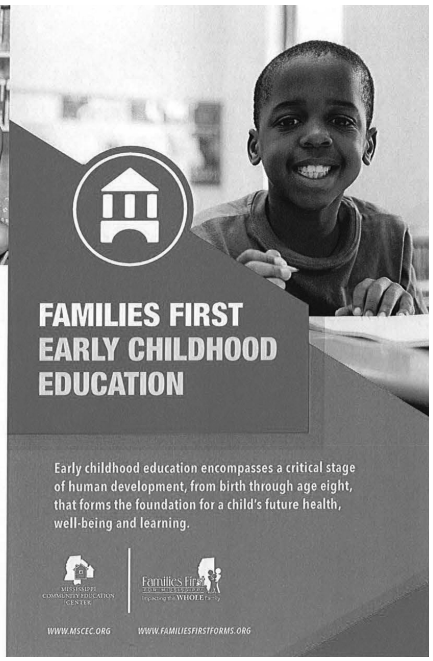
Respectfully,

JOHN DAVIS,
Executive Director,
Mississippi Department of Human Services.

ATTACHMENT 1

Accessing the Mississippi Department of Human Services Childcare Resources:

- The Child Care Certificate Program is a federally funded program designed to provide parents with child care tuition assistance.
- The State Early Childhood Advisory Council (SECAC) and MDHS have released a joint statement on the future of early childhood in Mississippi, including the future of programs funded by the Federal Child Care and Development Fund.
- The State Plan: A Family-Based Unified and Integrated Early Childhood System outlines an early childhood system underpinned by common case management, a collaborative referral process, and an integrated data system unlike any other in the country. Implementation of Mississippi's early childhood system is a collaborative effort of all state agencies, the office of Governor Bryant, early care and education providers, and the SECAC.
- For more information on each of these topics, visit **MDHS.MS.GOV.**



Introduction

Families First for Mississippi works directly with the Mississippi Department of Human Services and the Mississippi Community College Board to support families across the state by providing early childhood services that help parents and caregivers identify high-quality childcare services and learning experiences.

Through this partnership, Mississippi Early Learning Standards and Guidelines have been revised and updated to ensure that childcare providers have up-to-date and research-based resources for use in individual childcare centers.

- The Mississippi Early Learning Standards and Guidelines:
  - Describe goals for children from birth through age four.
  - Focus on cognitive development in core subjects like literacy, mathematics, science and social studies.
  - Support a play-based approach to learning that includes social, emotional and physical development in children.
- Families First for Mississippi is a partner in the Early Childhood Cross Agency Collaborative, along with Head Start, the Mississippi Department of Education, Mississippi Department of Human Services, Mississippi Community College Board, and the Mississippi State Department of Health.

The Early Child Academy through Families First provides customized support.

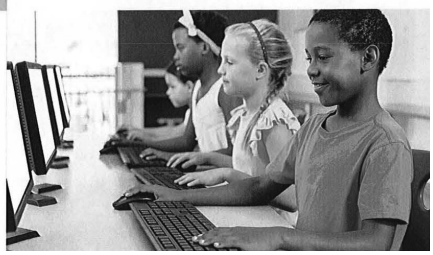
- The mission of the Early Childhood Academy is to provide families and child care providers with ongoing, high-quality technical assistance and professional development through resource and referral services, thus ensuring a nurturing learning environment that promotes readiness.
- The ECA provides onsite instructional coaching and technical assistance.
- Early Childhood Coaches and Professional Development Specialists are located throughout the state of Mississippi, and work directly with childcare providers and families to provide customized support.

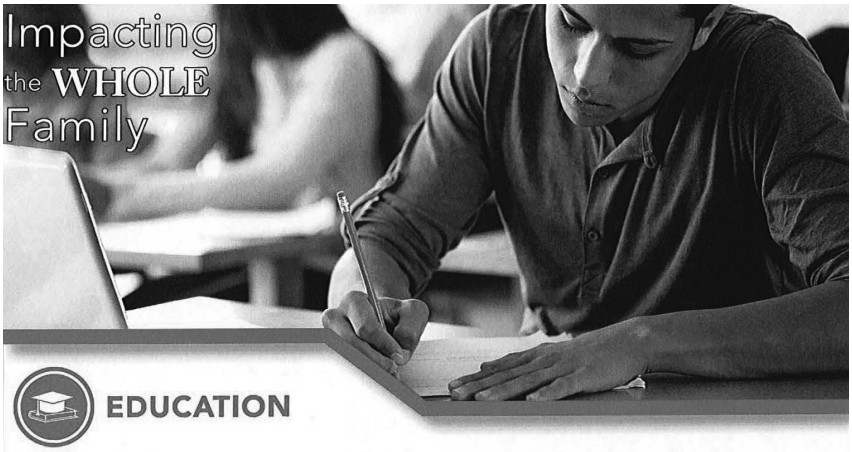
Early childhood support through Families First for Mississippi includes:

- Training and professional development sessions for parents and childcare providers
- Providing access to instructional resources (books, toys, games, etc.) for checkout by childcare providers and parents
- Supporting the implementation of the newly revised Mississippi Early Learning Standards and Guidelines

Defining characteristics of high-quality childcare services:

- The National Association for the Education of Young Children (NAEYC) provides guidance and national standards that help families make the right choice when they are looking for child care centers, preschool or kindergarten.
- Mississippi Department of Human Services provides a childcare provider search that allows families to review information on child care providers prior to choosing a center.





EDUCATION

"Our diploma program provides an opportunity for brighter futures."

We are providing an alternative avenue for at risk high school seniors to obtain an accredited high school diploma as well as adults desiring to earn a high school diploma in a flexible environment.

Families First for Mississippi Diploma Program:

- Accredited diploma-issuing institution
- Credits as required by the state department of education
- Online academic courses
- Self-paced learning environment

MISSISSIPPI COMMUNITY EDUCATION CENTER

Families First FOR MISSISSIPPI Impacting the WHOLE Family

Dr. Nancy New, Co-Executive Director of Families First for Mississippi

Partners In Education

The diploma that can be obtained upon completing the Families First High School Diploma Program is issued by New Summit School through its distance learning division.

New Learning Resources School District (NLRSD) is accredited by the Mississippi Department of Education and AdvancED: Southern Association of Colleges and Schools (SACS).

For more information about Families First High School Diploma, visit www.FamiliesFirstforMs.org

NEW LEARNING RESOURCES SCHOOL DISTRICT

A service provided by Mississippi Community Education Center

FamiliesFirstForMS.org

Program Contact

Frank Wynn
Fatherhood Coordinator
(601) 366-6405
fwynn@mscec.org

FAMILIES FIRST FATHERHOOD PROGRAM

Families First Fatherhood Program is a unique program designed to equip fathers with self-awareness, compassion, responsibility and loyalty to create healthy relationships within their families. Families First Fatherhood Program focuses on cultivating healthy habits for positive character development and growth for a well-rounded man and father.

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WWW.MSCEC.ORG

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WWW.FAMILIESFIRSTFORMS.ORG

Philosophy Behind the Program

The philosophy behind the program supports the growth and development of fathers and children as caring and compassionate people who treat themselves, others, and the environment with respect and dignity. This philosophical basis of caring and compassion forms the underlying structure that constitutes the values that are taught in the program.

- Fathering and the 24/7 Dad
- Boyhood to Manhood
- Dealing with Anger
- Knowing Myself
- Family Ties
- Sex, Love, and Relationships
- Power and Control
- Competition
- Improving My Communication Skills
- Fun with the Kids
- Stress, Alcohol, and Work

The purpose of parenting is to protect and prepare children to survive and thrive in the kind of society in which they live.

Fatherless Facts

Did you know that children from a fatherless home are:

- Four times more likely to live in poverty
- More likely to suffer emotional and behavioral problems
- At two times greater risk of infant mortality
- More likely to go to prison
- More likely to commit crime
- Seven times more likely to become pregnant as a teen
- More likely to face abuse and neglect
- More likely to abuse drugs and alcohol
- Two times more likely to suffer obesity
- Two times more likely to drop out of high school

Family Life Skills Classes

Family Life Skills classes are offered to the entire family to assist with everyday needs. Each participant will have an interview with a field educator to discuss concerns and an individual plan will be tailored to fit their needs. Participants will receive a certificate of attendance after completing 10 hours of Family Life Skills classes. The five components of Family Life Skills classes are: Effective Parenting, Healthy Relationships, Conflict Resolution, Soft Skills, and Life Skills.

MISSISSIPPI
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Impacting the WHOLE Family

Over the past 20 years, Families First for Mississippi has successfully served the state of Mississippi by providing services to meet the vast needs of Mississippians that span over generations and cross demographic, cultural and economic backgrounds. We strive to support the family system to create successful employees, provide academic and social opportunities for all Mississippi students, and provide stability for families to flourish successfully across the state of Mississippi.

Services are delivered jointly by two community organizations: The Mississippi Community Education Center (MCEC) and Families First for Mississippi. The unified efforts of both organizations strengthen families of all backgrounds and life circumstances by providing support and services - from parenting classes, educational opportunities, positive youth development, literacy assistance, and workforce and job readiness. Families First for Mississippi offers these services through seminars, workshops, classes and presentations held in schools, community centers, churches, and state agency offices. Families First for Mississippi works diligently to positively impact lives and create hopeful futures for all Mississippians.

The whole family concept involves all ages as well as utilizes partnerships with state of Mississippi agencies and community organizations to fill any gaps and eliminate any duplications between services. Families First for Mississippi's core services stimulate employment through job readiness, support family financial stability, promote literary, increase graduation rates, support positive youth development, and promote parenting skills development. In an effort to provide students assistance who are at risk of not graduating, Families First for Mississippi offers courses in a flexible and hassle-free environment as an option to earn a high school diploma. Our courses prepare students for postsecondary institutions, military, and employment opportunities.

As Families First for Mississippi expands on Governor Phil Bryant's Healthy Teens for a Better Mississippi initiative, we look with optimism to a future of hope for the next generation of Mississippi's leaders by nurturing today's teens and students. Teen suicides, pregnancy, cyberbullying, and addictions are all part of the reality of this generation of Mississippi's youth. As a call to action to equip and empower Mississippi's teens to make healthy choices and overcome adversity, Families First for Mississippi along with Governor Phil Bryant's office, Mississippi State Department of Health, and Mississippi Department of Human Services host annual Healthy Teens Rallies in Mississippi. Together we work with the mission to be a community of loyal supporters that will tirelessly work to create a path for a bright and promising future for all Mississippi's youth.

Co-Executive Director of Families First for Mississippi, Dr. Nancy New, explains:

"Our main goal for Families First for Mississippi is to impact the entire family by offering direct services and connecting the dots between all of the Mississippi family programs."

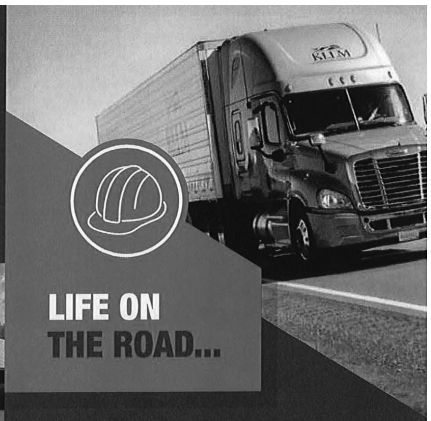
It is crucial to join together the existing services to help accomplish the mission and purpose of Families First for Mississippi. MCEC and Families First for Mississippi are reaching out to other providers such as community colleges, higher education, non-profits, state agencies, churches, schools, businesses, and other leaders in the community in order to bridge the gap.

Common Lifelines:

- Church Members
- Neighbors
- Friends
- Coaches
- Mechanics
- Bankers
- Co-workers
- Repair Persons
- Pastors
- Teachers
- Resource Centers

Make sure you and your family back at home have discussed these types of questions:

- When are bills due each month? How do I pay them?
- Who do I call when my child is sick or cannot attend school/daycare?
- If our primary family vehicle breaks down, who can I call for help? And how can I get to work?
- If the air conditioning/heating at home breaks, who do I call?
- Who is a contact for advice on budgeting?
- Who is the contact at my child's daycare or school if he/she needs help with homework?



LIFE ON THE ROAD...

Common Community Resources:

Mississippi Access to Care	(844) 822-4622
Entergy Utility Assistance	(800) 368-3749
MS Dept. of Mental Health	(877) 210-8513
MS Dept. of Medicaid	(800) 421-2408
MS Dept. of Human Services	(601) 359-4500

About KLLM:

For 50 years, KLLM has been transporting perishable commodities for satisfied customers throughout the country. KLLM offers Over-The-Road, Regional and Dedicated temperature-controlled services throughout the United States and Mexico. KLLM was the first nationwide, temperature-controlled carrier to utilize satellite communications fleet wide. All KLLM trucks, as well as all lease trucks, are linked to our Jackson, Mississippi, headquarters through a satellite communications network. This system allows for monitoring the status and location of every KLLM truck on the road at any given time. It also provides for a two-way communication link between drivers and terminal personnel. This system has allowed us to enhance our service to our customers, our drivers and the entire KLLM system.

Driving is a rewarding career. The most successful drivers and their families have a plan in place for challenges they may encounter at home or while away at work. Families First for Mississippi is committed to assisting KLLM's employees and families in their time of need.

MISSISSIPPI COMMUNITY EDUCATION CENTER | Families First for Mississippi Impacting the WHOLE Family | KLLM TRANSPORT SERVICES

WWW.MSCEC.ORG WWW.FAMILIESFIRSTFORMS.ORG

Stay supportive.

While you are away at work, your family back at home may have challenges to keep a household running smoothly. Stay supportive and remember to express appreciation for the work being done at home while you are working. You and your family must work together as a team to be successful. Try to regularly express your gratitude for those family members back home who may be doing extra, from school work with teenagers, to working while taking care of young children, to doing all the cleaning and housework, alone. Make sure you thank them for their work, as they are appreciative of the great work you are doing, as well.

Stay fueled.

The quality of the food that you eat contributes directly to your ability to stay alert, energized and healthy. Plan ahead by bringing healthy snacks and foods that are convenient to eat while at work, such as fruit, nuts and protein bars. Over-consumption of fast foods can lead to swelling, high-blood pressure and increased risk of heart-related issues.

Stay sharp.

Driving requires alertness, focus, and attention to detail. Your success depends on your awareness. During work breaks, take a few minutes to relax and clear your mind. Try not to look on your phone and just spend a few moments being quiet, which will help improve your focus.

Stay prepared.

Driving is a financially rewarding career. However, there are expenses that you and your family should plan for in advance. The following questions should be considered:

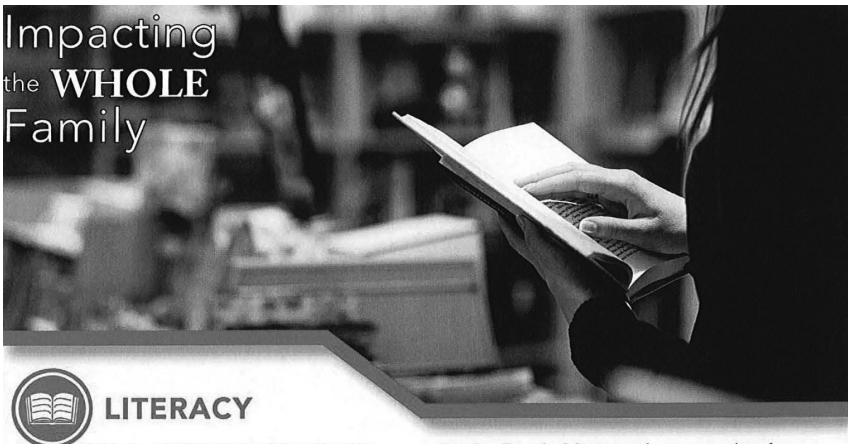
- How much is needed for rent or your mortgage?
- How much will it cost to travel to and from work?
- How much is needed for food each month?
- How much does my family's education/school cost each month?
- How much is needed for utilities at my home?
- How much for medical insurance?
- How much should be in savings for emergencies?
- How much can be saved for holidays, birthdays or special occasions?
- How can I keep track of my family's expenses?

There are many great and free budgeting apps for smartphones and printables online. Try utilizing an app or printable budget, so you and your family can know in advance how much you will need for expenses each month.

Community Support

Families First for Mississippi is committed to assisting KLLM and their employees' families in any way possible. Families First for Mississippi has resources readily available for a variety of circumstances and unplanned challenges that you or your family may experience. Contact our local Families First Resource Center for assistance at 601-366-6405 (Mississippi Community Education Center Main Office). Also, visit our website for more information, www.FamiliesFirstForMS.org

Life can have many challenges and it is important to have a plan in place for medical emergencies and other problems that may arise unexpectedly. Refer to the list on the back page to compile your own set of contacts, for you and your family, that may be needed during unplanned challenges.



LITERACY

"The inability to read has lasting effects on families and individuals from childhood through adulthood."

Families First for Mississippi provides resources to promote high-quality early childhood education and youth literacy. In addition, we provide evidence-based programs for adult literacy and English as a Second Language (ESL) courses.

Families First for Mississippi literacy programs provide evidence-based remedial reading skills and training for children and adults, individualized curriculum pathways, and skill development in the key areas of literacy:

- Phonics and phonemic awareness
- Vocabulary development
- Reading fluency, including oral reading skills
- Reading comprehension strategies
- Writing

MISSISSIPPI COMMUNITY EDUCATION CENTER

Families First FOR MISSISSIPPI Impacting the WHOLE Family

Dr. Nancy New, Co-Executive Director of Families First for Mississippi

Families First for Mississippi hosts center-based programs throughout the state that provide parents and childcare professionals with tools to promote literacy instruction.

These programs include:

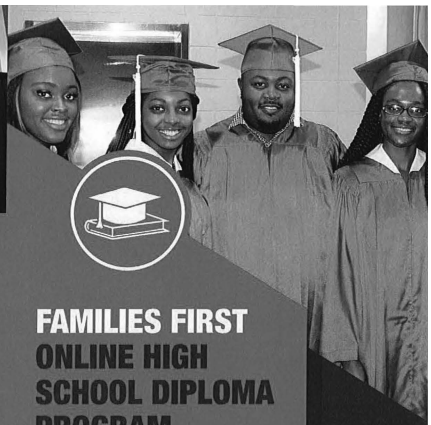
- *Seminars and training for early childhood professionals on the Mississippi Early Learning Standards and Guidelines*
- *Technology-based literacy instruction for adults and literacy assessments*
- *Book drives and supporting literacy campaigns in schools and childcare centers*
- *Early Childhood Academy Coaches and Resource and Referral Associates that support childcare centers*
- *Lending libraries at each center location for parents and childcare providers*
- *Training for parents on literacy strategies to use at home with children*

"Building a strong foundation in literacy is the core of success for students and adults. Families First for Mississippi has placed a strategic emphasis on building literacy programs to reach the whole family. Families First for Mississippi believes it is critical to address literacy issues in Mississippi, so that families can be successful."

-Dr. Nancy New, Co-Executive Director for Families First for Mississippi

A service provided by Mississippi Community Education Center

FamiliesFirstForMS.org



Program Contacts

Barbie Ducksworth
Education and Diploma Statewide Director
(601) 366-6405 ext. 255
bducksworth@mscec.org

Roy Balentine
Education Coordinator
(601) 366-6405 ext. 207
rbalentine@mscec.org

Mike Scott
Education Coordinator
(662) 844-0013
mscott@frcnms.org

FAMILIES FIRST ONLINE HIGH SCHOOL DIPLOMA PROGRAM

Families First FOR MISSISSIPPI
Impacting the WHOLE Family

WWW.FAMILIESFIRSTFORMS.ORG

School District Partnerships

For school-age persons, the program requires a partnership between Families First and a public school in Mississippi, with each entity mutually benefiting from the partnership and committing to help prevent high school dropouts. Primarily, the partnership strives to assist students in graduating from the local public school by first enrolling students of senior classification in Families First for Mississippi's remediation and test prep online courses. Secondary to the goal of drop-out prevention, the program assists students that have exhausted all options in the pursuit of obtaining a high school diploma. This assistance allows students at the end of their senior year to enroll in an alternative high school diploma program to pursue an accredited diploma. Overall, this helps students enter the workforce and earn gainful employment.

Center-Based Participants

For those 19 years of age and older who did not obtain a diploma while in high school, Families First for Mississippi offers an opportunity to earn a high school diploma in an online environment. Contact your local Families First Resource Center for more information. www.familiesfirstforms.org

The accredited high school diploma obtained upon completing the Families First for Mississippi High School Diploma Program is issued by New Summit School through its distance learning division, New Learning Resources Online (NLRO).

New Learning Resources School District is accredited by the Mississippi Department of Education and AdvancED: Southern Association of Colleges and Schools (SACS).

Graduation Requirements

The Families First High School Diploma Program offers a 22-credit pathway for a standard high school diploma. This graduation option allows students to transfer accredited courses and take remaining courses as approved and prescribed by New Learning Resources Online (NLRO).

**All participants who enroll through a school district must have met the local school's requirements for state tests in Algebra 1, English II, Biology I, and U.S. History. If these requirements have not been met, school district participants must take each respective course with NLRO.*

**All participants must take a minimum of 5 credits with NLRO to earn a diploma.*

PARENTING

"Parenting is one of the hardest things you'll ever do, but also the most rewarding."

Families First for Mississippi is dedicated to impacting the whole family, while meeting the specific needs of individual family members. We offer an array of parenting and life skills classes throughout Mississippi.

Parenting classes include:

- Parenting
- Life skills
- Anger management
- Family unit conflict
- Financial literacy

CLASSES ARE FREE OF CHARGE

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Impacting the WHOLE Family

Dr. Nancy New, Co-Executive Director of Families First for Mississippi

Families First for Mississippi has partnered with the Mississippi Department of Human Services (DHS) to develop the Non-Custodial Fatherhood Program. Approximately half of all children will live in a single-parent household at some point during childhood. Unfortunately, a common pattern is for non-custodial parents to become increasingly detached over time. The Non-Custodial Fatherhood Program is designed to facilitate a sense of responsibility to their child. The program achieves this by offering the following classes:

Non-Custodial Fatherhood classes include:

- Effective parenting
- Healthy relationships
- Conflict resolution
- Soft skills
- Life skills

In addition to offering parenting classes, Families First for Mississippi offers positive life skills topics for success in the workplace and home life.

Life skills topics include:

- *Creating a household budget*
- *Balancing a checkbook*
- *Managing credit cards and credit*
- *Savings account and savings*
- *Paying bills*
- *Loans (including the dangers of payday loans or title loans)*
- *Communication skills*
- *Health and nutrition*

A service provided by Mississippi Community Education Center

FamiliesFirstForMS.org

Common Lifelines:

- Neighbors
- Church Members
- Friends
- Coaches
- Bankers
- Co-Workers
- Pastors
- Teachers
- Families First Resource Centers

THE NEXT STEP

New beginnings simply start by taking the next, correct step. Families First for Mississippi is here to walk alongside you as you begin a healthy and refreshed journey. We can connect you with resources for housing, employment, educational opportunities and efforts for reconciliation with your loved ones. On this journey ahead, know that you are not alone. Families First for Mississippi is here every step of the way to provide access to resources for second chances and new beginnings.

