

MEMO

To: Representative Pingree and Representative Poliquin

Regarding Concerns about the Impact of H.R. 2 on SNAP in Maine

SNAP is a lifeline for hungry families, and particularly in Maine. Restricting access to SNAP will have a disproportionately harmful impact here given our demographics and geography. We have the highest proportion of citizens over age 65ⁱ, the fifth highest rate of disabilityⁱⁱ, the third highest proportion of veteransⁱⁱⁱ, and because we are a rural state with one of the lowest average weekly wages in the nation^{iv} and have relatively high rates of deep child poverty^v. SNAP plays a critical role in putting food on the table for tens of thousands of these needy Mainers.

This memo provides background information about SNAP in Maine and details the likely harmful outcomes should certain changes in the proposed House Farm Bill (H.R. 2) become law.

SNAP supports Maine families and businesses

What happens to SNAP in Congress matters greatly to Maine. Our State already has a high rate of food insecurity—currently seventh highest in the nation. Even worse, we rank third worst overall for very low food security—these are Mainers struggling with chronic hunger. More than one-in-five (23.3%)^{vi} Maine children live with food insecurity and that number increases to 27.2% in rural areas like Washington County and 28.4% in Piscataquis County^{vii}. The proposed Farm Bill changes would further increase these already shameful rates by cutting SNAP benefits by more than \$17 billion over the next ten years.^{viii}

Many Mainers rely on SNAP to put food on the table:

- Adults aged 60 and older make up 27.4%^{ix} of Maine's SNAP households.
- Those with disabilities represent 34.9%^x of Maine's SNAP households.
- About 10,000 veterans, or 9% of Maine's estimated veteran population participate in SNAP^{xi}.
- SNAP serves a higher percentage of people in rural areas^{xii} that typically experience greater rates of food insecurity^{xiii}.
- 41% of SNAP recipients live in working families^{xiv}; and
- 34.9% of SNAP households include a child, representing approximately 66,000 children^{xv}.

Moreover, SNAP is vital to our economy and to the more than 1,500 retailers^{xvi}, including many in rural areas, that participate in the SNAP program. SNAP injects more than \$250 million dollars into Maine's economy annually; every five dollars in SNAP spending generates around \$9 in economic activity, according to the USDA.^{xvii}

Specific concerns with the SNAP provisions of H.R. 2:

The facts provided above underlie our deep concerns about the following proposals in H.R.2:

1. *Eliminating “categorical eligibility” would remove state flexibility and harm working families and children.* Over 40 states currently use this state option to support work.^{xviii} Nationally, about 90% of the benefits of this option go to working families.^{xix} Maine adopted categorical eligibility as a state option in 2000 and has used it effectively ever since to mitigate the effects of the “welfare cliff”, helping families make strides to move out of poverty and toward financial security while meeting their basic needs. This cut would undermine the ability to put food on the table for thousands of Maine’s lowest wage working families.

Moreover, because participation in SNAP is used to directly certify children for school meal programs, eliminating, eliminating categorical eligibility could also result in these students losing access to free school meals—a serious blow to their wellbeing and to their prospects for educational success. CBO scores for a similar proposal in 2014 estimated that 280,000^{xx} school children nationally would lose access to free meals that stave off hunger and boost success in school should categorical eligibility be repealed.

2. *Eliminating the so-called “heat and eat” state option for all households without elderly members would have a harsh and disproportionate impact on low-income Mainers, particularly those with disabilities.* Maine first adopted this option in 1995 and uses it to enable SNAP participants who also receive federal energy assistance through the Low-Income Home Energy Assistance Program (LIHEAP) to claim the “standard allowance” for the cost of utility expenses without the burdensome process of collecting months of paperwork. Current law gives states the flexibility to consider out of pocket heating costs that reduce a family’s ability to purchase food when calculating the amount of its SNAP benefit in a most efficient manner. It also recognizes that energy expenses can be difficult for households to document and costly for the state to verify. The elimination of this option would impact people with disabilities the most, with many losing many between \$80 to \$120 a month in food assistance.
3. *Mandating custodial and non-custodial parents to comply with certain child support activities to access needed food assistance is a flawed policy that puts children at risk, is costly and complex to administer, and fails to promote economic stability for children or families.* Federal law currently gives states the *option* to deny SNAP to custodial families that do not cooperate in the collection of child support, and to non-custodial parents that miss required payments. While 10 states and territories adopted all or part of this option in the last 14 years, only six (including Guam) continue to apply it.^{xxi} The Maine legislature debated and rejected this option last year.

