



## **House Farm Bill Will Increase Hunger for California Families and Children on SNAP**

This month, House Agriculture Committee Chairman Michael Conaway (R-TX) introduced his 2018 Farm Bill proposal, [H.R. 2 \(115\)](#). The bill, which passed out of committee without bipartisan support, contains deep cuts to the Supplemental Nutrition Assistance Program (SNAP, known as CalFresh in California). If enacted, the Chairman's proposal would worsen hunger and food hardship for thousands of low-income households statewide. SNAP is California's first line of defense against hunger, reaching over 4 million food insecure Californians annually—including two million children. As drafted, the bill would cut \$20 billion in benefits<sup>1</sup> and eligibility resulting in approximately 2 million people losing access to the program nationwide. It would take food off the tables of our state's most vulnerable residents to fund a massive, unproven bureaucracy required to impose significant barriers and time limits that will reduce access to the nutrition that all Californians need to learn, work and thrive.

Contrary to the Chairman's narrative that the bill is budget neutral and does not include cuts to SNAP, the policies proposed will take significant food away from struggling Californians, particularly working families with children, low-wage workers and individuals with disabilities. It will have a significant economic impact on the state because every \$1 billion in SNAP benefits produces as many as 17,900 jobs, particularly in states with heavy food economies such as California.<sup>2</sup> Proposals to cut SNAP take food out of the refrigerators of working families, meaning that these same families don't have money to purchase food. This hurts farmers, truckers, retailers and others in the food system, causing job losses instead of the gains promised by Chairman Conaway.

The California Association of Food Banks strongly urges all members of the California Congressional Delegation to oppose the House Farm Bill and cuts to SNAP that help lift millions of California families and children out of poverty. As currently written, the Nutrition Title of the Chairman's Farm Bill, H.R. 2, outlines the following core changes to the program:

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<sup>1</sup> Congressional Budget Office. <https://www.cbo.gov/system/files/115th-congress-2017-2018/costestimate/hr2.pdf>.

<sup>2</sup> USDA Economic Research Service. <https://www.ers.usda.gov/topics/food-nutrition-assistance/supplemental-nutrition-assistance-program-snap/economic-linkages/>.

## **Cuts Benefits and Eligibility for California Working Families with Children:**

### **Cuts \$4.8 billion From Working Families, Creates a Cliff Effect & Severs Ties to School Meals**

The bill eliminates a state option known as categorical eligibility – a proposal that would reduce eligibility and benefits by nearly \$5 billion over ten years nationwide.<sup>3</sup> Many states have chosen this simplification option, including California. When California implemented the law, it was estimated that it would result in an increase of approximately 6.2 percent of exiting caseload.<sup>4</sup> We can assume that the removal of categorical eligibility is estimated to impact as few as 36,752<sup>5</sup> and as many as 126,035<sup>6</sup> California households below 200% of the poverty, and that most of these families will be working.

This would also exacerbate the “cliff effect” that occurs when households achieve even slight gains in earnings by sharply reducing or eliminating benefits—punishing households for working and making it more difficult, not less, for working families to get a leg up and achieve greater self-sufficiency. It also severs their children’s direct connection to free school meals—worsening hunger at home and at school, while undoing reforms to streamline these programs by requiring burdensome paperwork on families, schools and local governments. Finally, this would take away existing efficiencies in 42 states, including California, by forcing a gross income threshold of 130% of the federal poverty level, and require re-imposing asset tests.<sup>7</sup>

### **Cuts \$5.3 Billion in Benefits to SNAP Households with Out-of-Pocket Utility Expenses**

The House bill eliminates the connection between SNAP households that qualify for heating assistance to pay for utilities and food (except for seniors) by severing the connection between SNAP and receipt of energy assistance through the Low-Income Heating and Energy Assistance Program (LIHEAP). The proposal eliminates a decades-long administrative simplification for low-income families receiving utility assistance and would cut \$5.3 billion in benefits over ten years through the elimination of this streamlined process and would introduce new administrative burdens to verify and administer this program at the state level.<sup>8</sup>

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<sup>3</sup> Congressional Budget Office. <https://www.cbo.gov/system/files/115th-congress-2017-2018/costestimate/hr2.pdf>.