Mississippi Community Education Center — WWW.MSCEC.ORG

Families First — WWW.FAMILIESFIRSTFORMS.ORG

Common Community Resources:

Mississippi Community Education Center | Families First for Mississippi (Fatherhood/Parenting/Life Skills Classes, Resume & Job Readiness Assistance, High School Diploma or GED)	(601) 366-6405
Recovery Consultations, Inc. John Owen, CEAP, CAS, Addiction Education Director (Alcohol, Drug Addiction and Mental Health Services)	(601) 982-5943
MS Dept. of Public Safety (Driver's License)	(601) 987-1212
Entergy Utility Assistance (Electricity Bill Assistance)	(800) 368-3749
MS Dept. of Mental Health (Mental Health, Alcohol, Drug Addiction Services)	(877) 210-8513
MS Division of Medicaid (Provides Access to Health Coverage)	(800) 421-2408
MS Dept. of Human Services (Child Support, Workforce Development & Economic Assistance)	(601) 359-4500
MS State Dept. of Health (Birth Records, Birth and Death Certificates, Vaccinations)	(601) 576-7400

The Next Step Begins with Your Education

To receive the best possible job opportunity, receiving a high school diploma can provide new opportunities for career choices. At Families First for Mississippi, we can help you obtain an accredited high school diploma in a flexible environment. In addition to taking classes remotely from a computer, Families First for Mississippi has resource centers located throughout the state of Mississippi, where you can complete required courses in computer labs free of charge. For more information, call 601-366-6405 or visit www.familiesfirstforms.org.

Accredited diploma-issuing institution
Credits as required by The Mississippi Department of Education
Online academic courses
Self-paced learning environment

A diploma can be obtained upon completing a High School Diploma Program issued by New Summit School through its distance learning division. New Learning Resources School District (NLRSD) is accredited by the Mississippi Department of Education and AdvancED: Southern Association of Colleges and Schools (SACS).

The Next Step Begins with Your Resume

The job application process is often overwhelming. Families First for Mississippi wants to help you become successful by connecting you with new and existing employment opportunities. We provide resume and job search assistance, interviewing skills, professional clothes closets, and career planning.

The Next Step Begins with Your Personal Development

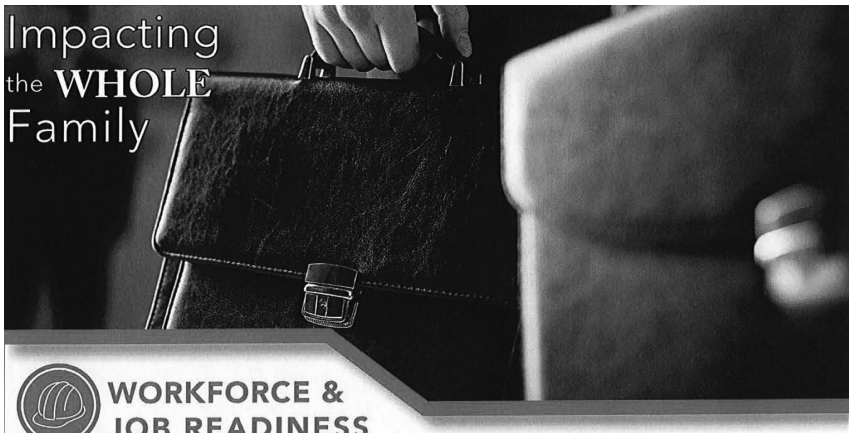
Your past doesn't have to define your future. At Families First for Mississippi, we believe everyone deserves a second chance to reach their full potential. Each day provides an opportunity to begin anew. You will begin to develop healthy habits for your positive character development and growth. Families First for Mississippi offers classes that are free-of-charge to help parents develop healthy habits from effective co-parenting, father's rights and responsibilities, the realities of child support, and creating and sticking to a budget.

The Next Step Begins with Your Recovery

Your personal story may be filled with chapters of sorrow and loss. Sometimes in those times of hopelessness, you may have turned to alcohol or drugs or been overwhelmed with depression. Your life can begin to be rebuilt through emotional and physical recovery and spiritual support. Through offering Adult Addiction Education Program free of charge, Families First for Mississippi offers resources to begin the process of healing and recovery for those suffering with addiction.

Community Support

Families First for Mississippi is here to connect those suffering from addiction to the adequate services they need to help support addiction recovery. For more information on Families First for Mississippi Adult Addiction Education & Recovery Program, visit www.familiesfirstforms.org/adult-addiction-recovery or call 601-982-5943.



WORKFORCE & JOB READINESS

"Workforce training and job readiness provides career pathways that match your strengths and interests."

Families First for Mississippi offers employment classes, job fairs, resources, and workshops on many topics to help employees and their families have a successful work-life balance. This **FREE SERVICE** allows participants the ability to achieve economic security and self-sufficiency.

Families First provides answers to the following questions:

- **What job(s) exist that are geared towards my education, skills, and experience?**
- **What job openings are available?**
- **What is the pay and how do I apply?**

MISSISSIPPI COMMUNITY EDUCATION CENTER

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Impacting the WHOLE Family

Dr. Nancy New, Co-Executive Director of Families First for Mississippi

"Managing Life with Work"

The job application process is often overwhelming. Families First for Mississippi wants to help you become successful by connecting with new and existing employment opportunities in entry level positions.

Families First programs will provide the following for pre-employment:

- Individualized career assessment that evaluates core workplace skills and interests
- Relevant information for potential job openings
- Referrals for those who lack a high school diploma
- Career pathways that match their strengths and interests
- Resume building, job search, application, interviewing, professional clothes closets, and career planning

Families First programs for post-employment geared towards:

- **Parenting**
- **Conflict resolution**
- **Stress management**
- **Time management**
- **Professional behavior**
- **Managing your paycheck**
- **Saving for your future**
- **Handling life's demands**
- **Setting goals & priorities**
- **Literacy education**

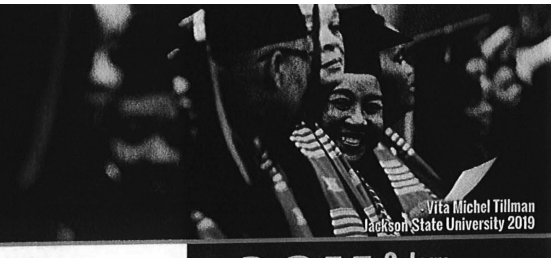
A service provided by Mississippi Community Education Center

FamiliesFirstForMS.org

COMPLETE 2 COMPETE

One Degree Better

Helping Mississippi Adults Complete Their Degrees



Vita Michel Tillman
Jackson State University 2019

ACHIEVING PERSONAL GOALS

"I sat out for about 10 years. The C2C program helped me to get my college degree... and I got a job offer yesterday."

– Krystal Epps-Austin
Jackson State University, 2019

$22K Salary increase average with a bachelor's degree*

$11K Average salary increase with an associate degree*

*Source: Bureau of Labor

CHANGING LIVES

"My C2C Coach made getting my degree easier than I imagined. She showed me exactly what I needed, and helped motivate me to finish."

– Beci Teasley
Co-Lin Community College, 2018

471 Associate degrees issued through C2C*

15K+ Mississippi adults with enough credits for an associate degree

*As of 6/2019

BECOMING ONE DEGREE BETTER

"You are not left on your own through the C2C program. There's always someone that will help you."

– Traver S. Jung,
Mississippi State University, 2019

695 Bachelor's degrees issued through C2C*

1.8K+ Mississippi adults with enough credits for a bachelor's degree

*As of 6/2019

PROVIDING A BRIGHT FUTURE

"If you have an unfinished degree, I would definitely recommend the C2C program. It was very easy, very painless."

– Barry Pittman
University of Southern Mississippi, 2019

694 Enrolled Students currently*

2,038 Total Mississippi adults that have enrolled through the C2C program*

*As of 6/2019

See how close you are at www.MSC2C.org.

ATTACHMENT 2

Law of 16

PARTICIPANT WORKBOOK

LAW OF 16

OBJECTIVES

1. Summarize the current state of your life both personally and professionally
2. Identify changes you will make or desire to make both personally and professionally
3. Discuss and gain understanding of how our mindset plays a role in our personal and professional lives
4. Gain understanding of how ethical living and decision making plays a role in our lives
5. Discuss personal and professional growth
6. Connect with ourselves, so we can better connect with others and those we serve
7. Discuss personal and professional mission, vision, and value system
8. Create an individualized personal development plan and/or professional development plan using acquired research and knowledge

LYFE

LOVE YEARN FIGHT EMPOWER

L16	LOVE	YEARN	FIGHT	EMPOWER
SELF	1	2	3	4
FAMILY	5	6	7	8
BUSINESS	9	10	11	12
COMMUNITY	13	14	15	16

FOUNDATION

_____ → _____ → _____

LOVE is:

....

....

....

....

"DARKNESS CANNOT DRIVE OUT DARKNESS; ONLY LIGHT CAN DO THAT. HATE CANNOT DRIVE OUT HATE; ONLY LOVE CAN DO THAT."

MARTIN LUTHER KING, JR.

LOVE GIVES US THE COURAGE TO FACE OUR GREATEST FEARS.

CONNECTIVITY is:

.....

.....

.....

.....

> "CONNECTING WITH YOURSELF AND KNOWING YOURSELF IS LIFE CHANGING."
> BRYANT MCGILL

BALANCE is:

.....

.....

.....

.....

L16 LOVE

IDENTITY:

MISSION:

VISION:

CORE VALUES:

WHY:

L16 YEARN

INTENTIONALITY

L16 FIGHT

CONTROL THE UNCONTROLLABLES

UNCONTROLLABLES:

THE 5 M'S TO MASTERY

M

M

M

M

M

L16 EMPOWER

SELF

IDENTITY:

SELF AWARENESS:

SELF REALIZATION:

MINDSET:

PERSONAL DEVELOPMENT:

MANAGING STRESS:

L1 SELF + LOVE

IDENTITY: WHO AM I?

MISSION: WHAT I DO?

VISION: WHERE I'M GOING & WHAT I DESIRE TO ACCOMPLISH WITH MY LIFE

CORE VALUES: PRINCIPLES THAT GUIDE OUR INTERNAL CONDUCT AS WELL AS OUR RELATIONSHIP TO THE EXTERNAL WORLD.

CORE VALUES

"ONCE YOU'VE TASTED SIGNIFICANCE, SUCCESS WILL NEVER TASTE THE SAME"

JOHN MAXWELL

CONNECTIVITY EXERCISE

WHAT UNHEALTHY HABITS, MINDSET OR DEVALUING ACTIVITIES ARE YOU CONNECTED TO THAT YOU NEED TO DISCONNECT FROM?

WHO ARE THE UNHEALTHY/NEGATIVE PEOPLE IN YOUR LIFE THAT YOU'RE CONNECTED TO THAT "NEED TO GO"?

WHAT ARE HEALTHY HABITS, MINDSETS OR VALUE ADDING ACTIVITIES COULD/SHOULD YOU CONNECT TO?

WHAT KIND OF PEOPLE DO YOU WANT TO ATTRACT INTO YOUR LIFE AND CONNECT TO?

L2 SELF + YEARN

VISION CASTING:

PERSONAL DEVELOPMENT PLAN:

VISION BOARD

INTENTIONALITY

TO BE _____ MEANS TO MAKE A _____, AND MAKE IT A _____.

_____ = GOOD FRUIT; GOOD HABITS

_____= BAD FRUIT; BAD HABITS; NOT JUST LESS FRUIT

BE _____ TO GROW THE KIND OF FRUIT YOU WANT TO BEAR IN YOUR LIFE... IT'S WHAT YOUR KIDS WILL PICK UP, EAT AND SHARE WITH THE WORLD

"IF YOU CHANGE THE WAY YOU LOOK AT THINGS, THE THINGS YOU LOOK AT CHANGE"

WAYNE DYER

L3 SELF + FIGHT

MINDSET:

POSITIVE THINKING:

RESPONSE:

"THE FIGHT ALWAYS BEGINS IN THE MIND, BUT VICTORY IS ACHIEVED IN THE HEART."

Ted DiBiase Jr

FEAR IS

L4 SELF + EMPOWER

THE _____ OF ONE'S OWN _____,
TAKES _____,
REQUIRES _____,
CULMINATES IN _____.

"YOU CANNOT CHANGE WHAT YOU REFUSE TO CONFRONT."

FAMILY

DEFINING/IDENTIFYING:

KNOWING EACH MEMBER:

QUALITY TIME/INTENTIONALITY:

CULTIVATING UNITY:

COMMUNICATION:

SERVE & PROTECT:

CELEBRATE:

L5 FAMILY + LOVE

DEFINING/IDENTIFYING:

KNOWING EACH MEMBER:

THREE WAYS TO CONNECT AND UNDERSTAND YOUR FAMILY BETTER:

1. C
2. C
3. C

L6 FAMILY + YEARN

QUALITY TIME/INTENTIONALITY:

CULTIVATING UNITY:

L7 FAMILY + FIGHT

_____

IS YOUR KEY TO

_____

L8 FAMILY + EMPOWER

HOW DO YOU EMPOWER YOUR FAMILY?

BUSINESS

CULTURE ANALYSIS:

IDENTITY:

RESPONSE TO OBSTACLES/ADVERSITY:

MANAGING EXPECTATIONS:

COMMUNICATION:

L9 BUSINESS + LOVE

IDENTITY:

MISSION:

VISION:

CORE VALUES:

RELATIONSHIPS:

L10 BUSINESS + YEARN

_____ = _____

L11 BUSINESS + FIGHT

"LET YOUR LOVED ONES AND THE WORLD SEE YOU HARD AT WORK DOING WHAT YOU LOVE TO DO, BECAUSE YOU WERE DESIGNED AND CREATED TO BE GREAT AT DOING WHAT YOU WERE BORN TO DO... NOTHING LESS"

5 WAYS TO FIGHT FOR YOUR BUSINESS:

L12 BUSINESS + EMPOWER

COMMUNITY

COMMUNITY UNITY:

COMMUNITY IDENTITY:

COMMUNITY RESPONSE:

COMMUNICATION:

L13 COMMUNITY + LOVE

L16	[LOVE] YOUR COMMUNITY	[YEARN] AREAS TO IMPROVE	[FIGHT] LEAD/SERVE	[EMPOWER] SUPPORT
RESOURCES				
OPPORTUNITIES				
LEADERSHIP/ INFLUENCERS				
STRENGTHS				
WEAKNESSES				
THREATS				
NEEDS				

L14 COMMUNITY + YEARN

WHAT IS YOUR DESIRE FOR YOUR COMMUNITY?

L15 COMMUNITY + FIGHT

L16 COMMUNITY + EMPOWER

3 WAYS TO ENGAGE YOUR COMMUNITY?

1.

2.

3.

Law of 16

The CHAIR. Thank you very much.

Ms. Davis, you are recognized for 5 minutes.

STATEMENT OF LISA DAVIS, J.D., SENIOR VICE PRESIDENT, NO KID HUNGRY CAMPAIGN, SHARE OUR STRENGTH, WASHINGTON, D.C.

Ms. LISA DAVIS. Thank you for the opportunity to join you here today to discuss broad-based categorical eligibility and how it strengthens SNAP's ability to help working poor families with children.

My name is Lisa Davis, and I am the Senior Vice President of Share Our Strength's No Kid Hungry Campaign. Share Our Strength's mission is to end hunger in the United States and abroad. And through our No Kid Hungry Campaign, we help connect children and families who are living in poverty with the Federal nutrition programs for which they are eligible, and we advocate to strengthen policies to end hunger.

First, I want to note that broad-based categorical eligibility is an effective and a practical policy that helps low-income working families move out of poverty and build financial security, which is a goal I think we all would support. I urge you to continue to oppose efforts to restrict or eliminate it.

SNAP is, by anyone's definition, our nation's most successful child nutrition program. A robust body of research reinforces its positive impacts. It reduces food insecurity and deep poverty. It improves children's health, their education outcomes, and even their lifetime earnings. Indeed, SNAP is an investment with an ROI that any corporate executive would envy.

The three points that I want to get across today about broad-based categorical eligibility are: one, it primarily benefits working poor families with high living expenses; it is not an automatic pathway to SNAP benefits, contrary to what you may hear; and, finally, it has a marginal impact on SNAP caseloads and benefit costs.

By allowing states to align their eligibility and asset tests for SNAP with TANF, it strengthens the ability of low-income working families to get benefits from SNAP, which helps eliminate and ease a benefit cliff so that if they suddenly are making just a few dollars over 130 percent of poverty they don't abruptly lose benefits. It helps them build assets to weather an unexpected financial storm.

And $9 out of every $10 that go out in SNAP benefits through BBCE go to households with earned income. This benefits people who are working.

Let me give you an example. A single mother with two children who works full-time and earns $12.50 an hour has an income at about 125 percent of poverty and could receive about $161 a month in SNAP. Without broad-based categorical eligibility, if her wages increase by only 50¢ an hour, her income would put her above 130 percent of poverty, her family would lose SNAP benefits, and be about $75 a month worse off in net assets.

My second point: while broad-based categorical eligibility conveys eligibility to families and households whose gross incomes are over 130 percent of poverty, it is not an automatic pathway. These families still have to go through the regular SNAP application process,

with its rigorous procedures for documenting income and circumstances. Families can be categorically eligible for SNAP, but not receive a benefit because their net income after deductions is simply too high.

Finally, it has a marginal impact on SNAP costs. In a study earlier this year, the Congressional Research Service determined that only 4.2 percent of SNAP households have gross income, before deductions, within that broad-based-categorical-eligibility range of 131 percent of poverty to 200 percent of poverty. And studies show that only 0.2 percent of benefits go to households with net incomes above the poverty line.

In a nation where 12 million of our children are living in food-insecure households, broad-based categorical eligibility is a critical support to helping their families connect with SNAP benefits for food at home and for getting them enrolled in free school meals.

That access to free school meals is particularly important. As Congressman Johnson noted, many kids who might lose free meals through categorical eligibility being eliminated could still get reduced-price meals. But those limited costs are really burdensome for families that are trying to balance housing costs that take up 50 percent of their income, childcare costs that can run up to $1,000 a month, and work their way out of poverty.

Finally, I would like to leave you with one final thought: broad-based categorical eligibility is working exactly as intended. It encourages and supports work, and it helps low-income families build financial stability and move towards self-sufficiency. These are goals that we should all support.

Thank you.

[The prepared statement of Ms. Lisa Davis follows:]

PREPARED STATEMENT OF LISA DAVIS, J.D., SENIOR VICE PRESIDENT, NO KID HUNGRY CAMPAIGN, SHARE OUR STRENGTH, WASHINGTON, D.C.

Protecting Children's Access to School Meals by Maintaining Broad-Based Categorical Eligibility in SNAP

Chair Fudge, Ranking Member Johnson, and Members of the Subcommittee, thank you for the opportunity to appear before you today to testify about the important role broad-based categorical eligibility (BBCE) in the Supplemental Nutrition Assistance Program (SNAP) plays in helping working poor families with children. My name is Lisa Davis, Senior Vice President of Share Our Strength's No Kid Hungry Campaign.

Share Our Strength is an organization committed to ending hunger and poverty in the United States and abroad. Through our No Kid Hungry campaign, we help end hunger and food insecurity in America by connecting children and families to the Federal nutrition programs for which they are eligible.

My testimony today is divided into two sections: (1) a discussion of Broad-Based Categorical Eligibility, how it works and who it helps; and (2) a brief overview of the SNAP program more generally.

Forty million people live in food-insecure households in the United States, including 12.5 million children. Millions more live paycheck to paycheck, one emergency away from becoming food-insecure themselves. A study by the Federal Reserve shows that four in ten Americans couldn't come up with $400 for an emergency expense without selling something or borrowing money.[1] SNAP is a nutritional lifeline for many of these families, helping to ensure that they can feed their families as they work toward greater financial stability. It is also important to recognize that not everyone who is food-insecure qualifies for SNAP; nationally three in ten indi-

[1] Board of Governors of the Federal Reserve System. 2018. *Report on the Economic Well-Being of U.S Households in 2017* (*https://www.federalreserve.gov/publications/files/2017-report-economic-well-being-us-households-201805.pdf*).

viduals (29 percent) estimated to be food-insecure live in households that have incomes above the eligibility threshold for SNAP.[2]

Eligibility for SNAP is based upon household income and resources. To qualify under Federal law, gross income for households, except for those with an elderly or disabled member, cannot exceed 130 percent of the Federal poverty level. Additionally, all households must show that their monthly net income, after deductions, does not exceed 100 percent of the poverty level. SNAP benefit amounts are based on a household's size, income and expenses. Benefits phase out gradually as earnings increase, thus incentivizing participants to work.

Broad-Based Categorical Eligibility (BBCE) is a policy that provides states the option to align income eligibility and asset limits for SNAP with the eligibility rules they use in programs financed under their Temporary Assistance for Needy Families (TANF) block grant or state maintenance of effort (MOE) funded benefits. There are varying income eligibility thresholds within states that utilize the BBCE option, though no state has a gross income limit above 200 percent of the Federal poverty guidelines, or $51,500 for a family of four in 2019. Households that qualify for SNAP through BBCE have **gross** incomes over the Federal poverty line but must have **net** incomes at or below 100 percent of poverty after high-cost necessities such as housing, childcare and health care expenses are deducted from their gross incomes.

As of October 2018, state leaders in 40 states, the District of Columbia, Guam and the Virgin Islands have adopted BBCE policies.[3] Of these, 33 states, D.C, Guam and the Virgin Islands have adjusted the gross income eligibility requirements to better reflect the cost of living in their communities and 37 have adjusted or eliminated the asset test to prevent low-income families who otherwise qualify from losing access because they have modest savings or even a reliable vehicle.

BBCE isn't an automatic pathway to SNAP. Categorical eligibility does not mean that a household will automatically receive SNAP benefits.[4] Families must still apply and qualify for benefits through the regular application process, undergoing rigorous procedures for documenting applicants' income and complying with other mandatory policies, such as work requirements and time limits for Able-Bodied Adults Without Dependents. Thus, households can be categorically eligible for SNAP but have net income too high to receive a benefit. In 2017, only about 0.2% of SNAP benefits went to households with monthly disposable incomes above 100% of the Federal poverty line.

BBCE incentivizes work and saving. BBCE provides states with the flexibility to modestly adjust the gross income and asset limit thresholds to ease the SNAP income cutoff and provide benefits to working poor families, thus providing stronger work incentives and a pathway out of poverty. For example, the higher gross income limits under BBCE help ease the "benefit cliff" for working families with high expenses and low disposable income, allowing families to gradually phase off SNAP when earnings increase. It also reduces administrative costs and complexity for state agencies administering SNAP and streamlines eligibility across low-income assistance programs. Similarly, adjusting or eliminating the asset test allows families to accumulate modest savings to help weather emergencies such as a car repair, illness or reduced hours.

