



Summary of SNAP Provisions House Agriculture Committee's 2012 Farm Bill Discussion Draft Issued July 5, 2012

A discussion draft of the [Federal Agriculture Reform and Risk Management Act \(FARRM\) of 2012](#), was released by the [U.S. House Committee on Agriculture](#) on July 5th. It cuts \$35 Billion over 10 years, almost half of it -- \$16.5 billion -- from the federal Supplemental Nutrition Assistance Program (SNAP), known as CalFresh in California. The Committee will consider the legislation during a [business meeting scheduled for Wednesday, July 11](#). Below is a summary of the bill's proposed changes to SNAP and how they increase hunger among low-income Californians.

Restricts Use of Categorical Eligibility [Sec. 4004]: The Committee's discussion draft restricts the use of the SNAP Categorical Eligibility (Cat EI) option utilized by over 40 states, including California. Using Categorical Eligibility, states have streamlined asset and gross income tests, allowing families with earnings from work, high housing costs or dependent care expenses to disregard part of the costs or earnings prior to calculating their net income and/or relax asset tests for all recipients. The bill amends current federal law, removing this program option for all households except for those receiving cash assistance through the Temporary Assistance to Needy Families (TANF) program. California's modified version of Categorical Eligibility was implemented by [Assembly Bill 433 \(Beall, D-San Jose\)](#) (Chapter 625, Statutes of 2008). It extends CalFresh to individuals who meet the program's gross and net income tests, but have assets that would make them ineligible. According to estimates published by the California Department of Social Services, as many as 177,000 households with incomes under 130% of the federal poverty line could have benefited from the state's Categorical Eligibility policy over the past two fiscal years. This Bush Administration proposal was opposed by the [House Ag Committee](#) members in 2005.

Complicates Heat & Eat Option [Sec. 4005]: The Committee's discussion draft limits the state option of providing SNAP recipients a nominal Low-Income House Energy Assistance Program (LIHEAP) benefit in order to automatically allow for a Standard Utility Allowance (SUA) deduction. California is set to implement the "Heat and Eat" option, enacted by [Assembly Bill 6 \(Fuentes, D-Los Angeles\)](#) (Chapter 501 of Statutes of 2011), in January 2013. This provision was widely supported as it will increase benefits for a significant number of eligible CalFresh households while simplifying and streamlining paperwork for both clients and administrators. The committee's proposal would result in as many as 200,000 households receiving \$43 per month less in federal food help.

Reduces Employment & Training Funding & Sets More Requirements [Sec. 4012 & 4013]: The Committee's discussion draft proposes reducing funds for SNAP Employment & Training (E&T) programs from \$90,000,000 to \$79,000,000. It also defines benchmarks and standards for E&T Programs and requires states to show how they are meeting those benchmarks and standards. California has already begun a process of identifying and monitoring outcomes in SNAP E&T, as required by [Senate Bill 43 \(Liu, D-Pasadena\)](#) (Chapter 507 Statutes of 2011).

Adds New Tools & Funding to Prevent Trafficking [Sec. 4008 & 4019]: The Committee's discussion draft changes rules regarding when a SNAP household can receive a replacement benefits card to further limit trafficking in the program. It also adds \$5 Million to fund efforts to fight fraud in the program. Though fraud in SNAP continues to be low, right-sized efforts to improve integrity in the program is responsible. California has recently launched a workgroup that endeavors to strengthen prevention and detection of SNAP trafficking and additional funding to support this work will be helpful to further strengthening integrity of the program.

Bans Lottery Winners from Receiving SNAP [Sec. 4007]: The Committee's discussion draft makes immediately ineligible households in which anyone receives substantial lottery or gambling winnings, as determined by the Secretary. California has never given SNAP benefits to a person known to have won the lottery, nor is it believed to be a widespread problem so the impact on benefits will be minimal. However, implementing the policy may be challenging and could result in increased burden on applicants and implementing agencies and should be opposed.

Adds New Hurdles for Restaurant Meals for Elderly, Disabled and Elderly [Sec. 4010]: Adds administrative burdens and unnecessary federal scrutiny on states and retailers in the Restaurant Meal Program (RMP) (www.snaprmp.org) available only to SNAP participants who are homeless, elderly or have a disability to assist them in purchasing prepared food. This program is an important piece of California's safety-net for very vulnerable and hungry people. Many counties have been delayed in implementing this option as a result of their minimal resources and the considerable amount of coordination that launching an RMP option can pose. While new resources are available to assist counties implementing RMP, the Committee's language will make implementation more difficult. Without an alternative for people with no place or no ability to prepare their own food safely, it could increase hunger amongst the very poor.

Changes to Retailer SNAP Authorizations [Sec. 4001(d)(3)(A)]: The Committee's discussion draft modifies staple food stock requirements for SNAP authorized retailers. Since federal administrators oversee the authorization of retailers, the administrative burden for California incurred by this rule change should be minimal, and the impact on the recipients and non-recipient consumers should be positive as it will likely result in an increase in food options available to shoppers at authorized SNAP stores.

Reduces Support for Retailer Point-of-Sale Costs [Sec 4001(b)(2)(B)]: Currently, federal law requires states to assist retailers that accept SNAP EBT if they do not have a Point-Of-Sale (POS) device that services the EBT network. The Committee's discussion draft would remove that requirement except in situations defined by the Secretary, such as farmer's markets and military commissaries. This may result in some savings for California's EBT Project. The impact on the recipient will be minimal, but some small retailers may opt not to participate in SNAP. Additionally, Western Center opposes the singling out of vendors who participate in RMP.

Other Anti-Hunger Programs: The Committee's discussion draft proposes the following changes in SNAP and other food assistance programs.

- **Section 4002:** Allows the Secretary to establish SNAP grocery delivery services that assist home-bound senior or disabled SNAP participants.
- **Section 4016:** Provides \$10 million annually until 2017 for **Community Food Projects**.
- **Section 4017:** Increases funding for **The Emergency Food Assistance Program (TEFAP)**, which in California reaches approximately 1 million living at 150% of poverty or below with approximately 2-3 meals per month.
- **Section 4102:** Transitions **Commodity Supplemental Food Program (CSFP)** to serve only seniors.
- **Section 4201:** Amends **Seniors Farmers Market Nutrition Program** to broaden the eligible population to "low-income families" & changes the name to the "Farmer's Market Nutrition Program."

For more information about the House Committee on Agriculture's impact on SNAP, see:

Center on Budget & Policy Priority Summary Of Lucas-Peterson Proposals:

<http://www.cbpp.org/cms/index.cfm?fa=view&id=3800>

Food Research & Action Center Farm Bill Action Page:

<http://frac.org/leg-act-center/farm-bill-2012/>

About Western Center on Law and Poverty: Western Center on Law and Poverty (WCLP) serves as a support center for California's legal aid community and leads the way in large-scale impact litigation, administrative advocacy, budget advocacy and legislative advocacy in an effort to ensure that low-income Californians can easily access safe and affordable housing, adequate health care, and safety net services. www.wclp.org

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