In 2014, the State of Utah studied the value and potential impact of mandatory child support cooperation in SNAP. It determined that implementation would be costly, requiring between \$3.2M and \$3.6M for staffing and technology enhancements. More importantly, it found that implementation would cause 7% to 37% of families to lose food assistance while potentially increasing child support payments for only 0% to 9%. In other words, the loss of income to poor families would not offset the amount expected from child support payments.^{xxii}

More troubling still is the danger of exposing victims of domestic violence and their children to greater risk under such policies. In some cases, domestic violence issues may make it too dangerous for a victim to comply with mandatory child support requirements. While “good cause” provisions are typically included to protect against harm, these do not always work. Over the years, many Maine parents have chosen to forgo needed assistance rather than risk the danger inherent in provoking an abuser.

Finally, there is no evidence that such mandatory child support requirements will increase the financial ability of absent parents to actually make child support payments. Evidence suggests that about 70% of child support debt is held by those with no income, or income of \$10,000 or less.^{xxiii} For those with income who do not pay, states already have substantial enforcement mechanisms. In Maine, child support can be withheld from wages, intercepted from state and federal tax returns, recovered by placing liens on real and personal property, and by suspending motor vehicle, fishing, or other recreational licenses.

4. *Helping people who can work get jobs is an important goal, but harsh time limits and the proposed work requirements will not help us reach that goal.* H.R. 2 requires that all SNAP participants who are not seriously disabled or raising a child under age six show that they are either working or engaged in a work program for 20 hours a week or lose food assistance. Maine’s recent experience provides a cautionary tale with which to evaluate this sweeping and dangerous proposal. In January 2015, Maine eliminated all waivers that had previously protected certain SNAP participants from a 3-month time limit in areas where jobs were scarce. In the first three months after this policy was implemented, approximately 9,300 individuals lost their SNAP benefits, representing 80% of those newly subject to this time limit. Maine’s State Office of Policy and Management (OPM) followed these individuals for one year after their termination from SNAP. OPM’s data shows that employment rates rose by only four percentage points for those terminated. During this same period, unemployment rates dropped by nearly the same amount, meaning that the cuts had little or no effect in promoting employment.^{xxiv} Moreover, two-thirds of those terminated remained unemployed at the end of that year, with neither wages nor food assistance.^{xxv} This failed policy should not be

replicated in the rest of the nation, and expanded to impact for those raising children and those of an age where some work limitations may naturally occur. Being hungry does nothing to remove barriers to employment, it only makes life more difficult for those affected.

5. *Creating a massive, untested and drastically underfunded Education and Training (E&T) program with slots for those unable to find a job on their own is no solution or antidote to the harm that this policy would create.* H.R. 2 would provide states with \$1 billion a year to implement this new program for the approximate three million SNAP participants who will need a work slot.^{xxvi} That equals approximately \$30 per person per month.^{xxvii} Chairman Conaway has stated that H.R. 2 offers SNAP beneficiaries a springboard to a good paying job. Yet this promise cannot be kept with the proposed E&T program. The funds that would be appropriated represent only a fraction of what it actually costs to provide employment, training, and work supports in Maine's TANF program, which spent an estimated \$7,000 annually, or \$600 monthly per person in 2016.^{xxviii} Maine's spending for TANF employment and training services is slightly higher than the \$5,000 per person spent in the median state.^{xxix} Moreover, Maine's successful Competitive Skills Scholarship Program (CSSP) that provides skills training along with the opportunity to access post-secondary degrees and credentials in high demand jobs for people with incomes below 200% of the federal poverty level, has an average per participant cost of approximately \$7,600 annually.^{xxx}