BBCE Helps Working Poor Families, Seniors and the Disabled

According to a 2012 GAO study that examined SNAP participation data from 2010, the majority (56 percent) of households eligible for SNAP under BBCE include at least one child and 65.9 percent of households include at least one member with earned income. Nearly 28 percent of such households included a member receiving Social Security benefits, indicating they are likely to be either age 62 or older or disabled. A more recent analysis by the Center on Budget and Policy Priorities (CBPP) demonstrated that about ⅔ of BBCE-benefits go to households with **gross**

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[2] Feeding America. 2018. Map the Meal Gap 2018, *A Report on County and Congressional District Food Insecurity and County Food Cost in the United States in 2016* (*https://www.feedingamerica.org/sites/default/files/research/map-the-meal-gap/2016/2016-map-the-meal-gap-full.pdf*).

[3] United States Department of Agriculture (USDA). 2018. *Broad-Based Categorical Eligibility (BBCE)* (*https://fns-prod.azureedge.net/sites/default/files/snap/BBCE.pdf*).

[4] Congressional Research Services. 2018. *Supplemental Nutrition Assistance Program (SNAP): A Primer on Eligibility and Benefits* (*https://www.everycrsreport.com/files/20180411_R42505_202751806b27332231c005186f8adbc99e94df77.pdf*).

income less than 150 percent FPL or $38,625 for a family of four in 2019 while 80 percent of benefits go to families with children.[5]

The Urban Institute found that nearly 70 percent of families with a gross income of less than 200 percent of poverty experienced a range of material hardship, including an inability to provide food for their families, missed rent or mortgage payments, loss of housing, inability to pay medical bills or unmet medical needs due to costs.[6] BBCE helps those families afford the food they need to survive and get back on their feet, while managing other basic household necessities like rent, child care, transportation, and health care costs.

Here are some examples of the cost burdens facing low-income working families in states that have adopted BBCE and how BBCE helps support those families:

In Iowa, BBCE adjusts the SNAP gross income threshold to 160 percent of the Federal Poverty Limit (FPL), enabling a family of four to qualify for SNAP with gross annual income between $33,475 and $41,200. Based on a study by the United Ways of Iowa, the average household survival budget in 2016 (the latest data available) for such a family was $56,772, or more than 200 percent of the Federal Poverty Level for a family of four.[7] Even with the modest resources provided by SNAP, Iowa families who are eligible for SNAP through BBCE and have net incomes low enough to receive benefits still struggle to balance the costs of meeting basic needs.

Average Iowa Household Survival Budget for Family of Four

	Monthly Cost	Annual Cost
Housing	$659	$7,908
Child Care	$1,031	$12,372
Food	$525	$6,300
Transportation	$697	$8,364
Health Care	$800	$9,600
Technology	$75	$900
Miscellaneous	$430	$5,160
Taxes	$514	$6,168
Total	**$4,731**	**$56,772**

Imagine Dan and Karen a married couple with two kids renting a house just outside of Des Moines, Iowa. Dan works full time in the deli at the local supermarket and earns $12.30 per hour. His wife, Karen, is a clerk at a clothing store. She makes $12.82 per hour but is only scheduled 30 hours per week. Their kids, Shaun (age 5) and Michael (age 8) eat school breakfast and lunch most days. While the family's gross income of $45,584 exceeds the Federal SNAP income limit, their net income after deductions for earned income, housing, child care and medical expenses is below 100 percent of poverty, so the family qualifies to receive $22 in SNAP benefits each month because of BBCE. Shaun and Michael also qualify for free school meals. Without BBCE the family would be ineligible for SNAP benefits and the kids would lose access to the free school meal program. While their children would qualify for reduced price school meals without BBCE, at 30¢ per breakfast and 40¢ per lunch, those costs would be burdensome.

In Florida, BBCE increases the SNAP gross income threshold to 200 percent of the FPL, enabling a family of four to qualify for SNAP if their gross annual income is between $33,475 and $51,500. Based on a study by the United Way of Florida, the average household survival budget in 2016 (the latest data avail-

[5] Dean, Stacy. 2016. *Balancing State Flexibility without Weakening SNAP's Success* (*https://www.cbpp.org/food-assistance/balancing-state-flexibility-without-weakening-snaps-success*). Testimony before the U.S House of Representatives.

[6] Karpman, Michael, *et al.,* 2018. *The Well-Being and Basic Needs Survey* (*https://www.urban.org/sites/default/files/publication/98919/the_well-being_and_basic_needs_survey_0.pdf*). Urban Institute.

[7] Hoopes, Stephanie (PhD). 2018. *ALICE: A Study of Financial Hardship in Iowa* (*https://www.dropbox.com/s/sqjm47vcyid18po/18UW_ALICE_Report_IA_Update_Lowres_8.3.18_FINAL.pdf*). United Ways of Iowa.

able) for such a family was $55,164.[8] Just as we saw in Oregon, the SNAP benefits they qualify to receive under BBCE provides critical help toward meeting their most basic needs.

Average Florida Household Survival Budget for Family of Four

	Monthly Cost	Annual Cost
Housing	$848	$10,176
Child Care	$1,024	$12,288
Food	$542	$6,504
Transportation	$653	$7,836
Health Care	$720	$8,640
Technology	$75	$900
Miscellaneous	$418	$5,016
Taxes	$317	$3,804
Total	**$4,597**	**$55,164**

Picture Ann and Larry, a married couple renting a house in Broward County, Florida with their two daughters, Jessica (age 2) and Rachel (age 4). Ann works as a home health care aide and her husband Larry is a cashier at a local gas station. Both work full-time and earn $8.46—the minimum wage in Florida. Their total gross income is approximately $35,276 or 137 percent of the Federal Poverty Level. Without BBCE, they would be ineligible for SNAP. Because Florida has adopted BBCE, and Ann and Larry have significant housing and child care expenses, they can qualify for a maximum monthly SNAP benefit of $108.

Eliminating BBCE Would Cause Hardship

An independent study by the Center on Budget and Policy Priorities from 2018 shows that approximately two million people, mostly low-income working-families and seniors, would lose SNAP if BBCE were eliminated.[9] While these families have gross incomes or assets moderately above the Federal SNAP limits, their net incomes are below the poverty line due to high costs of housing, child care expenses, and other basic needs. Another recent study by Mathematica Policy Research reached the same conclusion. Its projection predicted that eliminating BBCE would lead to 2.1 million households losing food access under SNAP, including 469,000 (23 percent) households with children.[10] The elimination of BBCE would have serious repercussions for those low-income children and their families.

Low-income school-aged children would be hit the hardest. Two hundred sixty-five thousand low-income children would lose access to free school meals if their families were no longer eligible for SNAP benefits.[11] While some families may remain eligible for reduced-price meals, even the low cost of reduced-price meals can be a significant burden on low-income families, especially those with multiple school-aged children. This has long-term consequences for children; consistent access to nutrition is linked to cognitive and physical development, test scores, and long-term health and education outcomes. SNAP and school meals help children grow up healthy, educated, and more likely to break the cycle of poverty.

Families and seniors would be penalized for saving modest amounts. The flexibility afforded to states through BBCE is needed to effectively respond to the unique financial stresses faced by low-income families. Without BBCE, low-income families who have saved as little as $2,251—for a more reliable car, a down payment on an apartment, health care, or to cover an emergency expense—would have their SNAP benefits terminated. Building assets helps low-income families invest in

[8] Hoopes, Stephanie (PhD). 2018. *ALICE: A Study of Financial Hardship in Florida* (*http://www.uwof.org/sites/uwof.org/files/2018 FL ALICE REPORT AND CO PAGES.pdf*). United Way of Florida.

[9] Rosenbaum, Dottie. 2018. *House Farm Bill's SNAP Changes Are a Bad Deal for States and Low-Income Households* (*https://www.cbpp.org/research/food-assistance/house-farm-bills-snap-changes-are-a-bad-deal-for-states-and-low-income*). Center on Budget and Policy Priorities.

[10] Cunnyngham, Karen. 2018. *Simulating Proposed Changes to the Supplemental Nutrition Assistance Program: Countable Resources and Categorical Eligibility* (*https://www.mathematica-mpr.com/our-publications-and-findings/publications/simulating-proposed-changes-to-the-supplemental-nutrition-assistance-program-countable-resources*). Mathematica Policy Research Brief.

[11] Congressional Budget Office. 2018. *H.R. 2 Agriculture and Nutrition Act of 2018* (*https://www.cbo.gov/system/files?file=2018-07/hr2_1.pdf*).

their future and avert devastating financial crises that could push them deeper into poverty, housing insecurity, and greater reliance on safety net programs. Reinstating asset limits by eliminating BBCE would discourage families from saving and undermine a family's ability to withstand future income shocks.[12] In fact, eliminating BBCE would result in some working households losing access to SNAP and school meals which help to feed their families merely because they own a modest car to commute to and from work and meet other vital needs.

Local nonprofits would face increased pressure. Cutting access to critical food assistance for hardworking and struggling Americans will strain the resources of local nonprofits and private charities. These groups are already stretched thin in meeting existing need. They will be unable to manage the spike in demand for their services if public food assistance is curtailed.

BBCE Has a Marginal Impact on SNAP Participation and Costs

SNAP's caseloads grew significantly between FY2007 and FY 2013 primarily as a result of more households qualifying for SNAP due to the recession.[13] The Economic Recovery Act also included an increase in benefits of approximately 13.6 percent that was in place through November 2013. Since FY 2014, SNAP participation and costs have continued to decline, dropping from a high of 47.6 million participants in FY 2013 to 38.9 million participants in March 2019. While the number of states choosing to utilize BBCE over the past decade increased, expansion of BBCE has contributed minimally to SNAP caseload growth over that period. A 2019 analysis by the Congressional Research Service estimates that 85.3 percent of SNAP households without an elderly or disabled member had gross income below the FPL. Another 10.5 percent had gross income between 100 percent and 130 percent of poverty and only 4.2 percent of BBCE eligible households or 529,921, had incomes at 131 percent of poverty and higher.[14]

Data examining family assets by income also suggests that few households that qualify for SNAP under BBCE are likely have assets that exceed Federal asset limits. In 2007, before the Great Recession, only 60 percent of working-age poor families had a checking or savings account and the median value was $310.[15]

A similar study by the Government Accountability Office (GAO) that reviewed 24 states utilizing BBCE to raise household gross income limits concluded that while implementation of BBCE by these states enabled more households to receive SNAP, the 2008 economic downturn likely played a more significant role in the SNAP participation increase in the last decade than BBCE.[16]

GAO's report also found that BBCE increased total SNAP benefit costs by less than one percent (0.7 percent).[17] Because SNAP benefits are calculated based on household size and income and provide greater benefits to those with fewer means, most BBCE households tend to be eligible for lower average monthly SNAP benefits, $81 for BBCE households *vs.* the average $293 received by all other SNAP households.[18]

BBCE Streamlines the Benefit Process for States

BBCE has enabled states to simplify and streamline their SNAP operations, reduce administrative costs, and ensure access for families in need—particularly low-income working families that are struggling to make ends meet with limited resources and high costs. GAO found that BBCE simplifies program rules and the eligibility determination process for SNAP by creating consistency in income and resource limits across low-income assistance programs. This streamlining can ease the administrative burden for states and participants, save resources, improve productivity, and return administrative focus to essential program activities.[19]

Restricting or eliminating BBCE would not only have a detrimental impact on the health and economic well-being of millions of struggling Americans, including children, it would add undue administrative burden on program administering agencies and staff at the state level.

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[12] *Supra* note at 5.

[13] Congressional Research Service (CRS). 2019. *The Supplemental Nutrition Assistance Program (SNAP): Categorical Eligibility* (*https://fas.org/sgp/crs/misc/R42054.pdf*).

[14] *Ibid.*

[15] Signe-Mary McKernan, Caroline Ratcliffe, and Trina Williams Shanks. 2012. *Can the Poor Accumulate Assets?* (*https://www.urban.org/sites/default/files/publication/25676/412624-Can-the-Poor-Accumulate-Assets-.PDF*). Urban Institute.

[16] United States Government Accountability Office (GAO). 2017. ***Federal Low-Income Programs:*** *Eligibility and Benefits Differ for Selected Programs Due to Complex and Varied Rules* (*https://www.gao.gov/assets/690/685551.pdf*).

[17] *Ibid.*

[18] *Ibid.*

[19] *Ibid.*

The bottom line is that SNAP is an effective lifeline to low-income working families across the country, especially those with children. BBCE provides states with the flexibility they need to adapt SNAP eligibility to align with other assistance programs and to address the unique circumstances and needs of their eligible low-income residents to encourage and support work and the building of assets to help those families transition out of poverty. Eliminating or restricting BBCE will inflict lasting harm on children, families, communities, states, and the nation as a whole.

SNAP Provides a High Return on Investment

SNAP helps to ensure that families with children who have fallen on hard times have access to the nutrition they need to get back on their feet and to grow up healthy and strong. 65% of SNAP households are families with children, seniors, or people with disabilities. Nearly ½ (44 percent) of SNAP recipients are children while another 21 percent of recipients are adults who live with those children.[20] Benefits are not overly generous, averaging to about $1.40 per person per meal.

SNAP is the nation's most effective anti-hunger program, serving as the front line of defense against hunger, food insecurity, and the long-term detriments they cause.

- The program lifted 8.4 million people of poverty in 2015, reducing the poverty rate from 15.4 to 12.8 percent.[21]
- Its effect was more significant among children, with 3.8 million kids (28 percent) lifted out of poverty by SNAP in 2014.[22]
- In addition, SNAP lifted more than two million children out of deep poverty in 2014.[23]
- SNAP reduces food insecurity among high-risk children by 20 percent and improves their health and well-being by 35 percent.[24]

SNAP is an important work support and work incentive program for the millions of low-income Americans struggling to make ends meet due to the rising cost of living, lack of affordable housing and childcare services, and limited access to transportation. Its benefits focus on those most in need and least able to afford a nutritionally adequate diet, achieving its core purpose of raising the nutritional standards of low-income Americans.

Supports Working Families and Encourages Work: The SNAP benefit formula is structured to encourage and reward work. For every additional dollar a SNAP recipient earns, his or her benefits decline by only 24¢ to 36¢, providing families with a strong incentive to work longer hours or to seek and accept higher paying employment. In fact, most SNAP participants who can work, do work. Among working-age, non-disabled adults participating in SNAP in a typical month in mid-2012, 52 percent worked in that month and about 74 percent worked at some point in the year before or the year after that month.[25] However, participants are disproportionately employed in low-wage sales and service jobs with unpredictable schedules and limited security—such as cashier, cook, or home nursing aid.[26] SNAP serves as an important income support, making it easier for families to afford food as they earn more and work toward increased financial stability. SNAP also serves as an important support for low-income veterans who are unemployed, underemployed or struggling with low-wages or unpredictable work schedules. Data shows

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[20] *Supra* note at 3. See also Gray, Kelsey Farson, *et al.,* 2016. *Characteristics of Supplemental Nutrition Assistance Program Households: Fiscal Year 2015* (*https://www.fns.usda.gov/snap/characteristics-supplemental-nutrition-assistance-households-fiscal-year-2015.*) prepared for the Food and Nutrition Service, USDA.

[21] Wheaton, Laura, and Victoria Tran. 2016. *Anti-Poverty Effects of SNAP* (*https://www.urban.org/research/publication/antipoverty-effects-supplemental-nutrition-assistance-program*). Urban Institute.

[22] Center on Budget and Policy Priorities. 2017. *SNAP Helps Millions of Children* (*https://www.cbpp.org/research/food-assistance/snap-helps-millions-of-children*).

[23] *Ibid.*

[24] Center on Budget and Policy Priorities. 2018. *Chart Book: SNAP Helps Struggling Families Put Food on The Table* (*https://www.cbpp.org/research/food-assistance/chart-book-snap-helps-struggling-families-put-food-on-the-table*).

[25] Wolkomir, Elizabeth and Lexin Cai. 2019. *The Supplemental Nutrition Assistance Program Includes Earning Incentives* (*https://www.cbpp.org/research/food-assistance/the-supplemental-nutrition-assistance-program-includes-earnings-incentives*). Center on Budget and Policy Priorities.

[26] Keith-Jennings, Brynne and Vincent Palacios. 2017. *SNAP Helps Millions of Low-Wage Workers: Crucial Financial Support Assists Workers in Jobs with Low Wages, Volatile Income, and Few Benefits* (*https://www.cbpp.org/research/food-assistance/snap-helps-millions-of-low-wage-workers*). Center on Budget and Policy Priorities.

that nearly 1.4 million low-income veterans received SNAP at some point during the previous year.[27]

Low Overhead: SNAP is administrated with relatively low overhead cost and a high degree of accuracy.[28] About 90 percent of Federal SNAP spending goes to providing benefits to households for purchasing food. Of the remaining ten percent, about seven percent is used for state and Federal administrative costs, including eligibility determinations, employment and training, nutrition education and anti-fraud activities. The final three percent is used for other food assistance programs such as the block grant for food assistance in Puerto Rico and American Samoa, commodity purchases for the Emergency Food Assistance Program and for the Food Distribution Program on Indian Reservations.

Most of the program's success is due to the uniform national benefit structure and rigorous requirements on states and eligible participants. These features ensure a high degree of program integrity and maintain the core program focus on providing food assistance for those who need it most.

Improves Health and Financial Well-Being: Multiple research studies have demonstrated the crucial role of SNAP in improving the health, academic performances, and overall well-being of children.[29] In addition to improving the health and well-being of children, research shows that SNAP improves households' financial well-being while promoting long-term economic mobility and security. It does so by freeing up available resources for other essential expenses such as housing, utilities and medical bills.[30] Accordingly, SNAP participation reduces the risk of falling behind on rent or mortgage payments by seven percentage points, utility payments by 15 percentage points and medical hardship or the risk of forgoing a doctor's visit due to financial reasons by nine percentage points.[31]

By improving a family's financial well-being, SNAP can help families build their assets. By building assets, families can make crucial investments in their future and avert a financial crisis that could push them deeper into poverty or even lead them to become homeless. It also helps families avoid accumulating debt, have a better chance of avoiding poverty, and prevent greater reliance on the government in old age. In short, SNAP helps families, especially those with children, meet their immediate nutritional needs and avoid succumbing to the vicious cycle of poverty.

In the past, Congress and USDA have wisely provided states with the flexibility they need to ensure that SNAP can adapt to local circumstances and respond to the needs of underserved and very vulnerable groups such as children, hardworking-families, veterans, and seniors.

Conclusion

BBCE is a policy that balances state flexibility with effective national standards to allow states to better support working poor families with high living costs such as housing, child care expenses, medical expenses and other basic needs. If it were eliminated, roughly two million people, mostly low-income working-families and seniors, would lose access to SNAP and about 265,000 children would lose access to free school meals.

Maintaining BBCE under SNAP ensures that low-income working families can continue to put food on the table while they work to improve their economic security and transition out of poverty. It also provides states with the flexibility necessary to meet the food and nutrition needs of their low-income populations. It is important to underscore that while BBCE does confer SNAP eligibility to families with gross incomes modestly above 130 percent of poverty, it does not automatically grant an individual or family a SNAP benefit. The actual receipt of SNAP benefits requires their net income to be at or below 100 percent of poverty.

I also can't emphasize enough the consequences for low-income children if states were to lose their needed flexibility under BBCE. Loss of access to SNAP for these

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[27] Keith-Jennings, Brynne and Lexin Cai. 2018. *SNAP Helps Almost 1.4 Million Low-Income Veterans, Including Thousands in Every State* (*https://www.cbpp.org/research/food-assistance/snap-helps-almost-14-million-low-income-veterans-including-thousands-in*). Center on Budget and Policy Priorities.

[28] Center on Budget and Policy Priories. 2018. *Policy Basics: Supplemental Nutrition Assistance Program (SNAP)* (*https://www.cbpp.org/research/policy-basics-the-supplemental-nutrition-assistance-program-snap*).

[29] Carlson, Steven and Brynne Keith-Jennings. 2018. *SNAP Is Linked with Improved Nutritional Outcomes and Lower Health Care Costs* (*https://www.cbpp.org/research/food-assistance/snap-is-linked-with-improved-nutritional-outcomes-and-lower-health-care*). Center on Budget and Policy Priorities.

[30] Schanzenbach, Diane Whitmore and Lauren Bauer and Greg Nantz. 2016. *Twelve Facts About Food Insecurity and SNAP* (*https://www.brookings.edu/research/twelve-facts-about-food-insecurity-and-snap/*). Brookings Institution.

[31] *Ibid.*

kids and families would ripple throughout their lives—eliminating needed nutrition at home and eligibility for free school meals as well. When children aren't consistently getting the nutrition, they need to grow up healthy and strong, it exacerbates all the other problems they face—diminishing their academic performance, mental and physical health, over-all wellbeing, and dimming opportunities to escape the cycle of poverty.

We all want our children to grow up healthy and able to achieve their full-potential, becoming the next generation of teachers, engineers and innovators, strengthening the economic and security opportunities of the Unites States. SNAP is a vital investment in the future of our kids, our communities, and our country.

We urge Congress and the Administration to work alongside nonprofits, businesses, the faith community, and individuals across the country to eradicate childhood hunger and poverty in United States by maintaining and encouraging BBCE options for states in the administration of SNAP. We look forward to continuing as your partner in the implementation and strengthening of evidence-based policies and practices to strengthen child nutrition programs including SNAP, WIC, National School Breakfast and Lunch, the Summer Food Service Program and the Child and Adult Care Food Program.

Thank you.

The CHAIR. Thank you.

Dr. Waxman, you are recognized for 5 minutes.

STATEMENT OF ELAINE WAXMAN, M.P.P., PH.D., SENIOR FELLOW, INCOME AND BENEFITS POLICY CENTER, URBAN INSTITUTE, WASHINGTON, D.C.

Dr. WAXMAN. Good afternoon, Chair Fudge, Ranking Member Johnson, and Members of the Subcommittee. Thank you for the opportunity to testify and share insights from my research on food insecurity and access to SNAP.

I am a Senior Fellow at the Urban Institute, but the views expressed in this testimony are my own and should not be attributed to the Urban Institute, its trustees, or funders.

Despite an improving economy, food insecurity persists at high levels across the U.S., affecting approximately 14 million people. In 2018, a National Urban Institute survey found nearly four in ten non-elderly adults reported that their families experienced material hardship, such as trouble paying for housing, utilities, food, or medical care.

SNAP is a critical resource for many families across the U.S. Although the number of families receiving SNAP benefits has continued to decline as the economy improves, 36.3 million people participate in the program.

Research shows that SNAP does exactly what Congress intended it to do: it decreases food insecurity. SNAP reduces the prevalence of food insecurity by five to ten percentage points, including among households with children.

Moreover, SNAP is effective in reducing poverty. Urban research shows that the program lifted 8.4 million people from poverty in 2015, and poverty among children decreased by 28 percent.

These data are important to keep in mind when we think about policy changes that might reduce the number of families participating in SNAP. Fewer families on SNAP might translate into greater levels of food insecurity and poverty.