<sup>4</sup> Assembly Bill 191 (Fuentes, 2013) enacted categorical eligibility in the CalFresh Program by adding Section 18901.5 to the Welfare and Institutions Code. This Act was implemented by All County Letter

<sup>5</sup> California Department of Social Services, Local Assistance Estimates, 2016-2017 Governor’s Budget <http://www.cdss.ca.gov/cdssweb/entres/localassistanceest/Jan2016/EstimateMethodologies.pdf>.

<sup>6</sup> This is an estimate made by the California State Legislature as to the impact of C.E. implementation.

<sup>7</sup> US Department of Agriculture, Food and Nutrition Service, Broad-Based Categorical Eligibility <https://www.fns.usda.gov/snap/bbcexlsx>

<sup>8</sup> Congressional Budget Office. H.R. 2, Agriculture and Nutrition Act of 2018, Cost Estimate <https://www.cbo.gov/publication/53760>

## **Cuts \$9.2 Billion in SNAP Benefits to Impose Harsher Time Limits That Fail to Provide a Pathway to Work and Self-Sufficiency**

The House bill would also increase hunger and harm for millions of unemployed, underemployed, working families and older adults through the expansion of harsh work requirements and untested work mandates. Under the proposals in the House bill, states will have to provide employment and training opportunities for at least 3 million individuals nationwide. While the Chairman has often articulated the importance of work as a key strategy to assist low-income families in escaping poverty, the bill fails to provide even the most basic investments necessary to promote meaningful job opportunities, allocating \$1 billion a year for work programs or roughly \$30 per person per month—an amount grossly inadequate to provide the necessary skills, education and training.<sup>9</sup> The bill also expands the population subject to time-limited SNAP benefits by adding unemployed and underemployed parents with children above age six and adults up to age 60 (currently 50), and shortens the time limit to only one month of benefits (currently 3 months).

The bill establishes mandatory Employment and Training requirements that would impose new administrative burdens on California's state government and low-income residents, dictating that all adults on SNAP, must be working or participating in a qualified training program for at least 20 hours a week, unless they qualify for an exemption, within one month of enrolling in SNAP. Failure to meet this requirement would result in a 12-month sanction from the program—a change that will increase hunger and hardship for those who cannot meet the requirement and will create increased costs and administrative burdens at the state level to track and verify compliance with these enhanced requirements.<sup>10</sup> Over the life of the bill, the 20 hour requirement rises to 25 hours per week— an important threshold that will likely disqualify more adults for SNAP as the economy increasingly produces part-time employment opportunities. Further, these proposals are advanced in the name of self-sufficiency and workforce development even though there is no scientific evidence that these E&T programs produce these results.

### **The Chairman's bill includes the following expenditures that maintain the Nutrition Title's cost neutrality at the expense of deep cuts to SNAP:**

- **\$116 million** to exclude up to \$500 of the Basic Allowance for Housing (BAH) for active duty military families living off-base when determining SNAP eligibility. This provision only amounts to a partial fix of the current law and [falls short of other proposals](#) that seek to help more of our state's military families struggling with food insecurity to qualify for SNAP.
- **\$3.8 billion** to mandate child support enforcement cooperation by removing two unpopular state options and mandating them as federal policy. Historically, few states have adopted

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<sup>9</sup> Center on Budget and Policy Priorities, "Farm Bill Funding for Work Programs Won't Buy Much"

<https://www.cbpp.org/blog/farm-bill-funding-for-work-programs-wont-buy-much>

<sup>10</sup> House Agriculture Committee section-by-section summary of the Agriculture and Nutrition Act of 2018

[https://agriculture.house.gov/uploadedfiles/agriculture\\_and\\_nutrition\\_act\\_of\\_2018\\_section\\_by\\_section.pdf](https://agriculture.house.gov/uploadedfiles/agriculture_and_nutrition_act_of_2018_section_by_section.pdf)

this punitive state option, noting limited evidence regarding the policy's efficacy and high implementation costs.<sup>11</sup>

- **\$4.6 billion** to increase the earned income deduction from 20 percent to 22 percent of earnings when determining SNAP eligibility.
- **\$895 million** to mandate transitional benefits for 5 months after a household ceases to receive cash assistance through TANF.

