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CONGRESS SHOULD MAINTAIN STATES' FLEXIBILITY TO EXPAND SNAP FOOD ASSISTANCE

The federal Supplemental Nutrition Assistance Program (SNAP) – known as CalFresh in California – provides food assistance to nearly 4 million low-income Californians, primarily families with children. Congress is considering deep cuts to SNAP as part of the reauthorization of the Farm Bill. The House bill would eliminate the flexibility that states now have to simplify SNAP policies and broaden eligibility to more low-income working families, a change that would significantly reduce the number of households that qualify for SNAP. In addition, both the House and Senate have proposed to restrict states' ability to coordinate SNAP with a federal energy assistance program, which would reduce the amount of SNAP benefits that many families receive. These federal policy changes would jeopardize improvements that California has made – or is considering making – to CalFresh. At a time when many families are still reeling from the most severe downturn since the Great Depression, Congress should maintain states' current flexibility to increase low-income families' access to SNAP and boost the amount of food assistance that households may receive.

CalFresh: California's Version of SNAP

CalFresh is California's version of SNAP, the federal nutrition program that provides food assistance to more than 46 million low-income Americans, including nearly 4 million Californians.[1] The federal government pays the full cost of CalFresh food assistance, which totaled $6.5 billion in federal fiscal year (FFY) 2011.[2] The CalFresh Program:

- **Provides a modest benefit that helps low-income households purchase food.** CalFresh provided a modest benefit of $1.61 per person per meal in FFY 2011.[3] Households generally must meet stringent income criteria to receive CalFresh assistance. Total – or "gross" – income may not exceed 130 percent of the federal poverty line (currently $2,008 per month for a family of three).[4] In addition, "net" income – meaning income after certain deductions are applied, such as for child care or high housing costs – may not exceed 100 percent of the poverty line (currently $1,545 per month for a family of three).[5] The more deductions a household can claim, the further its net – or disposable – income will fall below the poverty line and the greater its SNAP assistance will be. SNAP rules also include an asset test that prohibits families from receiving food assistance if they have more than $2,000 in assets.[6] CalFresh families, however, do not have to meet an asset test. This is because California is one of 40 states that have used an option allowed under federal law to raise or eliminate the asset limit for SNAP households, as described below.
- **Primarily helps families with children.** Children comprised more than three-fifths (61.4 percent) of CalFresh participants in FFY 2010.[7] During that same year, households with children received more than four-fifths (81.6 percent) of total CalFresh benefits.[8]
- **Has expanded to accommodate growing need due to the Great Recession.** In less than five years, the number

of Californians enrolled in CalFresh nearly doubled, rising from 2.1 million in July 2007 – when the downturn began in California – to nearly 4 million in May 2012, the most recent month for which data are available (Figure 1).[9] Although the national recession officially ended in June 2009, California's jobless rate has remained in double digits. As a result, the CalFresh caseload has continued to rise in the aftermath of the most severe downturn since the 1930s.

- **Fails to reach many eligible Californians.** Although CalFresh enrollment has increased due to the recession, many eligible Californians do not participate in the program. In FFY 2009, 4.9 million Californians were eligible for CalFresh, but only slightly more than half (53 percent) were enrolled – the lowest participation rate in the nation.[10] This means that 2.3 million eligible Californians were *not* enrolled in CalFresh. California also ranked last among states in the share of eligible individuals in working families who received food assistance (36 percent) in FFY 2009.[11]