I have been researching challenges facing low-income families for the last 2 decades, with a particular focus on food insecurity, family coping strategies, and Federal nutrition programs. BBCE enjoys widespread support across urban and rural states and among

states with more or less conservative approaches to safety net programs. Briefly, here is what the research tells us.

First, the vast majority of households reached through BBCE are already income-eligible and reflect important populations we need to assist, such as families who may have slightly higher incomes and assets and very significant expenses, like high housing costs, in excess of 50 percent of their income, medical out-of-pocket expenses, and childcare that allows them to work.

Data indicate, from the most detailed study we have, that only 3.1 percent of all SNAP households and 3.4 percent of all SNAP participants would not meet income guidelines if non-cash BBCE were eliminated. These households received less than one percent of SNAP benefits.

Second, although this population is relatively small, they have important characteristics. They are more likely than other SNAP-participating households to have children, have earned income, have higher income, and receive very low benefits.

It is important to be assertive in reducing food insecurity for all types of families, because it is in reducing food insecurity that we address health risks at every stage in the life course. But we particularly worry about food-insecure households with kids and adolescents.

Food-insecure households with children have higher rates of fair and poor health, have higher rates of hospitalization; children have increased risk of asthma and delays in cognitive development. Adolescents who are food-insecure are at greater risk for depression and other mental health problems and are more likely to experience suicidal ideation. Therefore, the ability to reach vulnerable children and adolescents is one of the strengths of BBCE.

Third, BBCE supports work among those who are able to do so, because it helps families who may experience what is referred to as the benefit cliff as their earnings increase. By permitting states to raise the gross income limit above 130 percent, BBCE can help mitigate the risk that families who are working hard may be less well off as earnings increase.

Nearly one in five households who are food-insecure actually have incomes between 130 and 185 percent of the Federal poverty level. Many of these individuals live in households where there are simply not sufficient earnings to keep pace with family needs and where the cost of living puts significant pressure on family budgets.

Finally, research shows that low assets are a significant contributing factor to food insecurity. There has been broad bipartisan recognition that assets can buffer income shocks and that vehicles can be essential for maintaining employment, accessing healthcare, and securing food, especially in rural areas.

A recent Urban study found that relaxing or eliminating SNAP asset limits through BBCE increases the number of low-income households who have a bank account and at least $500 available for unexpected expenses. These findings suggest that reinstating Federal asset limits would harm family financial stability.

In summary, I thank the Committee for the opportunity to share research evidence on SNAP. Our quick tour here suggests that eliminating or significantly restricting BBCE could undermine several keys goals: one, to reduce food insecurity; two, to encourage

work and increased earnings; three, to permit the building of basic assets that can help buffer income shocks and reduce disparities; and four, to minimize the burden on states as they prioritize limited resources.

Thank you so much, and I look forward to your questions.

[The prepared statement of Dr. Waxman follows:]

PREPARED STATEMENT OF ELAINE WAXMAN, M.P.P., PH.D.,* SENIOR FELLOW, INCOME AND BENEFITS POLICY CENTER, URBAN INSTITUTE, WASHINGTON, D.C.

The Importance of Broad-Based Categorical Eligibility in SNAP

Chair Fudge, Ranking Member Johnson, and Members of the Subcommittee:

Thank you for the opportunity to testify today and to share insights from my research on food insecurity and issues affecting access to the Supplemental Nutrition Assistance Program. The views expressed in this testimony are my own and should not be attributed to the Urban Institute, its trustees, or its funders.

Despite an improving economy, food insecurity persists at high levels across the U.S. In 2017, the USDA reported that approximately 40 million people—about 12.5 percent of the population—were food-insecure. More recently, the Urban Institute's nationally representative Well-Being and Basic Needs Survey found that nearly four in ten nonelderly adults reported that in 2018, their families experienced material hardship—defined as trouble paying or being unable to pay for housing, utilities, food, or medical care at some point during the year—which was not significantly different from the share reporting these difficulties for 2017.[1] Among adults in families with incomes below twice the Federal poverty level (FPL), over 60 percent reported at least one type of material hardship in 2018.

SNAP is a critical resource for many families across the U.S. Although the number of families participating in SNAP has continued to decline as the economy improves, in March 2019, 36.3 million people in over 18 million households received SNAP benefits.[2] Research shows that SNAP does exactly what it was intended to do—decrease food insecurity. According to recent research, SNAP reduces the prevalence of food insecurity by five to ten percentage points, including households with children.[3] Moreover, SNAP is an effective antipoverty tool: in 2015, the program lifted 8.4 million people from poverty and reduced poverty among children by 28 percent.[4] These data are important to keep in mind when we think about policy changes that might reduce the number of families participating in SNAP; fewer families on SNAP might translate into greater levels of food insecurity and poverty.

What Is Broad-Based Categorical Eligibility in SNAP?

Our topic today is one aspect of SNAP eligibility policy: broad-based categorical eligibility, or BBCE. I'll briefly outline how states use this SNAP option to confer benefit eligibility on low-income families.

Generally, people are eligible for SNAP if their gross income is at or below 130 percent of the Federal poverty guidelines, and their net income at or below the Federal poverty guidelines after certain expenses are taken into account. Households with an elderly or disabled member do not face a gross-income threshold, but their

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*The views expressed are my own and should not be attributed to the Urban Institute, its trustees, or its funders.

I thank Gregory Acs, Laura Wheaton, Linda Giannarelli and Nathan Joo for helpful comments and Fiona Blackshaw and Archana Pyati for help in preparing this testimony.

[1] Michael Karpman, Stephen Zuckerman, and Dulce Gonzalez, "Despite Labor Market Gains in 2018, There Were Only Modest Improvements in Families' Ability to Meet Basic Needs" (Washington, D.C.: Urban Institute, 2019), *https://www.urban.org/research/publication/despite-labor-market-gains-2018-there-were-only-modest-improvements-families-ability-meet-basic-needs*.

[2] "Supplemental Nutrition Assistance Program (Data as of June 7, 2019)," *https://fns-prod.azureedge.net/sites/default/files/resource-files/34SNAPmonthly-5.pdf*.

[3] U.S. Department of Agriculture (USDA), Food and Nutrition Service, Office of Policy Support, "Measuring the Effect of Supplemental Nutrition Assistance Program (SNAP) Participation on Food Security (Summary)" (Washington, D.C.: USDA, 2013), *https://fns-prod.azureedge.net/sites/default/files/Measuring2013Sum.pdf;* Craig Gundersen, Brent Kreider, and John V. Pepper, "Partial Identification Methods for Evaluating Food Assistance Programs: A Case Study of the Causal Impact of SNAP on Food Insecurity," *American Journal of Agricultural Economics* 99, no. 4 (2017): 875–93, *https://doi.org/10.1093/ajae/aax026*.

[4] Laura Wheaton and Victoria Tran, *The Antipoverty Effects of the Supplemental Nutrition Assistance Program* (Washington, D.C.: Urban Institute, 2018), *https://www.urban.org/research/publication/antipoverty-effects-supplemental-nutrition-assistance-program*.

net income must not exceed 100 percent of the Federal poverty guidelines. Net income is determined by subtracting allowable deductions from gross income such as a portion of earned income, dependent care costs, medical expenses (for households with elderly or disabled members), child support payments, and shelter expenses exceeding ½ of net income after other deductions. Households applying for SNAP must also meet certain other eligibility criteria, such as an asset test. In Fiscal Year 2019, households without a member who is elderly or has a disability must have assets of $2,250 or less, and households with such a member must have assets of $3,500 or less.[5]

SNAP households in which all members receive cash benefits from either Supplemental Security Income, Temporary Assistance for Needy Families (TANF), or general assistance are categorically eligible for SNAP and therefore not subject to the Federal income and asset limits. Categorical eligibility streamlines the application and eligibility determination process for states and reduces the time devoted to verifying resources. States also have an option through TANF called broad-based categorical eligibility (BBCE) to confer eligibility on a category of people who receive or are eligible to receive another noncash benefit or service offered by the state through its Temporary Assistance for Needy Families/Maintenance of Effort (TANF/MOE) funds. These TANF/MOE benefits or services that confer BBCE must meet one of four goals of the TANF block grant: (1) Assisting needy families so children can be cared for in their own homes, (2) Reducing the dependency of needy parents by promoting job preparation, work, and marriage, (3) Preventing out-of-wedlock pregnancies, and (4) Encouraging the formation and maintenance of two-parent families.

Through the BBCE option, a state may align its asset and income limits with the TANF noncash benefit program that confers categorical eligibility. BBCE households must also meet all other SNAP rules and have net incomes low enough to qualify for SNAP benefits. States may include households with gross incomes up to 200 percent of the Federal poverty level, and states vary in their choice of gross income ceiling. However, households must have net incomes low enough to qualify for a positive SNAP benefit. One- and two-person households are eligible for a relatively small minimum monthly benefit: $15 in Fiscal Year 2019 for the 48 contiguous states and Washington, D.C., with higher levels in Alaska, Hawaii, Guam, and the Virgin Islands.[6]

The design of TANF/MOE programs is up to the state agency, which must ensure that the program conferring eligibility authorizes households to receive a benefit or service.[7]

BBCE is a widely used state option. Forty states, plus the District of Columbia, Guam, and the Virgin Islands use this option, although they vary in how they apply it.[8] As of October 2018, the gross income ceilings used by states and territories electing BBCE were as follows: ten retained a gross income ceiling of 130 percent of FPG, two used 160 percent of FPG, five used 165 percent of FPG, one used 175 percent of FPG, eight used 185 percent of FPG, and 17 used 200 percent of FPG Most states and territories have used BBCE to eliminate asset tests; only six (Idaho, Indiana, Maine, Michigan, Nebraska, and Texas) retain some type of asset limit.

BBCE has enjoyed widespread support across urban and rural states, across all regions of the country, and among states with more and less conservative approaches to safety net programs. Because such a wide variety of states and territories have elected to use BBCE, it is reasonable to conclude that states find it a very important lever for responding to the challenges facing low-income families and for streamlining their administrative processes. Because so many states have built

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[5] Countable assets include cash, resources easily converted to cash (such as money in checking or savings accounts), and some nonliquid resources. The value of family homes, retirement and education savings accounts, and some types of property are not counted toward the asset limit.

[6] USDA, "Supplemental Nutrition Assistance Program (SNAP) Fiscal Year (FY) 2019 Maximum Allotments and Deductions," updated October 1, 2018, *https://fns-prod.azureedge.net/sites/default/files/snap/FY19-Maximum-Allotments-Deductions.pdf*.

[7] Lizbeth Silbermann (director, Program Development Division, Supplemental Nutrition Assistance Program), memo to SNAP regional directors regarding clarification on characteristics of broad-based categorical eligibility programs, December 27, 2016, *https://fns-prod.azureedge.net/sites/default/files/snap/clarification-bbce-memo.pdf*. Some states have retained what is known as narrow categorical eligibility, which means only certain cash and noncash services can confer categorical eligibility for SNAP to program participants. These benefits and services, which can include work support, child care, diversion assistance, transportation, mentoring, and other short-term assistance, are generally provided to only a small number of people, according to Laird and Trippe (2014).

[8] USDA, "Broad-based Categorical Eligibility," updated October 1, 2018, *https://fns-prod.azureedge.net/sites/default/files/snap/BBCE.pdf*.

their procedures, information systems, and training around BBCE, removing or significantly restricting it will likely be costly and disruptive.

Proposals to narrow or eliminate BBCE have been considered in past farm bill proposals, including in 2018, but they have not been passed in final bills. In 2018, an analysis by Mathematica Policy Research estimated that approximately 2.1 million households would have lost SNAP eligibility if BBCE had been eliminated.[9]

Proposals to eliminate or restrict BBCE reflect concerns among some that the implementation of BBCE has moved SNAP away from general program intent.[10] However, data about who would be income-ineligible if BBCE were eliminated indicate that in fact, states are reaching households that are a high priority for SNAP and that the vast majority of those with categorical eligibility would still be income-eligible if BBCE were eliminated. The most detailed analysis of the SNAP caseload under BBCE was prepared by MPR and shows that only 3.1 percent of all SNAP households and 3.4 percent of all SNAP individuals would have been income ineligible if noncash BBCE were eliminated.[11] Moreover, households that would have been income ineligible received less than one percent of SNAP benefits, reflecting that households not meeting income tests are generally those with higher income, and therefore receiving lower benefits. This 2014 analysis found that the percentage of SNAP households that would become income-ineligible if BBCE were eliminated varies from 12.2 percent in Wisconsin to less than one percent in California, Georgia, Kentucky, and South Carolina.[12]

In general, the use of SNAP BBCE aligns well with the populations we always think of when we discuss SNAP. Moreover, BBCE helps SNAP reach households that may have slightly higher income and assets and very significant expenses, like high housing costs (in excess of 50 percent of income), medical out-of-pocket expenses, and child care. People who come into SNAP through BBCE reflect important populations we need to support, and BBCE helps simplify the outreach and eligibility process for doing so.

Laird and Trippe's 2014 report on categorical eligibility in SNAP showed that those who would become income ineligible if BBCE were eliminated have the following important characteristics: they are more likely than other participating SNAP households to (1) have children, (2) have earned income, (3) have higher income, and (4) receive very low benefits. This information helps inform our understanding of what eliminating or significantly restricting BBCE could mean. First of all, most SNAP households would still be income eligible. Second, those households who would likely become income-ineligible disproportionately are working families with children. It is important to be assertive in reducing food insecurity for all types of families because it presents health risks at every stage in the life course, but we particularly worry about food-insecure households with kids and adolescents. Food insecure children have higher rates of fair and poor health, have higher rates of hospitalization, increased risk of asthma, and delays in cognitive developments.[13] Many people are less familiar with the research around teens and food insecurity, but we need to remember that adolescence is another sensitive developmental period. Unfortunately, research indicates that adolescents who are food-insecure are at greater risk for depression and other mental health problems and are more likely to experience suicidal ideation than other adolescents.[14] Therefore, the ability to reach vulnerable children and adolescents is one of the strengths of BBCE.

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[9] Karen Cunnyngham, "Simulating Proposed Changes to the Supplemental Nutrition Assistance Program: Countable Resources and Categorical Eligibility" (Washington, D.C.: Mathematica Policy Research, 2018), *https://www.mathematica-mpr.com/our-publications-and-findings/publications/simulating-proposed-changes-to-the-supplemental-nutrition-assistance-program-countable-resources?MPRSource=TCSide*.

[10] Elizabeth Laird and Carole Trippe, *Programs Conferring Categorical Eligibility for SNAP: State Policies and the Number and Characteristics of Households Affected Final Report* (Washington, D.C.: Mathematica Policy Research, 2014), *https://www.mathematica-mpr.com/our-publications-and-findings/publications/programs-conferring-categorical-eligibility-for-snap-state-policies-and-the-number-and-characteristics-of-households-affected*.

[11] Laird and Trippe, *Programs Conferring Categorical Eligibility for SNAP*.

[12] Laird and Trippe, *Programs Conferring Categorical Eligibility for SNAP*.

[13] C. Gundersen and J. Ziliak. "Food Insecurity and Health Outcomes," *Health Affairs* 34, no. 11 (2015): 1830–39; J.T. Cook, D.A. Frank, S.M. Levenson, N.B. Neault, T.C. Heeren, M.M. Black, C. Berkowitz, P.H. Casey, A.F. Meyers, D.B. Cutts, and M. Chilton. "Child Food Insecurity Increases Risks Posed by Household Food Insecurity to Young Children's Health." *Journal of Nutrition* 136, no. 4 (2006): 1073–76.

[14] K.A. McLaughlin, J.G. Green, M. Alegria, J. Costello, M.J. Gruber, N.A. Sampson, and R.C. Kessler, "Food Insecurity and Mental Disorders in a National Sample of U.S. Adolescents," *Journal of the American Academy of Child and Adolescent Psychiatry* 51, no. 12 (2012): 1293–1303; K. Alaimo, C.M. Olson, and E.A. Frongillo, "Family Food Insufficiency, but Not Low Family In-

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It's also useful to understand how BBCE supports priorities for SNAP that have been a significant part of the policy discussion in recent years—for example, how can SNAP support work among those who are able to do so, including these working families with children. BBCE offers an important safeguard to those families who are working and may experience what we refer to as a benefit cliff as their earnings increase. Because SNAP provides for a 20 percent disregard of earnings when calculating benefits and because benefit levels phase out as incomes rise, the benefit cliff in SNAP is not as dramatic as may be experienced in other programs. But we still worry about low-income working families who may have experienced small increases in earnings and/or savings and subsequently have fewer resources for their food budget because they lose eligibility for SNAP. As I mentioned in the beginning of these remarks, working families across the country continue to struggle to make ends meet and often find themselves trading off between food and other basic needs, such as housing, utilities and medicine and even modest benefits can make an important difference. By permitting states to raise the gross income limits above 130 percent up to a ceiling of 200 percent of FPL, SNAP can help mitigate the potential risk that families who are working hard to increase their earnings may be less well off as earnings increase.

An example is helpful to put the idea of the benefit cliff in real terms. As previously mentioned, under Federal rules, SNAP households without elderly or disabled members must have monthly gross income at or below 130 percent of the Federal poverty line. A household whose income exceeds that level are not eligible and could lose substantial SNAP benefits from a small increase in earnings. For example, a single mother with two children working full time at $12.75 an hour would receive about $96 a month from SNAP, making up about four percent of her total monthly income. If her hourly wage increased by just 50¢ (or $86 a month), lifting her income slightly above 130 percent of FPL ($2,252 for a family of three in Fiscal Year 2019), the family would become ineligible for SNAP under the Federal income eligibility cut-off. As a result, the household's loss of SNAP benefits would actually leave the family worse off; their total monthly resources would decline by about $10 per month. While this issue affects a small share of SNAP households, it can be a significant hardship for those who are affected, just when they are making strides to improve their economic circumstances.

The categorical eligibility option allows states to lift the gross income limit to further smooth this the benefit cliff. In our example here, under BBCE, a 50¢ raise would reduce the family's SNAP benefit by only $31 a month (to about $65), resulting in a monthly increase in resources of $55 per month.[15]

This example helps us understand how BBCE in SNAP can support and encourage work. It is also important to recognize that the risk of food insecurity is not confined to those with the lowest gross incomes; we know from the annual Map the Meal Gap analysis that nearly one in five food-insecure households actually have incomes between 130 and 185 percent of FPL.[16] Many of these individuals live in households where there are simply not sufficient earnings to keep pace with family needs and where the costs of living put significant pressure on family budgets. So BBCE can help us make progress on reducing food insecurity in this vulnerable segment of the population.

Teens participating in a series of focus groups conducted by Urban shared their own experiences with what earning a little above the SNAP income guidelines can mean for families. One girl remarked: "Personally, I don't think that food stamps is available for everyone that actually needs them. Because like my mom, they won't give her them, because she makes over the amount. But it doesn't really seem like

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come, Is Positively Associated with Dysthymia and Suicide Symptoms in Adolescents," *Journal of Nutrition* 132, no. 4 (2002): 719–25.

[15] This analysis assumes the median copayment of $77 that states required for their child care assistance programs in 2018 for a family of three at the poverty level and with one kid in child care as well as a shelter cost of $934. These assumptions are based off the most recent National Women's Law Center report "Overdue for Investment: State Child Care Assistance Policies 2018," *https://nwlc-ciw49tixgw5lbab.stackpathdns.com/wp-content/uploads/2018/11/NWLC-State-Child-Care-Assistance-Policies-2018.pdf* and median shelter expenses in 2017 consistent with previous analysis done by the Center on Budget and Policy Priorities of 2017 SNAP Quality Control data for working families earning at least $500 a month with three members, including two children, and inflated to Fiscal Year 2019 dollars. Most up to date deductions from Food and Nutrition Service used to calculate SNAP benefits. For more see *https://www.fns.usda.gov/snap/recipient/eligibility#What%20deductions%20are%20allowed%20in%20SNAP?*. It should also be noted that the example family is now in the phaseout range of the EITC and that earnings are reduced by payroll taxes, exacerbating the issue.

[16] Feeding America, "Map the Meal Gap: Executive Summary" (Chicago: Feeding America, 2019), *https://www.feedingamerica.org/sites/default/files/2019-05/2017-map-the-meal-gap-executive-summary_0.pdf*.

it, because her whole paycheck will go to rent and utilities." A second girl responded: "That's the same with my mom . . . because my mom applied for it, and she put me and my brother and her on it, and we only got $31 per [month] . . . because she makes too much. And then like 2 months later, they took it away."

Now, let's turn to the issue of assets in low-income households and how eliminating asset tests can achieve some important objectives. As mentioned previously, the opportunity to relax or eliminate asset has been taken up by a majority of states. There has been broad bipartisan recognition that assets can act as a buffer against income shocks and that vehicles can be essential for maintaining employment, accessing health care and securing food, especially in rural areas. Research shows that low assets is a significant contributing factor to food insecurity.[17] Thus, the flexibility afforded through BBCE offers a mechanism for helping to address an underlying risk factor.

A recent study by my colleagues at the Urban Institute examined the impact of relaxing or eliminating SNAP asset limits through BBCE and found that this option increases low-income households' savings (eight percent more likely to have at least $500) and participation in mainstream financial markets (five percent more likely to have a bank account). It also reduces SNAP program churn (26 percent).[18] SNAP churn refers to the exit and re-entry back into SNAP within a short time period, which may happen because of changes in household circumstances but can also happen because of administrative practices. Taken together, relaxed asset limits increase households' financial security and stability by increasing savings and reducing benefit fluctuations, and they can decrease administrative program costs when fewer people cycle on and off the program. The findings suggest that states with SNAP asset limits can improve family financial well-being by relaxing them and that reinstating Federal SNAP asset limits will harm family financial stability.

Understanding the larger context of racial asset disparity in the U.S. is useful for thinking about asset tests in benefit programs. While the majority of SNAP participants in the U.S. are white, SNAP is an important support to families of color because of persistently low income and assets in these communities. Eliminating SNAP asset tests may also help us to begin to address the striking disparity in assets across racial and ethnic groups in the U.S., which is important for promoting a more robust economy and inclusive prosperity for everyone. The racial wealth gap in the U.S. is large: the median white family has ten times the wealth of the median African American family and eight times the wealth of the median Hispanic family. So for every $10 a white family has in wealth, African American families have only $1.

Families of color are not getting the same chances to catch-up in terms of their wealth. The future majority population of our country—families of color—are not on a firm wealth building path. As of 2011, over ½ of children younger than one belong to a community of color. These children are critical for our future, yet wealth disparities have worsened over the past 50 years.[19] These very profound issues require a host of efforts beyond the scope of this hearing. But elimination of asset tests in public programs is one basic foundational step that can help lay the groundwork for a better economic future for all of us.

Why Is SNAP So Important to Low-income Households and Communities?