USDA has invested considerable resources in examining how to increase the effectiveness of its current SNAP E&T Program. In 2016 it published a best practices report finding that "stand-alone basic skills instruction and job search assistance programs fall short of helping participants achieve lasting self-sufficiency. In contrast, more intensive services that combine several components simultaneously or sequentially appear to be more promising in helping participants achieve the desired improvements in employment and earnings."^{xxxi} Clearly H.R. 2 does not come close to providing the resources needed to implement such effective programming.

In the 2014 Farm Bill, Congress authorized several pilot programs to test new strategies to determine the most effective ways to help SNAP recipients gain and retain employment that leads to self-sufficiency. Maine has been invited to join this group of states working to develop evidence that will demonstrate which approaches are most effective in meeting this Congressional goal. It would be far more prudent to learn from the lessons of these pilot projects to determine which evidence-based strategies are most effective before creating a massive new program that does not have the resources to improve participants' skills, overcome their barriers to employment, and enable them to secure and a good-paying job.

As Mainers working to end hunger, we ask for your support in stopping dangerous cuts to SNAP, our nation's most effective anti-hunger program, which lifts people out of poverty, boosts health, helps with children's ability to learn, and gives people a helping hand when they are trying to get back on their feet.

Thank you for considering these concerns. For more information, please contact Kathy Kilrain del Rio, Policy Analyst, Maine Equal Justice Partners, at kkilraindelrio@mejp.org or 207-626-7058, ext. 210.

ⁱ Kaiser Family Foundation. (2016). *Population distribution by age*. Retrieved from <https://www.kff.org/other/state-indicator/distribution-by-age/>

ⁱⁱ Kaiser Family Foundation. (2017). *Percentage of non-institutionalized population who reported a disability*. Retrieved from: <https://www.kff.org/other/state-indicator/disability-prevalence/>

ⁱⁱⁱ StateMaster.com. (n.d.). *Percent of civilian population who are veterans by state, American Community Survey 2004*. Retrieved from: http://www.statemaster.com/graph/peo_per_of_civ_pop_who_are_vet-percent-civilian-population-who-veterans

^{iv} Bureau of Labor Statistics. (2017). *The Economics Daily: Average weekly wages highest in D.C. and lowest in Mississippi in fourth quarter 2016*. Retrieved from: <https://www.bls.gov/opub/ted/2017/average-weekly-wages-highest-in-dc-and-lowest-in-mississippi-in-fourth-quarter-2016.htm>

^v Maine Equal Justice Partners. (2018, January). *Reduce child poverty in Maine by increasing access to education and training for parents*. Retrieved from: http://www.mejp.org/sites/default/files/LD1774_LIFT_Factsheet-Jan2018.pdf

^{vi} Maine Children's Alliance and Annie E. Casey Foundation. (2017). *Maine KIDS COUNT Data Book*. Retrieved from: <http://mekids.org/assets/files/databooks/2017/2017MEKidsCount.pdf>

^{vii} Ibid.

^{viii} Center on Budget and Policy Priorities. (2018, April 16). *Chairman Conaway's Farm Bill Would Increase Food Insecurity and Hardship*. Retrieved from <https://www.cbpp.org/research/food-assistance/chairman-conaways-farm-bill-would-increase-food-insecurity-and-hardship>

^{ix} U.S. Department of Agriculture, Food and Nutrition Service, Office of Policy Support. (2017, November). *Characteristics of Supplemental Nutrition Assistance Program Households: Fiscal Year 2016*, by Sarah Lauffer. Project Officer, Jenny Genser. Alexandria, VA. Retrieved from: <https://fns-prod.azureedge.net/sites/default/files/ops/Characteristics2016.pdf>

^x Ibid.