Food Insecurity Has Jumped Due to the Great Recession

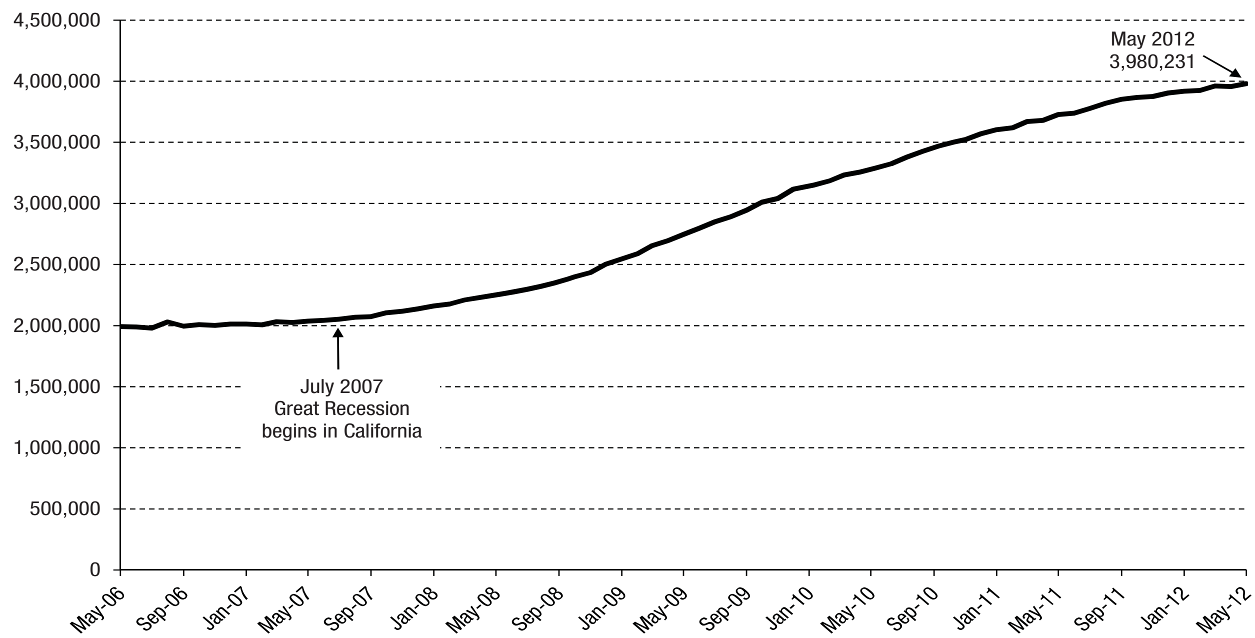
SNAP has made severe hunger rare in California and the rest of the US. In the wake of the Great Recession, however, many Californians cannot afford adequate food and therefore must skip meals, turn to charities, or take other steps to make ends meet. These Californians lack "food security," meaning that they experience hunger or the threat of hunger.[12] Specifically:

- **Nearly one out of six California households is "food insecure."** Nearly one out of six California households (15.9 percent) lacked food security in 2010, compared to 14.5 percent of households in the US as a whole (Figure 2).[13] The share of food insecure households in California is up sharply from 2006, when one out of 10 households (10.0 percent) lacked food security.

- **More than one out of five California households with children lacks food security.** More than one-fifth of California households with children (23.0 percent) were food insecure in 2010, higher than the US rate of 20.2 percent (Figure 3). Food insecurity among California households with children has risen significantly since 2006, when 13.8 percent of these households were food insecure.

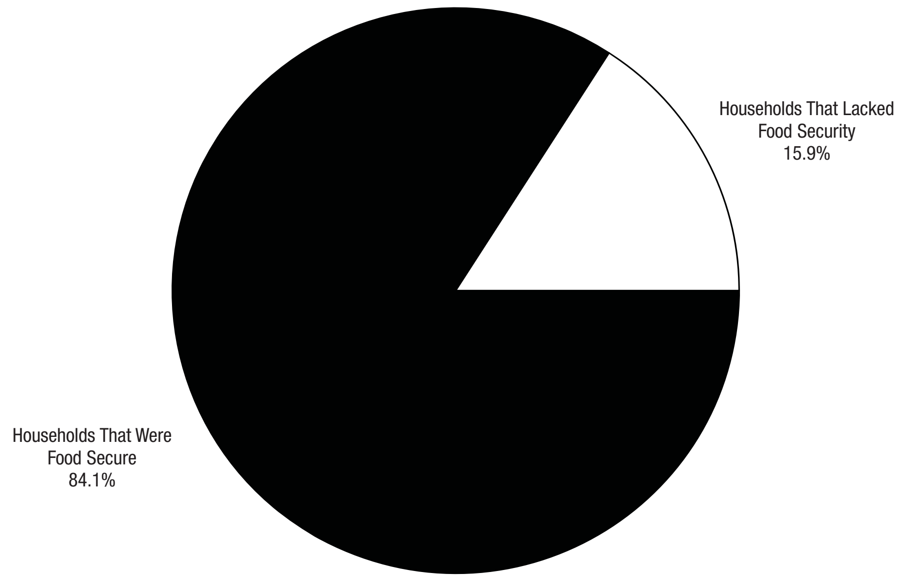
- **Less than one-quarter of California households that lack food security use food pantries.** While food pantries play a critical role in the safety net, they reach only a small proportion of those in need. In 2010, less than one-quarter (22.2 percent) of California households that were food

Figure 1: The Number of Californians Receiving CalFresh Food Assistance Has Increased Steadily Since Mid-2007