One of the most attractive features of SNAP is that it supports the ability of families to participate in the mainstream economy by boosting their purchasing power in retail stores, farmers markets and other authorized venues that sell food. Families I interview in the course of my research emphasize how important SNAP benefits are in securing the kinds of food they need. At Urban, we have conducted focus groups with many adolescents facing food insecurity and the intense stigma they feel around not having enough food is striking. They always emphasize how important SNAP is in their household in helping make ends meet and how it allows their families to experience the dignity of shopping for food just as their better off peers do. For example, a girl in Illinois related her own family's experience with SNAP:

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[17] Feeding America, *Map the Meal Gap 2019* (Chicago: Feeding America, 2019), *https://www.feedingamerica.org/sites/default/files/2019-05/2017-map-the-meal-gap-full.pdf*.

[18] "The Unintended Consequences of SNAP Asset Limits." Caroline Ratcliffe, Signe-Mary McKernan, Laura Wheaton, and Emma Kalish. July 26, 2016. *http://www.urban.org/research/publication/unintended-consequences-snap-asset-limits* and "Asset Limits, SNAP Participation, and Financial Stability." Caroline Ratcliffe, Signe-Mary McKernan, Laura Wheaton, Emma Kalish, Catherine Ruggles, Sara Armstrong, Christina Oberlin, June 2016. *http://www.urban.org/research/publication/asset-limits-snap-participation-and-financial-stability*.

[19] Signe-Mary McKernan, Caroline Ratcliffe, C. Eugene Steuerle, Caleb Quakenbush, and Emma Kalish, "Nine Charts about Wealth Inequality in America (Updated)," Urban Institute, last updated October 5, 2017. *https://apps.urban.org/features/wealth-inequality-charts/*.

"It's really helpful for a lot of families. We had a [SNAP Electronic Benefits Transfer] card like that for a while. It takes stress off of a difficult situation because you know where your next meal will come from."

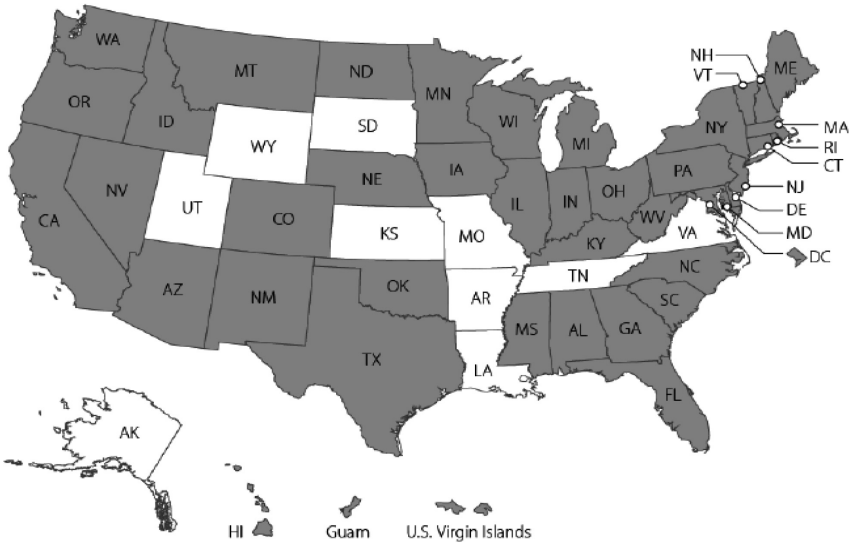
That purchasing power has an important impact on the economic health of our communities. A new study from the Economic Research Service released in May 2019 helps us to further understand the importance of SNAP to local economies, especially those in rural areas.[20] The analysis shows that SNAP redemptions had a positive average impact on county-level employment from 2001 to 2014 in nonmetro counties, translating to about 0.4 additional job per $10,000 of additional SNAP redemptions. The impacts of SNAP redemptions during and immediately after the Great Recession (2008–10) were even greater, an additional $10,000 of SNAP redemptions led to about 1.0 additional job on average in nonmetro counties and about 0.4 additional job in metro counties. Moreover, during the Great Recession, the impacts per dollar of SNAP redemptions were greater than impacts of other Federal or state government transfer payments combined and greater than the impacts of all Federal Government spending combined.

In summary, I am pleased to be asked to submit this testimony to assist the Subcommittee in drawing on the research evidence base in evaluating the potential impacts of eliminating or restricting BBCE. Research tells us that SNAP is a very effective program; as such, proposed changes must be carefully evaluated as to how they may enhance or reduce the ability to address food insecurity. The evidence we have discussed today also suggests that eliminating or significantly restricting BBCE could in fact undermine several key goals for the program: to reduce food insecurity, to encourage work and increased earnings, to permit the building of basic assets that can help buffer income shocks and reduce disparities across the U.S., and to minimize the burden on states as they prioritize their limited resources.

EXHIBIT 1

Figure 1. States Opting for SNAP Broad-Based Categorical Eligibility as of October 2018

(States opting for BBCE are shaded in [gray])

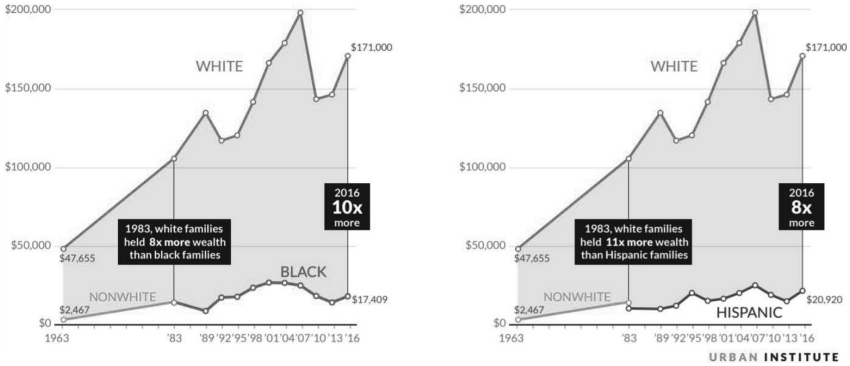


Source: Congressional Research Service (CRS), based on data from the U.S. Department of Agriculture, as of October 2018.

[20] John Pender, Young Jo, Jessica E. Todd, and Cristina Miller, *The Impacts of Supplemental Nutrition Assistance Program Redemptions on County-Level Employment,* Economic Research Report 263 (Washington, D.C.: USDA, 2019), *https://www.ers.usda.gov/webdocs/publications/93169/err-263.pdf?v=1509.3.*

EXHIBIT 2

Median Family Wealth by Race/Ethnicity, 1963–2016



Source: Urban Institute calculations from *Survey of Financial Characteristics of Consumers 1962* (December 31). *Survey of Changes in Family Finances 1963,* and *Survey of Consumer Finances 1983–2016*.

Notes: 2016 dollars. No comparable data are available between 1963 and 1983. Black/Hispanic distinction within nonwhite population available only in 1983 and later.

The CHAIR. Thank you all very much for your testimony.

And we will begin with our questions. Members will be recognized for questioning in the order of seniority for Members who were here at the beginning of the hearing. After that, Members will be recognized in order of arrival.

And I know that we may be coming close to votes within the next 45 minutes or so, so I am going to now yield to Mr. McGovern, for 5 minutes.

Mr. MCGOVERN. Thank you very much.

And let me, first of all, say that this notion that somehow people are clamoring to be poor enough to be eligible for SNAP is laughable. Just for the record so people understand this, the average SNAP benefit is about $1.40 per person per meal. You can't even buy a cup of coffee for that.

We should be talking about how you expand that benefit, and instead we are talking about how we can throw people off of the benefit. And I just find that to be terribly discouraging, especially knowing the fact that there are close to 40 million people in this country who don't know where their next meal is going to come from.

If you want to talk about defrauding the Federal Government, I mean, we ought to take a good look at defense contractors and all the cost overruns. We ought to look at corporations who don't pay any taxes, who exploit loopholes, or who intentionally deceive the Federal Government about what they are. Or look at the pharmaceutical companies, who are ripping off consumers every single day. Instead, we hear from my friends on the other side of the aisle, "Oh, that the real culprits are poor people in this country."

Ms. Davis, in your testimony, you list examples in Iowa and Florida where income limits are described as, "not enough to meet a family's basic needs," which is where SNAP comes in to play an important role. Massachusetts, where I am from, is at 200 percent of

the Federal poverty line and is also known to have a higher cost of living than a lot of other states in this country. What do you believe the impact would be in states like mine if broad-based categorical eligibility were to go away?

And I also want to get back to the point that Mr. Johnson raised about kind of saying everybody be happy, don't worry about kids losing their free school breakfasts and lunches. I wonder if you could talk about what the impact on that would be. And, also, the fact that reduced lunches and breakfasts, if you have multiple kids in a school at the same time, actually add up to quite a lot of money.

Ms. LISA DAVIS. Right. Thank you, Congressman, for your question.

Let me say first that eliminating broad-based categorical eligibility is a policy that is penny-wise and pound-foolish. The result would be short-term savings but long-term costs in terms of increased medical costs, poorer educational outcomes, and for many of the kids who would be impacted, less of a chance to move to better economic stability and opportunity.

We look at the challenges facing low-income families, and, in my role, I speak to many of them across the country. I have yet to meet a mom or dad that doesn't want to work. In fact, most of those that I meet are working sometimes two or three jobs. The challenge for many of them is that the costs that they are paying for housing for transportation and childcare outpace, the growth outpaces their incomes.

Mr. MCGOVERN. Right.

Ms. LISA DAVIS. One of the benefits of broad-based categorical eligibility is it eases that cliff when families start to make a little bit more. And I think that is an important policy that incentivizes work and helps provide a pathway out of poverty.

In Massachusetts, in New York, in Montana, where I am from, housing costs are very significant and often consume more than 50 percent of a family's income. And so, as a nation, instead of continuing to argue about whether poor people want to work or not—there is evidence of that—we need to be thinking about how we can do what Dr. Davis is doing in Mississippi and craft supports that make it easier for them to work and to work up and to meet their transportation, housing, and childcare needs. And that is the conversation we ought to be having.

Mr. MCGOVERN. Right. I appreciate that.

And you point out another important fact, and that is, the vast majority of people who are able to work who are on SNAP actually do work.

Talk to me a little about the school breakfast and lunch issue.

Ms. LISA DAVIS. Right. There is a very significant body of research that shows the impact that children getting the nutrition that they need has on things like school performance. And in many school districts, on days that they are testing, they will bring in lunch—or bring in breakfast—excuse me. And I know my own kids, we get a call the night before reminding me to feed them too, because they recognize that correlation.

Those meals are really important to making sure that kids can be present, that they can learn, and that they can perform. And

getting enough nutrition, whether through SNAP at home or school meals, helps make sure that kids have better short- and long-term healthcare outcomes and that they have higher lifetime earnings.

And so it is really important that we look at all of these programs to make sure that every child in this nation, no matter his or her circumstances, can get three meals a day.

Because of the way that SNAP interacts with school meals, if a child's family receives SNAP, he or she is automatically directly certified for free school meals. If broad-based categorical eligibility were eliminated, the Congressional Budget Office estimates that about 265,000 kids would lose that automatic free eligibility.

Some of them may be eligible for reduced meals, but, as you pointed out, even though those sums seem really insignificant to us, $25 to $30 a month is a lot to a family that doesn't have enough resources to meet all of their needs as it is.

Mr. MCGOVERN. Right. Thank you very much.

The CHAIR. Thank you.

Ranking Member Johnson, you are recognized for 5 minutes.

Mr. JOHNSON. Thanks very much.

Mr. Barnes, you talked about 24,000 students who might lose school meals, or who would lose school meals, coming from struggling families.

My assumption—and so I wanted to give you an opportunity to push back if it is wrong—is that the vast majority of those families would not have substantial savings or other financial assets. Does that sound about right?

Mr. BARNES. That can be concluded.

Mr. JOHNSON. Yes. Do we have any idea how many of those 24,000 students come from families that are above 130 percent of the Federal poverty line?

Mr. BARNES. I don't have that number, but I can get that to you.

Mr. JOHNSON. Do you have any idea how many of them would be more than 185 percent above the Federal poverty line?

Mr. BARNES. Same response. I don't have that exact number, but I can get that to you.

[The information referred to is located on p. 114.]

Mr. JOHNSON. Yes. I think what I am trying to bring to the fore here is that, if your state is like the rest of our country, 99.9 percent of those kids will continue to qualify through the eligibility standards of free and reduced school lunch program for free and reduced school lunches, and, in fact, 97 percent of them would continue to qualify for free school lunches.

This is perhaps not the doomsday scenario that some may be concerned about.

Mr. BARNES. Well, if they end up losing their SNAP benefit, then school lunch may be the only meal that they get to have in a day.

Mr. JOHNSON. And absolutely they should have that school lunch. Ninety-nine percent of them will continue to qualify or be eligible for that program.

Now, there may be an additional bit of paperwork. I mean, my family—certainly, growing up, I was on free and reduced school lunches for the entirety of my K–12 experience. And I have seen that paperwork, and I understand what that means for a family to

sit down and fill it out. But 99 percent of kids would continue to qualify. I just want to make sure that comes to the fore.

I also want to make sure that we talk a little bit about—there has been some allegation that there is great cynicism or distrust on this side of the dais. But, I mean, let's be honest. We all know that most people are really honest and that some people, a minority, will take advantage of any program, of any system.

I mean, that is why we use income tests, right? Nobody here is advocating to get rid of income tests, because we realize we want the integrity of a system that targets assistance for the people who need it.

Let's be honest. We have audit functions for income taxes, for property taxes. We want to make sure that we don't just trust people to pay their fair share but that, rather, we have a system that gives us confidence in the integrity of those tax systems.

And I just want to say to the gentleman from Massachusetts that I am interested in working with you to root out waste, fraud, and abuse wherever it is. And I have sponsored legislation that would improve defense acquisition, because I agree, that is not a perfect system. And I have supported legislation that would drive down pharmaceutical costs, because I agree with you, that system is not perfect. And I am interested in making sure that tax cheats and tax frauds do do time in jail if they are guilty.

And so, in the same way that we want to find accountability and integrity in those areas, it only makes sense that we should try to find it in our social safety net programs as well. They are too important for us to not have faith that they are helping the families who most need that assistance.

Now, there are allegations seemingly every day on the floor of the House that my party doesn't authentically care about poor people. And as somebody who grew up poor, I always find that a little hard to stomach.

And so, Dr. Davis, I want to give you an opportunity to tell us, why did you get into your line of work? Why do you show up every day? And what is the motivation in your heart, sir, for the reforms that your state is making?

Dr. JOHN DAVIS. Human services has been my business all my life. Actually, I have been with the department for 28 years, and I started as a social worker. I was an eligibility worker, so on and so forth.

What I recognize is that helping people to become eligible for a program is one thing; to help an individual to find self-sustainability and what they want to do in life, instead of me telling them what to do, means a whole lot more.

The BBCE issue certainly is important, but it is certainly just a symptom of a bigger issue. If we truly want to help people, we need to be about helping the person and the family as a whole.

And so that is what motivates me every day, sir, to make sure that we, as an agency, in the state that is the poorest in the nation, who has a lot of people who are eligible for the program, to make sure that I give them a hand up and not just a handout.

Mr. JOHNSON. Thank you very much, sir.

Thank you, Madam Chair. I yield back.

The CHAIR. Thank you.

And I would like to ask the Ranking Member if he could provide us with the data or the information that says to us that 99 percent of all of these children would still qualify for free and reduced lunch.

Mr. JOHNSON. Yes, absolutely. We will make sure to provide that to the staff for entry into the record.

[The information referred to is located on p. 109.]

The CHAIR. Excellent. Thank you so much.

And I agree that most people are honest, except for the person that you praised when we started this hearing, Mr. Undersander.

I would—sir, I have to move on, so——

Mr. JOHNSON. Madam Chair——

The CHAIR. I know you want to respond.

Mr. JOHNSON. I just want one sentence, ma'am.

This gentleman told the truth. He didn't commit a single act of fraud. All he did was tell the truth in the application. It is the application that was flawed, not his answers.

The CHAIR. Ms. Adams, you are recognized for 5 minutes.

Ms. ADAMS. Thank you, Madam Chair and Ranking Member Johnson, for holding today's hearing.

And thank you to our witnesses for your testimony.

In December, the President signed into law a bipartisan farm bill which many of us here helped to negotiate in good faith. Months went into refining the language and coming to an agreement which received historic support in both chambers. Yet, the Administration is again threatening to circumvent Congressional intent, this time to roll back categorical eligibility and to take food assistance away from children, families, veterans, disabled, and older Americans.

My State of North Carolina uses the flexibility of broad-based categorical eligibility to ensure they are reaching those who need the help the most. More than 98,000 North Carolinians and 35,000 children would lose food assistance, including school meals for children, if this flexibility is eliminated.

In Mecklenburg County, where my district is, more than 10,000 people, including 47,000 children, would lose access to benefits. These are mostly working families with high childcare costs or housing costs and seniors. And that is not acceptable.

Ms. Davis, as a mother, a grandmother, and teacher for 40 years, I am concerned with the effects that this change would have on our nation's children. And I am strongly opposed to a similar change in the farm bill, because, according to the Congressional Budget Office, it would take school meals away from 265,000 children nationwide. Based on my state's data, it would take meals away from 35,000 children in North Carolina, and almost 5,000 of those are in my county.

Can you speak to the importance of SNAP and school meals for children and their families, including how food assistance programs contribute to long-term health and financial well-being?

Ms. LISA DAVIS. Absolutely. And thank you for the question.

Ensuring that all of our nation's children, no matter what their circumstance, have the opportunity to reach their full potential is one of our most fundamental values.

And when we look at the research on SNAP and school meals, both breakfast and lunch, what we find is that they improve chil-

dren's short- and long-term physical and mental health; for younger children, brain development. Children who are not experiencing food insecurity are less likely to be hospitalized; they have better healthcare outcomes.

And other studies show that all of this and the education impacts of kids being disciplined less frequently, having better school attendance, performing better on tests, leads to an 18 percent increase in their likelihood of graduation and leads to increases in lifetime earnings as well.

The health impacts of SNAP and of school meal programs on kids are very well-documented. And some studies show that there are medical cost savings of $1,500 to $2,500 a year for folks who are no longer food-insecure.

Ms. ADAMS. Thank you.

Lieutenant Governor Barnes, I am concerned, as well, about the unnecessary administrative burdens that this potential rule would impose.

As Lieutenant Governor, you are involved directly with the state and local agencies that would be saddled with the increased paperwork and duplicative processing that would result. Could you outline difficulties that eliminating this eligibility would cause for administrators, including the increased need to verify assets?

Mr. BARNES. Yes. Thank you.

And I think that is one of the things that comes up a lot, is how often do we need to replicate government functions. If we can just do it in one fell swoop or if we can make sure that children are taken care of with one application process *versus* another, why create more bureaucracy, to use an argument that would support your line of thinking on this side of the aisle.

And, as well, I want to clarify, too, about the children, because you said 99.9 percent. I would be so bold as to say 100 percent of children don't get to decide the financial stability of their own household. With that being said, if they do lose SNAP benefits but still have free or reduced lunch, again, is it fair to those students to only have access to food for breakfast and lunch at school but not in the home?

And when it comes to the topic of, again, more applications, like, think about how much time that cuts out from a family where a person needs to go find a job. If a parent has to fill out more and more applications, has to go to a county building to try to register for benefits, that cuts out on productivity time where they could be searching for a job or actually working.

Ms. ADAMS. Thank you.

Madam Chair, I yield back.

The CHAIR. Thank you.

Mr. Conaway, the Ranking Member of the full Committee, you are recognized for 5 minutes.

Mr. CONAWAY. Thank you, ma'am. I appreciate that.

I appreciate our witnesses' testimony, much of which supports the idea that we should, in fact, have a SNAP program, and we all agree with that. But that is not really what we are talking about this morning.

We have a SNAP program. It is important, and we are going to keep it. The issue is, how do we administer that program that is

fair to the folks who need the benefits and is also fair to the taxpayers?

And so I guess the question would be: should we have an asset test? Is there any real reason to have that? I think there is. Yet, my colleagues on the other side of the aisle were offended by a fellow who had well beyond the asset test but still qualified under this broad-based categorical eligibility deal.

If we have an asset test, why would we not update the way outdated levels of assets that are in the current law, update those for 2019, and then actually enforce that asset test?

It is not a matter of taking the benefits away from folks who meet the requirements; it is making sure that those scarce resources go to the ones who need it the most.

Dr. Davis, should, in fact, we have an asset test, and should that asset test be enforced, and should it be verified at the point of application?

Dr. JOHN DAVIS. I agree that we should have an asset test, and the reason being because that allows our staff, who are more than just eligibility staff—you have to remember, if we are looking at families holistically, we should be more like navigators, helping individuals to get to the resources they are eligible for on the front end so that they won't need us on the back end when they become successful.

The asset test could be an opportunity for us to dig a little bit deeper into helping that individual find that sustainability and self-sufficiency or that family as a whole do that. Using our Families First resource centers, using our staff to understand, if they do have resources, how in fact can we build on those resources, how in fact can we build on that income, how can we help them find a livable wage.

It allows our staff to work closely with that individual to help them through the process.

Mr. CONAWAY. As a part of those assets that a family has, would it be appropriate to exclude from the asset test some level of liquid assets, cash, that would allow that family to buffer the normal ins and outs of what goes on in a family and exclude those assets from that asset test? Would that be handy?

Dr. JOHN DAVIS. We had an incident in Mississippi—we had the Gulf oil spill in 2008, and then we did away with the waiver for BBCE, and then we brought it in. And so we had individuals who were fishermen and worked in canneries who had saved money all of their career and then didn't have a job, and we felt that by allowing BBCE, that that would allow them to come on to the programs.

One of the things that we failed to do, though, once we helped them become eligible for that program through disallowing those resources, we forgot that these individuals needed help in bigger ways. They had bigger barriers than just having too many resources. They needed help and assistance in finding other jobs, finding personal and professional development opportunities, helping them to be empowered to become who they want to be if they can't be fishermen, if they can't work in a cannery.

It goes across the board, though, in any job opportunities, that we as an agency have to work with an individual, finding through

sector strategies those opportunities for livable-wage jobs, as I keep saying.

Mr. CONAWAY. Yes.

Well, Ms. Davis, you described the process that was included in the House version of the SNAP program, part of the farm bill that came out of this Committee, sought to spend significant resources to the states to allow them to do just that, that very thing.

Whether it is the income test or the asset test, Dr. Davis and Ms. Waxman and Governor Barnes all talked about families who have just above the 130 or whatever that number is. Rather than relying on a loophole and exploiting a loophole, wouldn't it be better to have a fulsome conversation about what the number should be? Is 130 the right number? Is 150 the right number? Is 200 the right number?

Let's have those kind of conversations as opposed to defending a loophole that allows some families in America to be treated differently than a family in another state in exactly the same circumstances is being treated. How is it fair for folks in Massachusetts to make 200 percent of poverty and folks from Texas make only 160?

I would think that having conversations about the specifics of the test, if those were bad, if those were wrong, let's have that conversation. But let's quit talking about constantly exploiting loopholes—Mr. McGovern hates loopholes for the tax side. Let's quit exploiting loopholes as a public policy in this regard.