**The House Bill also includes modest investments in SNAP and other program changes, however, these changes are far eclipsed by the impacts of the proposed cuts to SNAP benefits:**

- **\$632 million** to combine SNAP Nutrition Education with the Expanded Food and Nutrition Education Program (EFNEP), with the combined program being run through SNAP-Ed and administered through Land Grant Universities across the country.
- **\$472 million** to reauthorize and rename the Food Insecurity Nutrition Incentive (FINI) program.
- **\$1.2 billion** to create a “Retailer Funded Incentives Pilot” for retail food stores to provide bonuses to SNAP recipients for the purchase of fruits, vegetables, and milk.
- **\$12 million** to require the use of mobile technology such as digital payment, after conducting demonstration projects, and expand online acceptance of benefits nationwide after pilots funded in the last farm bill are complete.<sup>12</sup>
- Requires USDA to collect and report regularly on food purchases made with EBT cards.
- Eliminates performance bonuses to states for meeting administrative performance metrics.

### **Changes to other Programs in the Nutrition Title**

#### **The Emergency Food Assistance Program (TEFAP)**

- Reauthorizes TEFAP food purchases at \$250 million indexed to the Thrifty Food Plan. Provides an additional \$60 million per year for TEFAP food purchases 2019 through FY2023, indexed to the Thrifty Food Plan. CBO estimates a \$499 million investment over 10 years.
- Of the \$60 million in annual additional TEFAP funds, authorizes \$20 million per year for Farm to Food Bank programs that connect excess fruits and vegetables with food banks.

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<sup>11</sup> Center on Budget and Policy Priorities, “Chairman Conaway’s Farm Bill Would Increase Food Insecurity and Hardship” [https://www.cbpp.org/research/food-assistance/chairman-conaways-farm-bill-would-increase-food-insecurity-and-hardship#\\_ftn15](https://www.cbpp.org/research/food-assistance/chairman-conaways-farm-bill-would-increase-food-insecurity-and-hardship#_ftn15)

<sup>12</sup> Congressional Budget Office. <https://www.cbo.gov/system/files/115th-congress-2017-2018/costestimate/hr2.pdf>.

- Reauthorizes TEFAP storage and distribution grants at \$100 million per year.

### **The Commodity Supplemental Food Program (CSFP)**

- Reauthorizes CSFP to continue providing monthly commodity boxes to low-income seniors in states with an FNS approved plan, subject to the funds being appropriated to cover the caseload expected by the states. In 2017, CSFP served over 97,000 seniors each month in California.<sup>13</sup>

### **Other Programs:**

- Seniors Farmers Market Nutrition Program: Reauthorized and extends funding through FY2023 at \$20.6 million a year through the Commodity Credit Corporation.
- Community Food Projects: Funding and authorization for the program is not included.
- Public-Private Partnership Pilot Grants: Authorizes \$5 million to USDA to support pilots that to strengthen nutrition program enrollment through public/private partnerships.
- Healthy Food Financing Initiative: Reauthorizes the program through FY2023.
- Fresh Fruit and Vegetable Program: Amends the School Lunch Act to allow canned, frozen, and pureed fruits and vegetables in schools, in addition to fresh.

H.R. 2 proposes sweeping changes to SNAP benefits and eligibility that will take food off of the table for Californians, making it even harder for them to feed their families, send their children off to school ready to learn and contribute to our state's economy. The California Association of Food Banks strongly opposes H.R. 2 and we urge all members of Congress to work together to produce a bi-partisan bill that articulates our nation's longstanding belief that eliminating hunger is a shared priority and invests in the health, wellbeing and self-sufficiency of all Californians.

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<sup>13</sup> US Department of Agriculture, 2018 Final Caseload and Administrative Funding Worksheet, <https://www.fns.usda.gov/csfp/commodity-supplemental-food-program-csfp>