## **Nutrition Title**

Helen H. Jensen
Center for Agricultural and Rural Development
Iowa State University

Farm Foundation Forum, Washington, DC November 6, 2013

#### **Nutrition Title -- Overview**

- Supplemental Nutrition Assistance Program (SNAP)
- Other Nutrition Assistance Programs
  - Emergency Food Assistance Program (TEFAP)
  - Community Food Projects (incentives for low-income households to purchase fruits and vegetables)
  - Health Food Financing Initiative (financing for food retail in communities that lack access to healthy foods)
  - Hunger-Free Communities Incentive Grants (now only in Senate bill)
  - Food Distribution Program on Indian Reservations (FDPIR)

#### Supplemental Nutrition Assistance Program (SNAP)

- SNAP Recipients in FY 2014 − 47.6 million
- 87 percent of recipients live in households with children, seniors or people with disabilities
  - 21.5 million children (1 in 4 children) live in a SNAP household
  - 9.1 million seniors and people with disabilities
- SNAP benefits have direct and multiplier benefits in the economy
  - USDA/ERS estimates every \$1 billion in SNAP benefits generates \$1.79 billion in economic activity (GDP)

Sources: Center on Budget and Policy Priorities, October 24, 2013; K. Hanson, ERR-103, 2010. USDA, ERS; USDA/FNS, 2013.

### Recent Evidence on SNAP Adequacy

- SNAP reduces number of recipient households with very low food security
  - 14.2% of households receiving SNAP have very low food security
  - Very low food security is 38% higher among comparable households who left SNAP (Nord, USDA/ERS, 2012)
- SNAP provides a safety net -- reducing the intensity of poverty (Thiehen and Ver Ploeg, USDA/ERS, 2012)
- Households spend relatively higher share of SNAP benefits on food than other sources of income: \$0.17 to \$0.47 versus \$0.10 per dollar (IOM, 2013)
- The allotment formula does not fully reflect current spending and income sources re. maximum benefit guarantee, benefit reduction and calculation of net income (IOM, 2013)

## Supplemental Nutrition Assistance Program (SNAP) Benefits

- Benefit formula:
  - SNAP allotment = MaxBenefit (0.3 \* Net Income)
  - Net Income = Gross Income Deductions
  - Deductions include earnings (20%), child support, dependent care, excess shelter (incl. utility allowance), out-of-pocket medical costs
- SNAP benefits for family of three
  - October 2013: \$526/month
  - November 1, 2013 September 2014: \$497/month

### Nutrition Title IV – Proposed

#### Senate

S. 954, the Agriculture Reform, Food, and Jobs Act of 2013 (June 2013) Title IV, Nutrition

#### House

H.R. 3102, the Nutrition Reform and Work Opportunity Act of 2013 (September 19, 2013)

H.R. 2642 from combined texts of "Farm Bill" (H.R. 2642) and the "Nutrition Bill" (H.R. 3102) (September 28, 2013)

Title IV, Nutrition

#### Reauthorization of SNAP

Senate House

- Reauthorization for five years
- Limits how Low-Income Home Energy Assistance Program affects SNAP benefits (\$10 threshold)
- Reauthorization for three years
- Limits how Low-Income Home Energy Assistance Program affects SNAP benefits (\$20 threshold)
- Restricts categorical eligibility
- Repeals state performance bonuses
- Reduces funding for Nutrition Education and Obesity Prevention Grant Program
- Expands drug testing for SNAP applicants
- Changes time limit and work requirements for ABAWDs

# Projected Funding of Nutrition Senate House

- Baseline: \$764 billion for nutrition over 10 years (CBO)
- \$3.9 billion reduction (-0.5%) over 10 years

 In addition, phase out \$11 billion from stimulus money (beginning Nov. 1, 2013)

- Baseline: \$764 billion for nutrition over 10 years (CBO)
- \$39.0 billion reduction (-5.1%) over 10 years
  - Removes 4 million from SNAP in 2014 (CBO, 2013)
- In addition, phase out \$11 billion from stimulus money (beginning Nov. 1, 2013)