The CHAIR. Thank you.

Ms. Schrier, you are recognized for 5 minutes.

Ms. SCHRIER. I would like to just thank our witnesses for being here today. This is such an important topic, categorical eligibility, and making sure that families who are already on the edge and in need don't have additional hoops to jump through in order to make sure that families and children get food. Again, $1.40 per person per meal.

Then this conversation turned to a conversation about loopholes, and I feel now pulled into the conversation and eager to address it. Because there are loopholes in a lot of places, and I think that we need to decide which ones to address based on a benefit and risk ratio.

And so I challenge some of my colleagues who are so reluctant to close loopholes in a Tax Code that gives tremendous benefit to the wealthiest and to corporations, and, frankly, if we just closed a couple of those loopholes, we would have no problem finding $1.40 per meal for our kids or for school lunches.

And then there is this other group of loopholes that we talk about a lot which is the loopholes in purchasing a weapon. And on that one, I would say, what is the cost? If you don't close those loopholes, then people can get a hold of a gun who could do our children harm or do themselves harm.

And so then if we talk about the costs of closing those loopholes, if you do close those loopholes and it becomes more difficult to get a gun, for example, the cost is only a couple more days of waiting, but the benefit could be saved lives. The cost to a taxpayer is simply that they pay a fair share of taxes.

But, in this case, the cost of closing this so-called loophole, which isn't really a loophole—this is just eliminating paperwork—we already know, because we heard in this Committee, that the fraud rate in this program is less than one percent. The cost of that is that kids and low-income working families may not get the food that they need in school, at home, or over the summer.

And so I thought I would paint a picture of this in Washington State. Broad-based categorical eligibility helps more than 38,000 families in Washington meet eligibility requirements for SNAP, and these provide assistance for children and adults to access nutritious foods. And we might talk about that in a minute, on the difference between nutritious and non-nutritious foods.

Washington State Department of Social and Health Services conducted an analysis in 2019 that found that lowering the SNAP income limit from 200 percent to 130 percent of the Federal poverty level would eliminate SNAP benefits for approximately 67,000 low-income working individuals.

By eliminating that, over 17,000 Washington students would no longer qualify for free school meals, and there would be additional funding lost from the National School Breakfast Program. And with that, with fewer students participating free school meals, fewer schools would be able to offer other nutrition programs like the Summer Meals Program, which is available in communities where more than 50 percent of the student population qualifies for free or reduced-price meals.

And so I wanted to just put that clarity on.

And then, Lieutenant Governor Barnes, I just was wondering—and thank you for your testimony—if you could comment on the negative impact Wisconsin schools would face if they lost a sizable amount of the annual funding dedicated to the school meals program.

Mr. BARNES. Thank you.

Our schools in Wisconsin are already significantly burdened from funding issues of the previous Administration, so it is our goal to place as few burdens on them as possible. And if this is one area where we can make a difference, we should do it.

And back to the loopholes conversation, we want to close as many loopholes as possible. I get it; I am with everybody on that part of the conversation. There is no perfect system. If there was, poverty wouldn't even be an issue. We wouldn't be having this conversation.

But when it comes to schools and children, the biggest loss is not just in dollars and cents; it is in student productivity. It is about students who were showing up to school on an empty stomach, who were having a hard time learning, end up having all sorts of behavioral issues, missed time out of school, end up suspended, whatever the case may be. And it also creates barriers for success for them in future life if they have trouble learning, if they find themselves having to be disciplined as a result of poverty, just to put it very plainly.

And I think that is the most important cost that we need to think about, not just dollars and cents. And that also has a long-term cost, because too many of these children who are living in

poverty, who have food insecurity, unfortunately, those are the same children that we see ending up in our criminal justice system.

Ms. SCHRIER. Thank you.

I am going to ask one more super-quick question that might turn into an observation.

Forty-three states have chosen to do broad-based categorical eligibility. That means that very few others have not. Mississippi is one of them.

I know, as a pediatrician, that food insecurity and hunger does lead to later obesity. If you have a moment to comment on obesity rates in Mississippi and whether that might be tied to your state's decision to limit access to school nutrition programs and SNAP categorical eligibility.

Dr. JOHN DAVIS. We understand that it is more important for good choices, making healthy choices, helping the family holistically. When we talk about BBCE or the elimination thereof in the State of Mississippi, we, too, believe that it is our job, as state workers, as employees of the Department of Human Services, to work closely with that family to eliminate the barriers that have caused them to be eligible for the program to begin with, whether that be through——

The CHAIR. Thank you, Dr. Davis. I hate to interrupt you, but the gentlelady's time has expired.

Dr. JOHN DAVIS. I am sorry.

The CHAIR. Mr. Bacon, you are recognized for 5 minutes.

Mr. BACON. Thank you, Madam Chair. I appreciate your organizing this hearing today. And I appreciate the testimony. It has been a good learning experience.

First, just being new to hearing about Mr. Undersander, as a minimum, hearing about his situation and the case, that this shows that there is a need for clearer standards. It is all right to say we want to review those standards to make sure taxpayers are being protected while we are providing a quality safety net.

So I just think it is worthy. It is just an example that taxpayers do want to have assurance that their money is being spent right while we are guaranteeing a safety net. Hearing about his case, I think it is helpful.

Also, some of the comments made earlier, I find some of them were straw-man arguments, because no one on either side of the aisle here have said people are clamoring for SNAP. Sometimes, there are words put in other people's mouth that were never said.

And no one here is anti-poor. We just want to make sure that we have a quality safety net that works and that also protects the taxpayers. And as the Ranking Member said earlier, we all support it, we all support SNAP. And a safety net program is vital. In our nation, we believe in hard work, we like competition because it makes for a better society. And a system of free markets work. It has lifted more people out of poverty than any other system ever made. However, a humane society has a safety net.

And so the two things I get from this is that, just hearing the discussion today, it is all right to review. Are we making this as safe for the taxpayer, an effective program as possible? But, two, how do we reform the system that helps people get out of poverty?

And one of the things we tried to work on last Congress was how do we provide skill sets that align people to better-paying jobs to help them get out of poverty, to give them a trade, to teach them a skill. Because we have record employment numbers today, a record-low unemployment. There is a high demand for jobs, particularly in Nebraska. And we just want to help align people to this work because we think that is the best way to get them out of poverty.

With that, I would just like to ask maybe my first question to Dr. Davis.

Tell us a little more about your thoughts. How are you trying to reform the system to get people with these skill sets so they become independent and out of poverty? I am hearing some general philosophy, but can you give us a little more tangible information?

Dr. JOHN DAVIS. Absolutely.

We partner closely with most of the state agencies in Mississippi, as Human Services. We recognized it was a bigger job than just for Human Services to help individuals truly to be successful. We partnered with each of the state agencies, came together, determined a plan of action.

And then we recognized, too, as Human Services, this was bigger than just on the state level. We had to empower the communities to own this. We did that by expanding our Families First Resource Centers, which now are in every county of the State of Mississippi, helping individuals to find those barriers that are in their lives to help try to eliminate those barriers.

It is not just about their bank account; it is not just about their income. It is about any other issue that is going on in that home. We are finding generationally that there are not good models sometimes of what it looks like to be successful. And so we are trying to ensure that we look and work closely on the community level.

Partnerships, collaboration, connecting the dots for individuals: I am an advocate for SNAP benefits. I am an advocate for the TANF Program. I believe that there is an opportunity to help people help themselves.

I, too, recognize after all of these years, from being a caseworker to now being Executive Director for the past 4 years, I understand the need, too, to empower people, to help them to know that they can do more than what we can determine eligibility for, that we can give them that empowerment through professional and personal opportunities, workforce development, tying those individuals to opportunities in the workforce development area.

Mr. BACON. Yes.

Lieutenant Governor Barnes, I also appreciate you testimony earlier. Are there any reforms that you think we are missing to help folks get the skill sets to become independent? Are there things that we could be doing that we have not talked about, from your vantage point?

Mr. BARNES. Well, I guess we could start by saying the minimum wage hasn't gone up in 10 years. That would help lift people directly out of poverty.

Poverty is on the rise in the State of Wisconsin. We are at 12.3 percent; 16, almost 17 percent of children. African American rate of poverty is 44 percent in Wisconsin. Native American—or, excuse

me, African American children. Native American children is 41 percent.

And, job training is great. I am all for job training programs. But, unfortunately, those job training programs don't always lead to living-wage job placements. I think that is where we are missing the mark. And the more we can encourage our employers to pay a decent living wage to people, it would encourage work.

Because, right now, even if you look at the benefit cliff that would be created with removing the categorical eligibility, it would incentivize people to work less if they had a chance to make an extra 50¢ an hour, because they would be just over the limit and they would no longer be eligible for the benefit and end up at a net loss.

Mr. BACON. Okay.

Thank you, Madam Chair.

The CHAIR. Thank you.

Mr. Van Drew.

Mr. VAN DREW. Thank you, Madam Chair. And thank you for having this today.

And thank you all for being here and answering all these questions.

First of all, I really want to say that I do believe that the vast majority of Democrats and Republicans don't want to hurt poor people. Sometimes when we get into these discussions, it gets so intense, and the next thing we know—and I know I am digressing a little bit—we are starting to speak about other issues and other differences.

But I do hope that there is a day that comes more and more that we are working together and accomplishing goals together, because there are many similarities in where we all want to go. There may be some differences, but I really do believe that. And for my part, I am going to try to do everything I can to encourage that.

And I want to thank you for being here, because it is funny, New Jersey, which is my home state, is a wealthy state, and it is a state that people really assume doesn't have many of the problems that we all hear about today. But I have received estimates from the state Department of Human Services that we have ¼ million New Jersey households that receive SNAP under expanded categorical eligibility.

It is a big deal in New Jersey, and it is particularly a big deal in the part of New Jersey where I come from, which is the southern part of the state, which is more rural and seashore, and many people only work part of the year and have tremendous challenges during the year. Lowest per-capita income of any county in the state in our area. I have a lot of statistics that show there are a lot of issues.

And the other issue that I really have concern is health and the healthfulness of people, and especially when it comes to the obesity rate of children. We have the highest obesity rate, again, in my part of the state.

The question I would ask, and I kind of know the answer, but I just want to hear it and make sure I am right. How does hunger impact overall outcomes for education, income, and health?

And I would ask Ms. Davis that question.

Ms. LISA DAVIS. Great. Thank you for your question. I have three points to make.

First, on the educational front, children can't come to school hungry to learn if they are just plain hungry. We hear from teachers all across America about the difference that they see in their classroom from an educational performance standpoint, an attendance standpoint, and a behavioral standpoint when their kids are getting enough to eat. And studies show that, at the end of the month, when we know that most families have run out of their SNAP benefits, kids do less well in school and there are more disciplinary actions. Ensuring three healthy meals a day, every day, for kids has a tremendous impact on education.

With health and obesity, too, one of the many benefits of SNAP and getting kids on SNAP is that studies show that over a lifetime they have a significantly lower chance of having metabolic disease, so obesity, high blood pressure, heart disease. And there are a lot of studies that show the correlation between obesity and food insecurity——

Mr. VAN DREW. Yes. And that is what I wanted to ask about a little bit more.

Do you believe we are doing a good enough job, in the way the program works—and I know what the purpose of this hearing is, but it still is part of the SNAP issue—with ensuring that the food that they are getting, that they are eating, that they are getting three healthy meals a day?

Ms. LISA DAVIS. I think that one of the biggest challenges is that SNAP benefits are simply too low. You have heard several people reference $1.40 per meal per day. There are other studies that show that, for many families, the benefits run out by the second or third week of the month. We need to take a serious look at SNAP benefit adequacy.

For school meals, they might have strict nutritional requirements, and that is very important for kids too. But what we see is it is that fundamental lack of consistent access to enough nutritious food that ends up impacting their health.

Families who don't have enough resources may cope by buying less expensive, higher-calorie food. We know that people's bodies and metabolisms respond and are permanently changed by cycles of feast and famine.

The most important thing is to make sure that all kids in America have adequate access to enough nutritious food. And that starts with looking at SNAP benefit adequacy.

Mr. VAN DREW. Yes. And I think that is both, financially, the dollars are there to make sure that they are able to get the proper food, but also to make sure that the educational aspect is there, that they get the proper food.

And real quick, I know I have to go real fast; but, when we look at jobs—and that was part of the discussion here—we have lots and lots of jobs out there that people aren't being trained for in the technical fields, in the fields of other areas——

The CHAIR. The gentleman's time has expired.

Mr. VAN DREW. I know. I would love to talk about this, but I won't. But I wish that our county colleges and technical schools would work together even more to make that happen.

Thank you.

The CHAIR. Thank you.

Mr. Yoho, you are recognized for 5 minutes.

Mr. YOHO. Thank you, Madam Chair.

I don't know where to start, I have so much stuff here.

Mr. Barnes, you said SNAP has proven to be the singular most effective anti-hunger program in the country, helping more than 40 million people.

My question is, why prior to the recession, when we had approximately 17 million to 20 million people on SNAP, it increased to over 44 million, and now we are at full employment, higher wages across the board, yet we are still at about 39 million people?

Mr. Barnes?

Mr. BARNES. Yes, no, actually, that 40 million figure didn't come from me, but——

Mr. YOHO. Well, the point is, we are at full employment. We were at 17 million to 20 million before the recession. It went up to 40 million, 45 million. Now we are down to 39 million to 40 million people.

If we are at full employment and higher wages, why are there so many people still on SNAP?

Mr. BARNES. I have to push back on the higher wages piece.

Mr. YOHO. Well, you need to come to Florida then.

Mr. BARNES. I am in Wisconsin.

Mr. YOHO. Go ahead.

Mr. BARNES. The wages haven't—like, the national trend is that wages have not kept up, first of all, with inflation, and second of all——

Mr. YOHO. Well, we can talk about that. I think that that is something that needs to be pointed out. Because, in my state, average wages are, in my district, usually around $11 to $14 an hour, starting.

Mr. BARNES. Yes. May I ask where your district is?

Mr. YOHO. The best part of Florida, District Three.

Let me move on, because you said something else. "It must be noted that the categorical eligibility does not result in substantial SNAP benefits going to non-needy families and does not mean households automatically get SNAP. They must qualify for benefits."

Do you have a number that says what *substantial* is? Because you said it's not substantial, the people that are not needy getting these.

Mr. BARNES. Yes, I mean, we are talking about a few rare occurrences. And, again——

Mr. YOHO. What percentage? What percentage of all——

Mr. BARNES. I can get that percentage back to you.

[The information referred to is located on p. 115.]

Mr. YOHO. I would like for you to get that.

Because, someone like Mr. Undersander, if he can show a flaw in this system—and this is what irritates me about Congress. It shouldn't be this side says we are trying to take benefits away from poor people and this side saying poor people are lazy. Nothing gets fixed. We should focus on what is best for the person that this program was designed for.

And if somebody like Mr. Undersander can show a flaw in it, I would think us, as Members of Congress, would come together and say, "Well, by God, if somebody is cheating the system and it is that easy, we should bring an end to this." We would come together as Congress, not as Republicans or Democrats but as Americans, to fix the dang problem. And Mr. Undersander should be—he is a whistleblower that pointed something out.

And we can talk about fraud in the food stamp program, because we have had a person come up here to show there is a minimum of $1 billion in food stamp fraud. USDA says there is $4 billion to $7 billion in food stamp fraud. And if we are really concerned about the integrity of this program, well, again, by God, we ought to be able to come together and fix that for the American people, because we are in charge of their money.

I want to move on to something, because I am on a roll here.

Mr. BARNES. Can I respond to that?

Mr. YOHO. Quickly.

Mr. BARNES. Because with all due respect, if the percentage was so high, why are we using the same example over and over again?

Mr. YOHO. Of what?

Mr. BARNES. The guy in Minnesota. If there are so many people, why are we using the same person over and over again as an example?

Mr. YOHO. Because that has been brought up to my attention, but I can show you the fraud on the food stamps out of Jacksonville. In fact, we had that person up here, and we invited the Ranking Member to come see the demonstration and the facts of people selling food stamps, EBT cards, 50¢ on the dollar, of millions of dollars in Jacksonville.

Ms. Davis, I want to move on to, of the people that are on food stamps, on SNAP, of the 39 million people, roughly, on SNAP, your figure states that only 4.2 percent were the BBCE category. Is that correct?

Ms. LISA DAVIS. It is 4.2 percent have gross incomes between 131 percent of poverty——

Mr. YOHO. But those are the ones that are on broad-based categorical eligibility, is the way I understood that.

Ms. LISA DAVIS. Well, those are the people that would have eligibility conferred through broad-based categorical eligibility.

Mr. YOHO. All right. But when I did the math, it equates to about $2.7 billion. If we have people that can qualify that shouldn't be on that, why don't we want to tighten that up?

Ms. LISA DAVIS. One area that is often misunderstood is that the first step is looking at gross eligibility. And broad-based categorical eligibility raises that to between 131 percent and 200 percent of poverty.

Mr. YOHO. The reforms we put in the last bill——

Ms. LISA DAVIS. We still have to look at net income after deductions. And so, for families that have——

Mr. YOHO. Well, the last farm bill that Chairman Conaway tried to put through raised the assets somebody could have. Their car was $3,000, in the old days, and it went to $12,000. They could have X amount of dollars in assets. And it got beat down in this Committee, and it didn't pass.

And it is unconscionable that Members of Congress can't come together to fix a program, again, for the American people and the people that truly need it.

I yield back.

The CHAIR. Thank you.

Mrs. Hayes, you are recognized for 5 minutes.

Mrs. HAYES. Thank you, Madam Chair.

And thank you to all the witnesses that are here today.

And I agree with my colleague on the other side that when we identify that someone is committing fraud or fundamentally shifting our institutions that we should do something about it, and that is not a partisan issue.

I want to walk you guys through an equation, because we are talking about SNAP benefits, and I have been on the other side of those benefits. Being in this room and in this Committee hearing is somewhat personal for me.

First of all, the number of people receiving benefits goes up even though our employment rates are down because children don't work.

If you have a family of four—I am going to talk about in my home State of Connecticut. The eligibility for a family of four is $3,870 a month. That is how much has to be earned. My guess is, in that family, at least two, possibly three, of those people are children, that breaks down to $967 a week.

In my state, where the minimum wage is $10.10, if it is two adults, they are working—it is 95 hours a week, so one person is working 40 hours, another person is working 55 hours, but 95 hours a week at minimum wage in order to meet the threshold. I know this because I worked three jobs and still qualified for SNAP benefits because I fell under the threshold.

Of that number, you would receive $642 a month in benefits, which breaks down to about $160 a week for a family of four. That is $40 per person per week. A gallon of milk is $3.99 in my state, which means ten percent of your per-person weekly budget on SNAP would go to just buying a gallon of milk.

Nobody is taking advantage of that. When you really look at it, that is what it means.

I am going to back up a little, because I have been accused of being a single-issue person who only cares about children and education, and you are probably not wrong. But on the flip side of that, my grandmother, when we took care of her at home when she was suffering with Alzheimer's, received benefits. One person, elderly, $68 a month.

When we are having a conversation about fraud and abuse and misuse, and a family of four, which could potentially have two, possibly three, children, boiled down to $40 per person per week, and that is where we are looking to cut? That is where something is fundamentally wrong and unconscionable.

Ms. Davis, thank you so much for the work that you are doing with No Kid Hungry, because while we are here debating loopholes and eligibility and requirements, kids are going hungry. And they don't have time for us to sit around and play these partisan games. These are programs that people depend on, and not as a handout,

but sometimes people just need them as a step up to get themselves started. I worked three jobs, and still qualified for benefits?

And most of the children have no control over, like Mr. Barnes said, their family finances. I know I didn't.

But I digress, because I get so worked up when I am on these committees and I hear people who are having conversations about kids who can't defend themselves, who just need for us to speak up for them until they can speak for themselves, who just need us to stand in intercession until they can stand.

And I am probably going to use my whole 5 minutes editorializing, but I need for you to understand that we are having a hearing on something that is impacting people's lives right now. This is serious.

Mr. Barnes, you talked about you not receiving benefits as a child but then as an adult. And there are a lot of people who are in that situation as well. And if you could just talk to us a little bit about what that is. Because it is not these generational shifts that people are talking about or this cyclical poverty. Sometimes people just fall on hard times.

Mr. BARNES. Well, absolutely. And the last thing I wanted to do was to stay receiving those benefits. I was working a full-time job. And I finished college in 2008, quite possibly the worst time to ever finish college if you wanted a job. And I ended up getting one, and before I was laid off, my hours were cut by maybe about 40 percent, which then put me in the category where I was ineligible for SNAP benefits as well as everything else, energy assistance, whatever the case was.

And, ultimately, after I got laid off, I was on unemployment, and that was not a place that I wanted to be. The last thing I wanted to do was be unemployed as an adult, a single adult. And so finding a job was tough in 2010. It was very difficult.

Mrs. HAYES. Even with an education and a work history?

Mr. BARNES. With an education and with work history. It is not easy.

Mrs. HAYES. Thank you. I knew that, but I just wanted to hear you say it.

Mr. BARNES. Yes.

Mrs. HAYES. Please say hello to my friend Tony Evers.

Mr. BARNES. I will.

The CHAIR. Thank you.

Mr. Hagedorn, you are recognized for 5 minutes.

Mr. HAGEDORN. Thank you, Madam Chair. I appreciate the hearing that you are holding.

Thanks to the witnesses.

One of the reasons I wanted to serve on the Agriculture Committee was twofold: to make sure that we can sustain our incredible system of agriculture that produces the finest-quality, affordable products in all the world for the American people and for a lot of people around the world. And that food supply is abundantly important. People go into the grocery store, they have an opportunity to select from this array of choices—it is an incredible thing. And I like to talk about and champion that every chance we get. It doesn't happen in every country around the world.

But then there is a second part of the ag bill that is important and why I wanted to serve: the nutrition programs. The United States of America and our taxpayers, our citizens are the most generous people in all the world. We provide a safety net for folks to make sure that people, when they are down on their luck, or for whatever reason they need help, and we get them that help.

But what we need to do is make sure we are good stewards of that money and that those resources are directed to the people that actually need the help. And if there are folks out there receiving benefits that shouldn't, those resources should be directed either back to the General Fund of the Treasury or to the people that need it even more.

And so I think that is what this hearing is about. We are talking about these issues. And we even had the Chairman of the Committee, Mr. Peterson, I guess in the previous Congress, and he brought that up. He is from my home state. I believe the gentleman that is here who kind of showed that there is maybe a problem about the system here and there, Mr. Undersander, he is from the State of Minnesota. And Mr. Peterson said at one point, he said, "We in Congress have created a system where states set the rules in some cases and then we are left paying the bills."

And he is right. Because the government, even though the Federal Government provides moneys to the states, the states get to administer the programs. And what has happened over the years, is the programs have gotten a little bit out of whack. They have been liberalized in some areas that maybe is not helping everybody.