^{xi} Center on Budget and Policy Priorities. (2017, November). *SNAP Helps Almost 1.5 Million Low-Income Veterans, Including Thousands in Every State*. Retrieved from: <https://www.cbpp.org/sites/default/files/atoms/files/11-9-17fa.pdf>

^{xii} Bailey, J.M. (2014). *Supplemental Nutrition Assistance Program and rural households*. Center for Rural Affairs. Retrieved from: <http://files.cfra.org/pdf/snap-and-rural-households.pdf>

^{xiii} Good Shepherd Food Bank and Preble Street. (2017, February). *Hunger Pains: Widespread food insecurity threatens Maine's future*. Retrieved from: <https://www.gsfb.org/wp-content/uploads/2017/02/Food-Pantry-Report-2-6-171.pdf>

^{xiv} Center on Budget and Policy Priorities. (2017). *Maine food supplement program*. Retrieved from: https://www.cbpp.org/sites/default/files/atoms/files/snap_factsheet_maine.pdf

^{xv} USDA, Food and Nutrition Service, Office of Policy Support, *Characteristics of Supplemental Nutrition Assistance Program Households: Fiscal Year 2016*, Table B-14

^{xvi} Center on Budget and Policy Priorities. (2017, August). *SNAP Boosts Retailers and Local Economies*. Retrieved from: <https://www.cbpp.org/sites/default/files/atoms/files/8-29-17fa.pdf>

^{xvii} Hanson, Kenneth. U.S. Dept. of Agriculture, Econ. Res. Serv. (2010, October). *The Food Assistance National Input-Output Multiplier (FANIOM) Model and Stimulus Effects of SNAP*. ERR-103. Retrieved from: https://www.ers.usda.gov/webdocs/publications/44748/7996_err103_1_.pdf?v=41056

^{xviii} USDA, Food and Nutrition Service, Program Development Division. (2017, August 15). *Supplemental Nutrition Assistance Program State Options Report: Options as of October 1, 2016*. Retrieved from: https://fns-prod.azureedge.net/sites/default/files/snap/13-State_Options-revised.pdf

^{xix} Center on Budget and Policy Priorities. (2018, April 12). *Greenstein: Conaway SNAP Proposals Would Increase Food Insecurity and Hardship*. Retrieved from: <https://www.cbpp.org/sites/default/files/atoms/files/4-12-18fa-stmt.pdf>

^{xx} Congressional Budget Office. (2012, April 12). *Congressional Budget Office Cost Estimate*. Retrieved from: <http://cbo.gov/sites/default/files/cbofiles/attachments/HouseAgricultureReconciliation.pdf>

^{xxi} USDA, Food and Nutrition Service, Program Development Division. (2017, August 15). *Supplemental Nutrition Assistance Program State Options Report: Options as of October 1, 2016*.

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- ^{xxvii} Center on Budget and Policy Priorities. (2018, April 16). *Chairman Conaway's Farm Bill Would Increase Food Insecurity and Hardship*.
- ^{xxviii} Commissioner Mayhew's presentation to the Joint Standing Committee on Health and Human Services January 18, 2017; USHHS *Office of Child and Family Services caseload and participation data 2016* Retrieved from: <https://www.acf.hhs.gov/ofa/programs/tanf/data-reports>
- ^{xxix} Center on Budget and Policy Priorities. (2018, April 12). *Greenstein: Conaway SNAP Proposals Would Increase Food Insecurity and Hardship*.
- ^{xxx} Maine Department of Labor. (2016). *2016 Annual Report of the Competitive Skills Scholarship Program*. Labor Documents. 30. http://digitalmaine.com/mdol_docs/30
- ^{xxxi} USDA, Food and Nutrition Service Office of Policy Support. (2016, November). *Supplemental Nutrition Assistance Program (SNAP) Employment and Training (E & T) Best Practices Study: Final Report*. Retrieved from: <https://fns-prod.azureedge.net/sites/default/files/ops/SNAPeandTBestPractices.pdf>