



Testimony Submitted to the U.S. Senate Committee on Agriculture, Nutrition and Forestry
(Field Hearing at Saginaw Valley Research & Extension Center - Michigan State University)

Preserving the Effectiveness of the Supplemental Nutrition Assistance Program

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The Supplemental Nutrition Assistance Program provides important food assistance to more than 40 million people in this country, including 1,474,000 Michigan residents last year in 776,000 households. Available to families and individuals at 130% of the federal poverty level or below, it kept 363,000 people in Michigan out of poverty in 2012 (including 141,000 children), reducing the amount they needed to spend on food and thus freeing up more money in their limited household incomes to spend on other important necessities such as rent, car repairs and child care. It is the nation's most important anti-hunger program.

Helping families avoid financial disruptions with a modest benefit of \$1.40 per person per meal plays a vital role in preserving the health and well-being of low-income children. One study shows adults who received SNAP as a child having higher high school completion rates and lower rates of stunted growth, obesity and heart disease than those in similar circumstances who did not receive SNAP (Hoynes, Schanzenbach and Almond, 2016). The program has proven to be a smart investment that has long term benefits for children.

In Michigan and across the country, SNAP is the federal means-tested program most responsive to poverty and to downturns in the economy. Year to year, the percentage of the Michigan population receiving food assistance closely mirrors the percentage of workers who are unemployed and underemployed. Likewise, the number of people receiving food assistance has generally risen and fallen with the number in or near poverty. As Michigan has recovered from its worst recession in decades, its SNAP numbers have fallen accordingly.

In addition to helping families and individuals in need, SNAP is good for the economy. In 2016, SNAP recipients in Michigan spent over \$2.16 billion at local supermarkets, convenience stores, farmers' markets and other businesses. Economists estimate that in a weak economy, every SNAP dollar spent on food generates approximately \$1.70 in the local community.

Finally, SNAP has one of the most rigorous payment accuracy systems of any public benefit program, with less than 4% of SNAP dollars issued to ineligible households or in improper amounts. By ensuring that the money is distributed properly and only to those who qualify, the current SNAP system preserves the integrity of the program and of the public funds used to support it.

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Please Oppose Efforts to Block Grant SNAP

Because SNAP is working well, we ask you to oppose making structural changes to the program such as converting it to a block grant for states. Lessons can be learned from the conversion of cash assistance into the Temporary Assistance for Needy Families block grant in 1996. In contrast to SNAP, whose caseloads rise with increasing poverty rates and economic downturns and fall as those measures improve, Michigan's TANF cash assistance caseload has not risen and fallen primarily in response to poverty and unemployment but to state-level policy changes. Particularly during the past 15 years when Michigan experienced its worst downturn in recent history, the cash assistance caseload remained generally flat and in some years even had small decreases. Despite the fact that many families continue to struggle in Michigan's slow recovery, the current cash assistance caseload is at its lowest level in many decades: 23,407 in 2016, compared with 80,360 in 2006 and 177,648 in 1996 just before the block grant was implemented. (In fact, there are now fewer families receiving assistance than at any time since the 1950s.)

Block granting would also compromise SNAP's program integrity. SNAP dollars currently go entirely to providing direct food assistance to households, but block granting it would encourage state lawmakers to divert food assistance dollars toward filling budget holes instead of supporting the families most in need. Here, the experience with the TANF block grant is instructive, as the ability to use the federal funds for purposes other than direct cash assistance has encouraged Michigan and other states to supplant funding for existing programs (some of which help middle-income or even affluent families, such as college financial aid) with TANF and MOE dollars. Enabling states to supplant state budget dollars with federal block grant dollars also creates a perverse incentive to enact stricter eligibility rules and keep benefit levels low in order to free up the money for other uses. Finally, block granting SNAP could shift much of the error and fraud responsibility to states, which do not have the infrastructure and financial resources of the federal government, resulting in an increase in misdirected funds.

Please Revisit the Three-Month Time Limit for Underemployed Adults Without Children

SNAP requires able-bodied adults aged 18-50 who are not living with children to work or participate in training for at least 20 hours per week. These individuals lose their SNAP benefits if they fail to meet these work requirements for three months in a 36-month period. Due to its economic difficulties, Michigan is one of 35 states plus the District of Columbia in which all or portions of the state have had a waiver from the three-month time limit, due to the state having an unemployment rate exceeding 10% or individual areas having an unemployment 20% or more over the national rate. Michigan has had a statewide waiver since 2003, but due to our state's recovering economy, all counties in Michigan are expected to lose their waiver in the upcoming year.

We urge the members of this committee to revisit the ability to obtain waivers, because many people in counties that are recovering still have difficulty finding work. This can be true in both rural and urban counties in which some areas of the county have few jobs while other areas are thriving and bringing down the unemployment rate. Often the high-job areas are inaccessible from the low-job areas—this is the case in both vastly populated rural counties and in urban counties like Wayne, where the people in Detroit have few transportation options to get to jobs in the suburbs.

Because SNAP provides less than \$5 a day for adults without children, it is highly unlikely that SNAP receipt discourages them from seeking employment. Many are likely seeking work but face barriers:

limited education, poor transportation and in some cases, a criminal justice history. We urge this committee to make it easier for states to request waivers from the three-month time limit or to exempt such adults from the limit altogether.

Conclusion

We urge you to protect SNAP in the Farm Bill. Its modest benefits lift millions of individuals, including children, out of poverty and ensure that low income Americans can afford an adequate diet. The program responds effectively to poverty and need, has strong program integrity and strengthens local economies.