But are there areas where we should tighten it up? Of course. Should we have a biometric E-Verify to make sure that illegal aliens are not collecting Federal welfare dollars, which is against the law? Absolutely. Why do we want to send our taxpayer dollars there? Should we be doing everything we can to make sure people are not collecting in multiple states, which happens from time to time? You know, there are people out there that try to exploit our systems. We want these resources to be directed to the people that need it.

And then we have the case where this asset test, technically, you can walk through, and Mr. Undersander said, "Hey, I can collect. I don't think I should, but do something about it." All right, we should do something about it. And maybe as Mr. Barnes and others said, it doesn't affect every case, doesn't affect that many. But it shouldn't happen. We should all agree it shouldn't happen.

But when you look at what is going on, I used to work for a Congressman that served on this Committee in the 1980s, Arlan Stangeland. He led the Republican work-for-welfare bill and work requirement bill back then. And that bill was fundamentally passed by President Clinton, who signed it, Newt Gingrich and the Republicans in Congress, some fair-minded Democrats who joined us on that, to increase the work standards and technical training and other requirements for people that collect welfare, including food stamps.

That bill was very successful. It drove down the rates, saved costs. People got back into private-sector and other work. And I think it was a good thing.

But, for many purposes, that legislation was undermined by the 2009 stimulus Act and many of the Obama Administration rules that allow waivers for states to basically ignore the work requirements. And so the USDA is working on that to try to tighten that up. I support them on that fundamentally and wholeheartedly.

Because, in many instances, a lot of these asset tests and others maybe go by the wayside when you say to people, "If you are collecting benefits and you are able-bodied, we need you to either get in there and get some technical training so you can get into the workforce, have an upwardly mobile job, or work for your welfare the same way the taxpayers do and give incentive to try to get off the programs."

But I will tell you this. I think that the most compassionate thing that Members of Congress can do is to say we need to take people from government dependence, welfare, and move them to technical training, move them to work, move them to self-sufficiency. That is the most compassionate thing we can ever do.

And, the mandates for able-bodied citizens, it is just common sense, I think. And every person in our society, every potential worker has worth and value, and we should never stymie their success and their upward mobility because of government programs, bad government, even in the name of compassion.

With that, I yield back. Thank you.

The CHAIR. Thank you very much.

Mr. Davis, you are recognized for 5 minutes.

Mr. DAVIS of Illinois. Thank you, Madam Chair. It is great to be here. Sorry I was a little late today. As you know, the great convenience of serving on multiple committees. Thank you for your patience.

And thank you to the witnesses. I will let the witnesses know that, although there are two Davises on the panel, I don't believe we are related. If we are, if it is showing up in your 23andMe, let me know.

This is a great opportunity to discuss where the future of our SNAP program and categorical eligibility leads us to. And we have to look at data, we have to use technology. I am sure in much of the hearing that I was unable to attend we talked about technology.

I don't want to rehash a lot of the issues that were brought up, but we are at a different time than when Mr. Barnes graduated from college and a different time than when I graduated from college, where the economy wasn't ticking as well as it is now, unemployment was a lot higher than it is now. And, right now, we have to have systems set up in place that encourage families who may be eligible to get training for the jobs that we know are available.

We talk about the SNAP Education and Training Program. I like to think that I am a pretty bipartisan person. The Lugar Center says I am. This Committee has been one that has been an epitome of bipartisanship.

But instead of working together and trying to figure out a way to help families who may be stuck in the cycle of poverty and eligible for food stamps, eligible for SNAP benefits that nobody on this dais wants to take away from those who need that benefit, we ran into issues of investing more money into SNAP Education and

Training to help families that may have more children, like was mentioned earlier, that are adding to our SNAP rolls.

And we want those kids to get food, we want them to get fed, and we want them to get nutrition, not just at school but at home and during the summers. But, at some point, we also want to make sure that their parents, their families, have an opportunity to take advantage of where we are as a country economically right now.

I have jobs in my district, in my hometown of 11,000 people, that will pay $70,000 a year to drive a truck to deliver fast food to restaurants and be home virtually every evening, and they can't fill the jobs.

Why aren't we looking at our SNAP program, too, to find out who may be on the border of qualification when it comes to categorical eligibility? Why aren't we looking to them to work together and increase SNAP Education and Training funding to get that person, that family, paired up with our local community college to get that certification to get that job that is available? Why can't we do that?

Data doesn't lie. The data shows we have many families that could take advantage of this economy that we see right now, that could go from one day using what we call our Link card in Illinois, wondering what you can and cannot buy at the grocery store for your family and the kids that you want to feed, you want to get them good, nutritional food, and you wonder what you can buy and what you can't buy. Imagine if we gave them those same SNAP benefits and we also paid for their education and training and then we paired them up with a job. And they went from wondering what they could buy—and, 8 weeks later, after, let's say, one of their parents got a CDL and took that job at McLane Trucking in Taylorville, Illinois, let's say they went to making $70,000 a year. Why aren't we working there?

Why do we have debates over, well, we shouldn't have a verification process, we should have a verification process? We know there are people that are going to take advantage of any program. We ought to work together to root that out. We ought not protect that type of situation.

I know I have the red light, but I know, Madam Chair, Ms. Fudge, is going to let you answer a question, Dr. Davis. But I am going to take you right down to the wire. She knows I am usually good at this.

Dr. JOHN DAVIS. Pressure.

Mr. DAVIS of Illinois. Yes. I have 37 seconds.

Listen, we know the best thing we can do, besides having us come up with the money to invest and pair families who are stuck in the cycle of poverty up with a job, with training to get that job, we also know that technology shows us who they are. Explain to me how technology in your state is working to do what I said we need to do.

Dr. JOHN DAVIS. Thank you, sir.

We have partnered with our local university, Mississippi State University, working with technology to actually identify those individuals. We have actually helped 200,000 individuals come off of the program in the past 18 months, and they are in a job placement. We can track them now through that technology, through the state longitudinal data system, which I preside over.

We also know that, by doing that, by empowering those individuals through public-private partnerships with companies like KLLM, a trucking company who have hired those individuals, that we can find sustainable wages for that individual and that family.

Mr. DAVIS of Illinois. And you didn't take any SNAP benefits away from those families.

Dr. JOHN DAVIS. None. None.

The CHAIR. The gentleman's time has expired.

Mr. DAVIS of Illinois. Sorry to interrupt you. I knew I would end it.

Dr. JOHN DAVIS. It was good.

The CHAIR. Listen, he better be glad I like him, because I gave him more time than he should have had.

Dr. JOHN DAVIS. Thank you, ma'am.

Mr. DAVIS of Illinois. Thank you, Madam Chair.

The CHAIR. I see you can speed-talk. You sound like one of those people on the commercials that talk real fast.

I recognize myself for 5 minutes.

I was just listening to your answer, Dr. Davis, even though I cut you off. It is interesting how well your program is working. It is a good thing that you were able to do it within your own state the way that you wanted to do it, isn't it?

Dr. JOHN DAVIS. Yes, ma'am.

The CHAIR. The flexibility is exactly what you need, right?

Dr. JOHN DAVIS. Well, from the standpoint of we have had the advantage of working with closely with our Federal partners——

The CHAIR. Turn your microphone on.

Dr. JOHN DAVIS. I am sorry.

From the standpoint of we have worked closely with our Federal partners in developing that program through a continuum of process through our regional office and our national office. Mississippi and Alabama have partnered with our regional offices to do that, along with the Department of Labor, Department of Health and Human Services, as well as USDA, to make that happen.

The CHAIR. Great. Thank you.

I was listening to the Ranking Member, and he talked about we should have some say-so because it is Federal money. Do you remember that?

Dr. JOHN DAVIS. Yes, ma'am.

The CHAIR. Do you also know that you get money for education from the Federal Government and they want to tell states to do their own education?

Do you realize that you get money for Medicaid from the Federal Government?

Dr. JOHN DAVIS. Yes, ma'am.

The CHAIR. They want states to do that too.

Do you realize that you get money for roads, for bridges? They want to do that too.

I don't understand why they just pick this one thing and say, "Nope, you shouldn't have any flexibility." You get money from the Federal Government for a lot of things that we need to hold you responsible for.

Dr. Waxman, a wide range of states and territories, including those led by Democratic and Republican Governors and officials,

are using broad-based cat-el to connect SNAP to households that may have a slightly higher income but still the need of assistance.

Why is it important to support this population that is working its way out of poverty?

Dr. WAXMAN. Thank you for that question.

I notice that some of the Members have mentioned the importance of emphasizing and supporting work. And, in fact, raising that gross income eligibility level does exactly that. Most of the people who are brought into the program then have higher income; more of them have earnings. And they are at risk of being less well off if they get a small raise, often, even though they are doing exactly what we would ask them to try to be on the path to self-sufficiency. If the benefits are lost and they don't have that ability to raise their income without losing the benefits, that is really a challenge.

The other thing we want to know is that those households are disproportionately likely to have children. Those are also often working families with children, again, on the path that I think we would all emphasize.

So it gives flexibility. And we need to realize that working families encounter a lot of expenses. Childcare is huge. And high housing costs is one of deductions that we are allowed to use under that BBCE.

The CHAIR. Thank you.

It is interesting that my colleagues talk about training and about work and able-bodied and all of that. Most of the people we are talking about work. Am I correct?

Dr. WAXMAN. That is correct.

The CHAIR. I am not sure where the disconnect is. Most of the people we are talking about do work. They just don't make enough money to get by. They need a little help at the end of the month. It is not as if they are not trying. You know, we would make people believe that people don't want to work.

Mr. Davis, my friend, even though we disagree on almost everything, Mr. Davis talked about—well, not everything, but most—Mr. Davis talked about people with CDLs. Do you know why that is a difficult problem in certain communities? Because you can't have had a ticket. You can't have had a DUI. You can't have had other problems.

People who are poor have more difficulty, because people who have means, when they make mistakes, they get in a diversion program. They have somebody expunge their record. They do a lot of things that people who are just making it cannot do. That is why there is a difference.

We have to understand that every single community, every single person is different. People do the best they can. Is there probably some person in the world that doesn't want to work? Maybe. But I don't know them. And I represent one of poorest districts in the United States. They come to my office every day wanting to find a job. We send them to community colleges for training programs, and then people don't want to hire them.

I know that there are impediments. This is not all rosy. People have challenges. Yes, we need to train more people to work. I wish every single person in this country worked. But we don't.

And the reality is most of the people who are on SNAP either work or cannot work. They are either disabled, they are the elderly, they are children. They cannot or they do. And so I just want to make sure that everybody understands that.

And, with that, I am going to yield to the Ranking Member for his closing remarks, 5 minutes, Mr. Johnson.

Mr. JOHNSON. Thank you very much.

I want to say how much I appreciated the tone of Mr. Van Drew. I mean, he clearly is attempting to find common ground. And we actually heard that not just from him but from a number of people today, and that gives us a path forward, which is good news.

Ms. Schrier, I am just such a fan of hers, and she is so smart. And so the point she brought up about this one percent fraud, that is a different number than I had seen before. If we could ask for that data and have that in the record.

And, accordingly, I had been asked to provide some information on my 96 percent to 99 percent——

The CHAIR. Ninety-nine.

Mr. JOHNSON. Yes, 99, but both numbers are in here as well. I will provide that to staff.

[The information referred to is located on p. 109.]

Mr. JOHNSON. Somebody used the word, *whistleblower,* to describe Mr. Undersander, and that is the right approach. His actions were not motivated in any way to enrich himself. That money that he received—I don't know if this has come to the fore, but I want to make it clear—it was donated to charities that help poor people. He is a whistleblower who wanted to effect change within the system. We should celebrate whistleblowers in this society to a greater extent than we do.

I appreciated Ranking Member Conaway's comments about the need to have a fulsome conversation. There are some changes that need to happen in this system if we are concerned about the benefits cliff, and I am. Some of the panelists did a good job of explaining it. Then let's change that. Let's have an honest reform of that system rather than through distortions of the existing system. If we think the asset test is artificially low, if it is antiquated—and I do—then let's change that rather than kind of ignore it through distortions of our existing system.

I want to end with a comment that I made, Madam Chair, during my opening remarks, which is something that I believe with my whole heart and that I think every Member on this dais throughout the day believes in their whole heart: we need this program, and we need this program to be effective.

And so many of the things we heard from the panelists today reinforce the fact that that program is worthy and is needed but maybe obscured some of the improvements that can happen through a reform of the cat-el system.

Thank you.

The CHAIR. I thank you, Mr. Johnson. And I really very much appreciate the comment that we do need it. And so when USDA comes forward with a rule to try to get rid of it, let's just stand together.

Why was that funny?

Let me just say a couple of things in closing.

First off, I thank you all for your testimony. I thank you for your time.

I thank all of my colleagues for their time. Mr. Davis is right. I am on three committees. He is probably on three. We are constantly moving. And for the entire Committee to have shown up today shows the importance of this topic. I thank you all for being here.

I take hunger very seriously, because I know what hunger does to children. I represent some of the wealthiest people in the world, and I absolutely represent a lot of the poorest. And I know, from the people I talk to every day, what a parent feels when their kid is hungry, what a hungry kid feels when they go to school. I take it very, very seriously. I take preparing young children for a successful future seriously.

I believe that you are right, Mr. Barnes; we should not only allow them to have a meal in school and go home hungry, or go to an after-school program where they can't get milk or juice, or go all summer when school is out and not have a decent meal for almost 3 months. I agree with you. We have to find a way to make sure that hungry people can eat all of the time and not just when they fill out the proper form for the proper place.

It is very, very important to me that the system work. Now, I don't have a problem with whistleblowers. I really don't. But when you purposely set out to find a way to make a system that has worked for so long look bad just for sport, there is a problem with me. It is great that he gave the money to charity, but it wasn't his money to give. I hope he didn't take it off on his tax return.

I just think that we have to understand who we are. And what we are is people who are trying to do the best for the people who sent us here. I will do whatever it takes to make sure that hungry people are fed. We are in the richest nation in the world. There should not be hungry children, there should not be hungry seniors, there should not be hungry disabled people in this country.

And so, if we blow it once or twice, let's fix it. Let's not try to destroy it because somebody found a loophole or someone found a problem. Let's fix the problem. I am glad he showed it. I don't like the way he did it, but let's fix the problem. Let's not just throw out the baby with the bath water because some wise guy decided that there was a problem.

I am going to stop before I go any further.

Let me just say that, under the Rules of the Committee, the record of today's hearing will remain open for 10 calendar days to receive additional material and supplementary written responses from the witnesses to any question posed by a Member.

This hearing of the Subcommittee on Nutrition, Oversight, and Department Operations is adjourned.

[Whereupon, at 3:50 p.m., the Subcommittee was adjourned.]

[Material submitted for inclusion in the record follows:]

SUBMITTED ARTICLE BY HON. DUSTY JOHNSON, A REPRESENTATIVE IN CONGRESS FROM SOUTH DAKOTA

SC Times
PART OF THE USA TODAY NETWORK
https://www.sctimes.com/story/opinion/2016/09/28/state-needs-asset-test-food-stamps/91183584/

State needs asset test for food stamps

Opinion

St. Cloud Times
ROB UNDERSANDER, St. Cloud
Published 7:05 a.m. CT Sept. 28, 2016

Reinstate asset testing, including retirement accounts, with excess value determination for one's house and car.

(Photo: *St. Cloud Times*)

Story Highlights

- **If I say I'm a millionaire receiving food stamps, I have attention for change.**
- **Prior to 2008, asset testing was done in most states.**

I volunteer at a local agency assisting seniors with health insurance and other needs. During formal training for this work, I learned asset testing was not required for food stamps.

My wife and I are both retired. We worked hard, raised our family, saved money for retirement and now live very comfortably. In fact, our net worth exceeds $1 million. We also applied for and are now receiving food stamps—$278 per month! This is wrong—so wrong.

Food stamps, or the Supplemental Nutrition Assistance Program as it's now called, should be made available to only those in need, not people like my wife and myself. Why are we eligible? Because eligibility in Minnesota is based on income only, not assets.

The program was started in 1965 under the Lyndon Johnson Administration. In 1969 there were 2.9 million participants. Today, there are 44.4 million Americans, almost one in seven, receiving benefits, at a cost to the taxpayer of $74 billion annually! The average benefit in Minnesota is $118 per person per month. Since October of 2012, the number of participants has dropped by only 6.5 percent. Unemployment has dropped a whopping 37 percent in the same period. If more people are working, fewer should need food stamps.

In the spirit of making positive suggestions instead of negative criticism, here are four recommendations for SNAP improvement:

- Reinstate asset testing, including retirement accounts, with excess value determination for one's house and car. Our high mortgage payment qualifies us for a higher benefit because benefit levels are based on net income.
- Expand the Able[-]Bodied Adult Without Dependants age from 18–49 to 18–62. The adults can only receive 3 months of benefits in a 36 month period. Seniors, like myself, are not required to work to be eligible. We should!
- Count Social Security Benefits at age 62 as part of the applicant's income whether they are received. I am 63, but elect to wait to age 66 for SSB. I would not receive any food stamps if I were receiving SSB.
- Eliminate non-nutritious and luxury food items such as soft drinks, energy drinks, candy, snacks, desserts and so on. I have purchased lobster and filet mignon on my EBT card!

So why do we take the money if we know it's wrong? Three reasons:

- To make a point and raise public awareness. If I stated in casual conversation with someone that I was doing research on SNAP and discussed asset testing, their eyes would probably start to glaze over. If I say I'm a millionaire receiving food stamps, I have their attention.
- To redistribute the money to those who really need it. We intend to give every dollar we receive to charities or individuals in need. Obviously, we are far more qualified than state and Federal legislators in this regard because they are giving benefits to us!
- To recover unnecessary taxes levied by politicians. For example, the $2 billion surplus in Minnesota state coffers.

Prior to 2008, asset testing was done in most states to determine eligibility as it still is for many public assistance programs. The 2008 Food and Nutrition Act (part of the 2008 Farm Bill), in addition to changing the name from Food Stamps to SNAP, changed that by eliminating education and retirement accounts from asset testing—apparently in an effort to encourage people to save money.

Seriously? Did they really think people who could not afford food would continue contributing to their [401(k)] accounts, albeit at the expense of the taxpayer?

Thirty-five states took that as a sign to eliminate asset testing altogether. Pennsylvania, under Democratic Gov. Ed Rendell, was the first in 2008. The following year Republican Gov. Tom Corbett reversed that decision after hearing about two people in Michigan who had won more than $1 million and were still receiving SNAP benefits.

We want to be that couple in Minnesota!

This is the opinion of Rob Undersander, who was born and raised in the St. Cloud area. He left for 38 years, serving as a U.S. Navy officer, and worked in the oilfield, aerospace and homeland security industries around the country, including Texas for many years, where he participated in local government. He returned to retire on his family's land west of St. Cloud.

SUBMITTED REPORT BY HON. DUSTY JOHNSON, A REPRESENTATIVE IN CONGRESS FROM SOUTH DAKOTA

Setting the Record Straight on Food Stamp Loopholes & School Lunches

June 20, 2018

NIC HORTON, *Research Director;* JONATHAN INGRAM, *Vice President of Research.*

What are free and reduced-price lunches and who qualifies?

The National School Lunch Program (NSLP) provides free and reduced-price lunches for school-age children across America. There are two primary eligibility pathways for children to qualify for the program: income eligibility and categorical eligibility.[1–2]

Kids who enroll in the program through the income pathway can receive free or reduced-price lunches if their household incomes are below 185 percent of the Federal poverty level—nearly $46,500 per year for a family of four.[3] Those with household incomes below 130 percent of the Federal poverty level qualify for free lunches, while kids from homes with incomes between 130 percent and 185 percent of the poverty level qualify for reduced-price lunches.[4] Under Federal law, schools are prohibited from charging more than 40¢ for a reduced-price lunch.[5]

Reduced-Priced Lunches Are Capped at 40¢

[1] Randy Alison Aussenberg, "School meals programs and other USDA child nutrition programs: A primer," Congressional Research Service (2016), *http://nationalaglawcenter.org/wp-content/uploads/assets/crs/R43783.pdf.*

[2] Children can also receive free meals through the "community eligibility provision," an option that allows schools to provide free meals to all students so long as at least 40 percent of their students are categorically eligible for free meals.

[3] Food and Nutrition Service, "Child nutrition programs: Income eligibility guidelines," U.S. Department of Agriculture (2018), *https://www.gpo.gov/fdsys/pkg/FR-2018-05-08/pdf/2018-09679.pdf.*

[4] Randy Alison Aussenberg, "School meals programs and other USDA child nutrition programs: A primer," Congressional Research Service (2016), *http://nationalaglawcenter.org/wp-content/uploads/assets/crs/R43783.pdf.*

[5] *Ibid.*

Kids who enroll in the program via categorical eligibility qualify if their household is enrolled in Federal welfare programs, such as food stamps.[6] They receive free meals regardless of whether their household income level actually meets the program's guidelines.[7]

What is broad-based categorical eligibility?

Broad-based categorial eligibility (BBCE) is a loophole that allows states to expand eligibility for food stamps by raising the income limit, raising asset limits, or even waiving the asset limit entirely.[8] Under Federal law, food stamp enrollees must have income below 130 percent of the Federal poverty level, roughly $32,630 for a family of four.[9–10] However, Clinton-era regulations provided states with a workaround.[11] By using TANF cash welfare dollars to print informational brochures or pamphlets, everyone authorized to receive those brochures or pamphlets are deemed "categorically eligible" for the food stamps program, making them exempt from the gross income limit and the asset limit in food stamps.[12] As a result, states can use this loophole to expand food stamps eligibility to individuals earning up to 200 percent of the poverty line and even expand eligibility to individuals with millions of dollars in assets.[13]

$50,200 for a Family of Four

*Not only are these states expanding the program beyond the Congressional intent and scope of Federal statute—**they are threatening resources for the truly needy.***

Ending the BBCE loophole will preserve resources for the truly needy

Eliminating the BBCE loophole is one of the most important things policymakers can do to protect limited resources for the truly needy and protect the food stamp program's integrity. Unfortunately, too many states are still on the wrong path.

Today, 28 states and the District of Columbia have used this loophole to raise the income limit beyond the thresholds established in Federal law.[14] Even more states have used the loophole to raise the asset limit or eliminate the asset test altogether.[15] Not only are these states expanding the program beyond Congressional intent and the scope of Federal statute—they are threatening resources for the truly needy.

A recent report prepared for the U.S. Department of Agriculture found that most income-eligible households with financial resources that exceed the Federal resource limit have more than $20,000 in countable assets.[16] One in five had more than $100,000 in assets, including tens of thousands of households with more than $1 million in assets.[17] Every dollar spent on individuals with significant financial re-

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[6] *Ibid.*

[7] *Ibid.*

[8] Jonathan Ingram, "Memo to FNS regarding executive order reducing poverty in America by promoting opportunity and economic mobility," Foundation for Government Accountability (2018), *https://thefga.org/wp-content/uploads/2018/04/Memo-to-FNS-4-10-18.pdf.*

[9] 7 CFR § 273.9 (2018), *https://www.gpo.gov/fdsys/pkg/CFR-2018-title7-vol4/pdf/CFR-2018-title7-vol4-sec273-9.pdf.*

[10] Authors' calculations based upon 2018 Federal poverty guidelines. *See, e.g.,* Office of the Secretary, "Annual update of the HHS poverty guidelines," U.S. Department of Health and Human Services (2018), *https://www.gpo.gov/fdsys/pkg/FR-2018-01-18/pdf/2018-00814.pdf.*

[11] Jonathan Ingram, "Memo to FNS regarding executive order reducing poverty in America by promoting opportunity and economic mobility," Foundation for Government Accountability (2018), *https://thefga.org/wp-content/uploads/2018/04/Memo-to-FNS-4-10-18.pdf.*

[12] *Ibid.*

[13] Elizabeth Laird and Carole Trippe, "Programs conferring categorical eligibility for SNAP: State policies and the number and characteristics of households affected," Mathematica Policy Research (2014), *https://www.mathematica-mpr.com/download-media?MediaItemId={9135CB5F-F3E1-43E6-ADE2-C232B26593EB}.*

[14] Food and Nutrition Service, "Broad-based categorical eligibility," U.S. Department of Agriculture (2018), *https://fns-prod.azureedge.net/sites/default/files/snap/BBCE.pdf.*

[15] *Ibid.*

[16] Karen Cunnyngham and James Ohls, "Simulated effects of changes to state and Federal asset eligibility policies for the Food Stamp Program," U.S. Department of Agriculture (2008), *https://naldc.nal.usda.gov/download/26691/PDF.*

[17] *Ibid.*

sources or whose income is above the Federal eligibility threshold is a dollar that cannot be preserved for those who actually meet eligibility requirements.

Worse yet, anyone receiving food stamps as a result of the BBCE loophole is also deemed categorically eligible for free lunch, free breakfast, and other nutrition programs, meaning this abuse is not confined to just food stamps, but is spread across several other nutrition programs as well.

Eliminating BBCE would have little impact on the number of kids who qualify for the school lunch program

Eliminating BBCE should be a top priority for policymakers and would go a long way towards restoring program integrity. Doing so would have virtually no impact on the number of kids who qualify for the school lunch program, given the large overlap between school lunch and food stamp eligibility.

1. **Nationally, more than 99.9 percent of school-aged kids on food stamps would still qualify for the school lunch program**

Overall, more than 14 million of the 14.1 million school-aged kids on food stamps—more than 99.9 percent—would continue to qualify for the school lunch program.[18] These children would either continue to receive free lunches because their families' household income is below 130 percent of the Federal poverty level, or they would receive reduced-price lunches because their families' income is between 130 and 185 percent of the Federal poverty line.

More Than 99.9% of School-Aged Kids on Food Stamps Would *Continue To Qualify* for the School Lunch Program

2. **Roughly 96.6 percent of school-aged kids on food stamps would still qualify for free lunches**

Nearly 13.6 million school-aged kids on food stamps—roughly 96.6 percent—would not be affected at all by eliminating the BBCE loophole.[19] These children live in families with household incomes below 130 percent of the Federal poverty level. Even if the BBCE loophole were eliminated, these children would continue to qualify for free lunches based on their household incomes.

3. **In 36 states, no child would lose access to the school lunch program**

Although most states use the BBCE loophole in some way, the gross income limit for food stamps is at or below 185 percent of the Federal policy level in 36 states—the same eligibility threshold as the school lunch program.[20] If the BBCE loophole were eliminated, some of these children might be moved from "free" lunches to reduced-price lunches, but they would continue to qualify for and receive assistance from the school lunch program. Even in states with higher food stamp income limits that exceed the school lunch program threshold, the footprint would be virtually invisible.

4. **Of the kids affected by eliminating BBCE, 98.2 percent would still qualify for the school lunch program**

Today, 14 states and the District of Columbia have set the gross income limit for food stamps at 200 percent of the Federal poverty line, higher than the income threshold for school lunch program eligibility.[21] However, while income eligibility extends above 185 percent, virtually all of the kids on food stamps in these states

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[18] Authors' calculations based upon data provided by the U.S. Department of Agriculture on food stamp enrollment among children between the ages of 5 and 17, disaggregated by household income-to-poverty ratios, in Fiscal Year 2015. *See, e.g.,* Food and Nutrition Service, "Supplemental Nutrition Assistance Program quality control database," U.S. Department of Agriculture (2016), *https://host76.mathematica-mpr.com/fns/PUBLIC_USE/2015/qcfy2015_st.zip.*

[19] *Ibid.*

[20] Food and Nutrition Service, "Broad-based categorical eligibility," U.S. Department of Agriculture (2018), *https://fns-prod.azureedge.net/sites/default/files/snap/BBCE.pdf.*

[21] *Ibid.*

come from households with income below that level.[22] As a result, the vast majority of these kids would still qualify for reduced-price lunches.

Of the 484,000 school-aged kids in those states with household incomes above 130 percent of the poverty line, more than 475,000—nearly 98.2 percent—come from households with income below the eligibility threshold for the school lunch program.[23] While these kids would no longer qualify for "free" lunches if the BBCE loophole were eliminated, they would continue to qualify for reduced-price lunches, where costs are capped at 40¢ per meal.

98.2% of Affected Kids Would Still Qualify for the School Lunch Program
Eliminating BBCE would bring the school lunch and food stamp programs back into alignment with their statutory foundations.

5. **Kids who would no longer qualify never truly qualified in the first place**

Altogether, fewer than 9,000 school-aged children on food stamps are from families with household income above the threshold for the school lunch program but below the threshold for food stamps.[24] But these children would no longer qualify for one important reason: they never qualified in the first place.

By definition, these children are not from families in poverty. Indeed, those affected by the change have incomes that are either 85 percent higher or 100 percent higher than the poverty line—roughly $46,500 to $50,000 per year for a family of four.[25] For context, that is close to the median household income for the entire country and is actually higher than the median household income in some states.[26]

While the BBCE loophole effectively expanded the school lunch program beyond the 185 percent set forth in Federal law, strictly speaking, these households never truly met the income limits needed to qualify for the program. Eliminating the BBCE loophole would correct this issue and bring both the school lunch and food stamp programs back into alignment with their statutory foundations, preserving resources for the truly needy.

More than 99.9 percent *of school-aged kids on food stamps would continue to qualify for the school lunch program after the BBCE loophole is eliminated.*

Bottom line: Scrapping the BBCE loophole should be a top priority for policymakers

Eliminating the BBCE loophole and protecting resources for the most vulnerable should be a top priority for policymakers at both the state and Federal levels. While far too many states are still utilizing this loophole, momentum is thankfully starting to shift.

Arkansas, Kansas, and Mississippi have all recently enacted legislation to prohibit the use of this loophole by state bureaucrats. Others—including Michigan and Maine—have begun to reduce the impact of the loophole and restore asset limits.

Perhaps the most encouraging sign in years comes from Washington[,] D.C. The Trump Administration proposed eliminating the loophole altogether in its Fiscal Year 2019 budget.[27] The Administration has also announced that it is working on

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[22] Authors' calculations based upon data provided by the U.S. Department of Agriculture on food stamp enrollment among children between the ages of 5 and 17, disaggregated by household income-to-poverty ratios, in Fiscal Year 2015.

[23] *Ibid.*

[24] *Ibid.*

[25] Authors' calculations based upon 2018 Federal poverty guidelines.

[26] Gloria G. Guzman, "Household income: 2016," U.S. Department of Commerce (2017), *https://www.census.gov/content/dam/Census/library/publications/2017/acs/acsbr16-02.pdf.*

[27] Food and Nutrition Service, "2019 USDA budget explanatory notes for Committee on Appropriations," U.S. Department of Agriculture (2018), *https://www.obpa.usda.gov/32fns2019notes.pdf.*

changes to the regulations that created the loophole.[28] Likewise, the Agriculture and Nutrition Act of 2018 would eliminate the use of the BBCE loophole entirely.[29]

While pro-dependency interest groups are anxious to spin the elimination of this loophole as a cataclysmic assault on the poor that would take food out of the mouths of kids, the data show nothing could be further from the truth. More than 99.9 percent of school-aged kids on food stamps would continue to qualify for the school lunch program after the BBCE loophole is eliminated. Indeed, eliminating this loophole is a critical step towards restoring the food stamp and school lunch programs to focus on the most deserving.

Ultimately, ending the BBCE loophole should be recognized for what it fundamentally is—the realignment of food stamp eligibility with Federal law, not a reduction in eligibility. For these reasons, policymakers should make eliminating this loophole a top priority.

APPENDIX. **99.9 percent of school-age kids on food stamps would still qualify for the school lunch program**

State	Food Stamp Income Limit (Percent of FPL)	Kids Who Still Qualify for Free Lunches	Kids Who Still Qualify for Free Or Reduced-Priced Lunches
Alabama	130%	100%	100%
Alaska	130%	100%	100%
Arizona	185%	94.2%	100%
Arkansas	130%	100%	100%
California	200%	97.7%	100%
Colorado	130%	100%	100%
Connecticut	185%	90.9%	100%
Delaware	200%	93.7%	99.9%
District of Columbia	200%	97%	100%
Florida	200%	92.8%	100%
Georgia	130%	100%	100%
Hawaii	200%	92.2%	100%
Idaho	130%	100%	100%
Illinois	165%	99.4%	100%
Indiana	130%	100%	100%
Iowa	160%	94.8%	100%
Kansas	130%	100%	100%
Kentucky	130%	100%	100%
Louisiana	130%	100%	100%
Maine	185%	89.8%	100%
Maryland	200%	90.4%	99.8%
Massachusetts	200%	88.4%	99.2%
Michigan	200%	95.5%	100%
Minnesota	165%	92.8%	100%
Mississippi	130%	100%	100%
Missouri	130%	100%	100%
Montana	200%	99.3%	100%
Nebraska	130%	100%	100%
Nevada	200%	96.3%	99.9%
New Hampshire	185%	87.5%	100%
New Jersey	185%	93.8%	100%
New Mexico	165%	96.1%	100%
New York	200%	97.4%	99.3%
North Carolina	200%	95%	99.8%
North Dakota	200%	93.8%	100%
Ohio	130%	100%	100%
Oklahoma	130%	100%	100%
Oregon	185%	89%	100%
Pennsylvania	160%	93.5%	100%
Rhode Island	185%	93.1%	100%

[28] Office of Information and Regulatory Affairs, "Revision of categorical eligibility in the Supplemental Nutrition Assistance Program," Executive Office of the President (2018), *https://www.reginfo.gov/public/do/eAgendaViewRule?pubId=201804&RIN=0584-AE62*.

[29] Agriculture and Nutrition Act of 2018, H.R. 2, 115th Congress (2018), *https://www.congress.gov/115/bills/hr2/BILLS115hr2rh.pdf*.

APPENDIX. **99.9 percent of school-age kids on food stamps would still qualify for the school lunch program—Continued**

State	Food Stamp Income Limit (Percent of FPL)	Kids Who Still Qualify for Free Lunches	Kids Who Still Qualify for Free Or Reduced-Priced Lunches
South Carolina	130%	100%	100%
South Dakota	130%	100%	100%
Tennessee	130%	100%	100%
Texas	165%	95%	100%
Utah	130%	100%	100%
Vermont	185%	83.5%	100%
Virginia	130%	100%	100%
Washington	200%	92.2%	100%
West Virginia	130%	100%	100%
Wisconsin	200%	93.8%	100%
Wyoming	130%	100%	100%
Total		**96.6%**	**99.9%**

Source: Authors' calculations based on data from the USDA quality control database.

SUPPLEMENTARY MATERIAL SUBMITTED BY HON. MANDELA BARNES, LIEUTENANT GOVERNOR, STATE OF WISCONSIN

Insert 1

Mr. JOHNSON. Yes. Do we have any idea how many of those 24,000 students come from families that are above 130 percent of the Federal poverty line?

Mr. BARNES. I don't have that number, but I can get that to you.

In June 2019, there were 171,811 children between the ages of 6 and 18 on FoodShare living in 92,939 households. Of those, 8,802 children would have been expected to lose eligibility due to income if broad-based categorical eligibility (BBCE) had been restricted to households receiving substantial and ongoing TANF benefits and households had been tested against 130% FPL on gross income and 100% FPL on net income.

Please note that: FoodShare households above 130% FPL on gross income or above 100% FPL on net income in June 2019 did not receive substantial or ongoing TANF benefits with the exception of Wisconsin Shares childcare subsidies. Households receiving Wisconsin Shares benefits were discounted from this total.

Households that only included members living with disabilities were discounted from this total since they can qualify as eligible for FoodShare through a different process than BBCE while having incomes that exceed 200% FPL.

Wisconsin does not collect information from FoodShare members regarding assets. The restriction of BBCE to households receiving substantial and ongoing TANF benefits would be expected to result in some households losing benefits due to asset testing. Since asset information is not collected, it is not possible to calculate the number of households and individuals below 130% FPL on gross income and below 100% FPL on net income who could still be impacted.

The figure for June 2019 is much lower than the previous figure from 2016 for several reasons. First, the 2016 figure was based on an entire calendar year which likely included a substantial degree of churn. Second, while total enrollment in June 2019 was 608,359 individuals (when the unemployment rate was 2.9%), average monthly enrollment in calendar year 2016 was 718,272 (when unemployment averaged 4.2%). It is probable that the people who have left FoodShare were toward the upper levels of income among FoodShare households and that declining unemployment resulted in a higher level of increased level of labor force participation among FoodShare households that were already above the poverty limit than those below the poverty limit.

Insert 1a

Mr. JOHNSON. Do you have any idea how many of them would be more than 185 percent above the Federal poverty line?

Mr. BARNES. Same response. I don't have that exact number, but I can get that to you.

If the limit was set at 185% FPL on gross income and 185% FPL on net income in June 2019, 443 children between the ages of 6 and 18 on FoodShare would have been expected to lose eligibility due to household income. As with the previous estimate, this does not reflect the possible impact of asset testing.

Insert 2

Mr. YOHO. . . .

Let me move on, because you said something else. "It must be noted that the categorical eligibility does not result in substantial SNAP benefits going to non-needy families and does not mean households automatically get SNAP. They must qualify for benefits."

Do you have a number that says what *substantial* is? Because you said it's not substantial, the people that are not needy getting these.

Mr. BARNES. Yes, I mean, we are talking about a few rare occurrences. And, again——

Mr. YOHO. What percentage? What percentage of all——

Mr. BARNES. I can get that percentage back to you.

In June 2019, Wisconsin residents received $63,960,291 in Federal SNAP benefits. If the proposed federal rule change had been in place, and households above 130% FPL in gross income or above 100% FPL in net income who were not receiving substantial and ongoing TANF benefits had not been eligible, then Wisconsin would have received $920,832 less in federal SNAP benefits. This is a decrease of 1.40%.

This compares to the impact to enrollment which would reduce individual participants (all ages) by 6.25%, individual seniors by 19.98%, and households by 7.41%.

This is because SNAP is designed to gradually reduce benefits as incomes go up.

SUBMITTED QUESTIONS

Response from Lisa Davis, J.D., Senior Vice President, No Kid Hungry Campaign, Share Our Strength**

Question Submitted by Hon. Jimmy Panetta, a Representative in Congress from California

Question. Ms. Davis, like you, I am deeply concerned about the impacts of this proposal on children's nutrition, especially in communities like the Pajaro Valley in my district, where all the elementary and middle schools participate in the school meals program.

Ms. Davis, can you speak to the effects of this proposal **on school children's cognitive and physical development?**

Answer. Research shows that childhood is a crucial milestone and a sensitive period for active brain or cognitive and physical development. However, adverse childhood experiences such as poverty and food insecurity significantly contributes to toxic stress, leading to cognitive dysfunction and unhealthy development for many low-income children.[1] In particular, food insecurity in households with children is associated with deficits in cognitive development, behavioral problems, insufficient intake of important nutrients and poor health conditions in childhood.[2] Other studies show that children who live in a food insecure household have poorer and lower physical or psychosocial functioning,[3] and are more likely to be "developmentally at risk",[4] thereby adversely affecting their overall health and development.

SNAP benefits play a vital role in improving the cognitive and physical development of children across the country. There is a strong body of research demonstrating that participation in or receipt of SNAP benefits is tied to a significant reduction in the level of food insecurity among children and families. One study showed that SNAP receipt is associated with a reduction in the likelihood of being

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****Editor's note:** the eight documents (six articles and two reports) referenced in this response are retained in Committee file.

[1] Hughes, Michael. 2018. *Poverty as an adverse childhood experience.* NORTH CAROLINA JOURNAL OF MEDICAL POLICY ANALYSIS AND DEBATE. Vol. 79(1). *http://www.ncmedicaljournal.com/content/79/2/124.full.*

[2] John T. Cook and Deborah A. Frank. 2008. *Food Security, Poverty, and Human Development in the United States.* ANNALS OF THE NEW YORK ACADEMY OF SCIENCES. 193-209. *http://onlinelibrary.wiley.com/doi/10.1196/annals.1425.001/epdf.*

[3] P.H., Casey, *et al.* 2005. *Child health-related quality of life and household food security.* [ARCHIVES] OF PEDIATRICS AND ADOLESCENT MEDICINE. *https://www.ncbi.nlm.nih.gov/pubmed/15630058.*

[4] R., Rose-Jacobs, *et al.* 2008. *Household Food Insecurity: associations with at-risk infant and toddler development.* PEDIATRICS, 121(1). *https://www.ncbi.nlm.nih.gov/pubmed/18166558.*

food insecure by roughly 30 percent and the likelihood of very-low-food security by 20 percent.[5]

The latest research from the National Academy of Sciences, Engineering and Medicine underscores that, participation in SNAP is associated with improving the overall well-being of children.[6] Many other studies also found that SNAP participation significantly reduced the incidence of metabolic syndromes such as heart disease, obesity, and diabetes, and an increase in reporting good health conditions.[7]

Restricting or eliminating the BBCE policy under SNAP would significantly reduce the number of children living in households who access SNAP, thereby putting them at greater risk of food insecurity and the negative cognitive and health consequences associated with this. These children will lose access to a program with demonstrated effectiveness at improving the overall health and well-being of children.

What will further compound the health consequences of losing these SNAP benefits, is the added loss of their school meal access. No longer being eligible for SNAP means they may also lose their eligibility for free school meals. School lunch and breakfast are vital sources of healthy food for many low-income children across the country. Research shows that school meals provide better access to nutrition and vitamins and minerals, including iron and vitamin E, that are crucial for brain development.[8] The research shows that the improved accessibility of the School Breakfast Program contributes to improved memory and cognitive achievements such as higher test score results among low-income children.[9]

Therefore, restricting access to both SNAP benefits and the school meal programs by restricting or eliminating the BBCE policy under SNAP will have a deleterious effect on the physical and mental development of school children.

Response from Elaine Waxman, M.P.P., Ph.D., Senior Fellow, Income and Benefits Policy Center, Urban Institute

Questions Submitted by Hon. Jimmy Panetta, a Representative in Congress from California

Question 1. Broad-based categorical eligibility provides states the ability to adjust the gross income eligibility requirement to better reflect cost of living.

I understand that **at least 88,000 households and 168,000 individuals** in the state of California would lose their SNAP benefits if states do not have the ability to adjust the gross income eligibility requirement.

This flexibility is absolutely critical for SNAP participants in my district, where the average price of a one-bedroom apartment in Monterey County is **$1,800.**

Ms. Waxman, could you speak to the impact of eliminating broad-based categorical eligibility on low-income families in states with high cost of living, like California?

Answer. Thank you for the questions Congressman Panetta. Eliminating BBCE could have a significant impact on low-income families in many states, including states with a high cost of living, like California. BBCE has been a particularly important option for states that have both higher wages and higher costs of living, because it allows families with incomes somewhat above the Federal gross income limit of 130 percent of the Federal poverty level to apply for benefits and have the impact of significant expenses for basic needs considered in their eligibility determination. SNAP rules allow for the deduction of certain expenses in determining whether a household's net income is at or below the Federal poverty level. One of these expense categories is what is known as excess shelter costs: the amount that a household may be paying for housing that is in excess of 50 percent of the household's income after other deductions are considered. California is one of the top

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[5] Ratcliffe, Caroline and Signe-Mary McKernan. 2010. *How Much Does SNAP Reduce Food Insecurity?* Urban Institute: *https://www.ers.usda.gov/webdocs/publications/84336/ccr-60.pdf?v=0*.

[6] National Academy of Sciences, Engineering and Medicine. 2019. *A Roadmap to Reducing Child Poverty.* The National Academies Press. *https://www.nap.edu/catalog/25246/a-roadmap-to-reducing-child-poverty*.

[7] Hoynes, Hilary, *et al.* 2016. *Long-Run Impacts of Childhood Access to Safety Net.* AMERICAN ECONOMIC REVIEW, 106(4). *https://gspp.berkeley.edu/assets/uploads/research/pdf/Hoynes-Schanzenbach-Almond-AER-2016.pdf*.

[8] Frisvold, David E. 2014. *Nutrition and Cognitive Achievement: An Evaluation of the School Breakfast Program.* JOURNAL OF PUBLIC ECON. *https://www.ncbi.nlm.nih.gov/pmc/articles/PMC4408552/;* see also Centers for Disease Control and Prevention (CDC) fact sheet on the unique role Child Nutrition Programs plays in improving access to healthy meals and their contribution to improved cognitive performance and overall health of school children. *https://www.cdc.gov/healthyschools/nutrition/facts.htm*.

[9] *Ibid,* David.

states for households experiencing severe rental cost burden and these households may be particularly likely to sacrifice the purchase of healthy adequate diets in order to keep their housing.

Question 2. Do you think it is fair for all states to be held to the same gross income limit when there are such large discrepancies in cost of living?

Answer. Low-income families struggle to meet basic needs in all areas of the country, but these challenges can be particularly acute in areas with high costs of living. The intent of BBCE, which was reaffirmed by Congress in the most recent farm bill, is to provide states with flexibility in setting a gross income limit that is responsive to the economic circumstances in their state. California *currently uses* (*https://fns-prod.azureedge.net/sites/default/files/resource-files/BBCE2019.pdf*)* the BBCE program to allow for families up to 200 percent FPL to participate in the CalFresh program. By allowing the gross income limit to be at 200 percent of FPL instead of 130 percent FPL for SNAP benefits for families, a state can help mitigate a potential benefit "cliff"—or the risk that a family could be worse off if they are working to increase earnings. This flexibility is important to support working families, as well as all households facing high costs of living.

The challenge of variation in costs of living across the country is also seen in the shortfall in SNAP benefits when relative price of food is taken into account. Geographic variation in costs is not taken into account when benefits are calculated. Nationally, the maximum SNAP benefit per meal is $1.86, but the average cost of a low-income meal in *Monterey County* (*https://www.urban.org/does-snap-cover-cost-meal-your-county*) is $2.48—33 percent more than the per meal SNAP benefit.

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*__Editor's note:__ the fact sheet entitled, *Broad-Based Categorical Eligibility,* is retained in Committee file.