Note: CalFresh was formerly called the Food Stamp Program in California.
Source: Department of Social Services

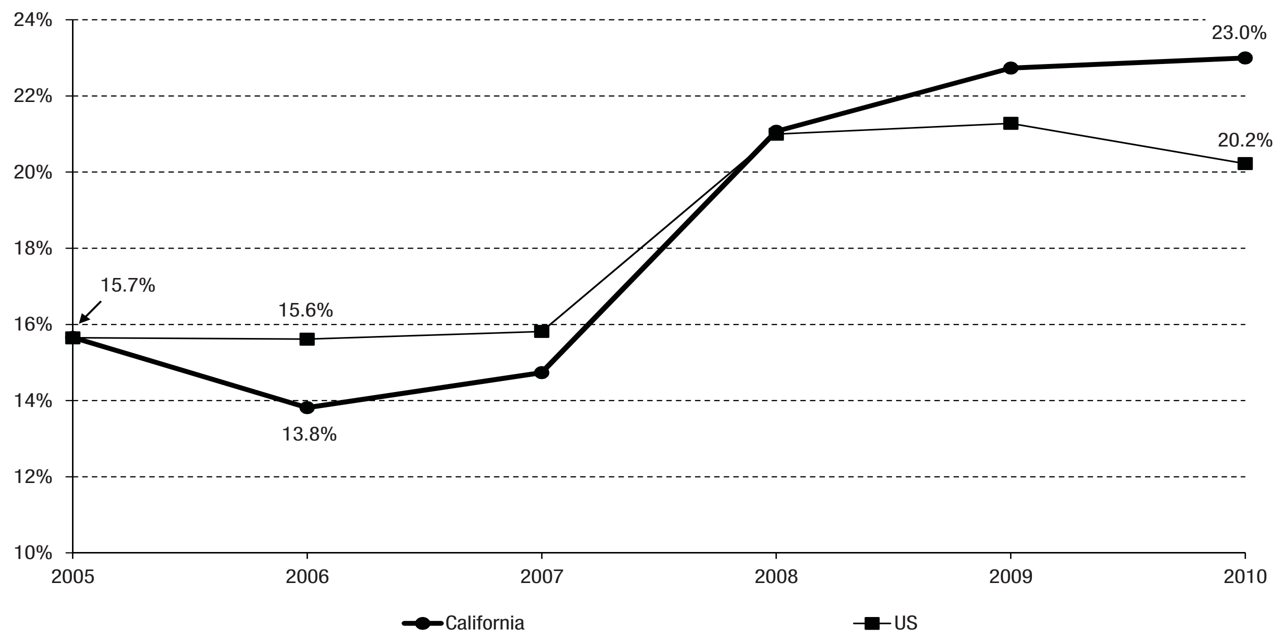
Figure 2: Nearly One Out of Six California Households Lacked Food Security in 2010



Total Number of Households in California in 2010 = 12.8 Million

Note: Households that lacked food security experienced hunger or the threat of hunger.
Source: Center on Budget and Policy Priorities analysis of Current Population Survey Food Security Supplement data

Figure 3: Food Insecurity Among California Households With Children Has Increased Substantially Since 2006



Note: Households that lacked food security experienced hunger or the threat of hunger.
Source: Center on Budget and Policy Priorities analysis of Current Population Survey Food Security Supplement data

insecure reported using a food pantry within the previous 12 months, slightly below the US rate of 22.8 percent. Use of food pantries may be relatively low because a pantry was not available or the household believed that none was available.

Recent Federal Changes Strengthened SNAP

In 2008 and 2009, federal lawmakers made improvements to SNAP that helped to increase the amount of nutritional assistance that eligible families receive. Specifically, Congress:

- **Boosted SNAP benefit levels.** The American Recovery and Reinvestment Act of 2009 (ARRA) temporarily increased SNAP benefits during the Great Recession and its aftermath, which has helped families keep food on the table and also provided a boost to the economy.[14] A family of three, for example, receives an extra $63 a month.[15] Legislation enacted in 2010, however, will prematurely end the ARRA increase in November 2013, causing SNAP assistance to drop abruptly by an average of $10 to $15 per month for each person enrolled in the program – a cut of roughly 10 percent.[16]

- **Increased SNAP's standard deduction.** The standard deduction is one of several deductions that help determine a family's net – or disposable – income and thus the amount of SNAP assistance for which the family qualifies. The 2008 Farm Bill, which authorized funding for agricultural and nutrition programs through FFY 2012, increased the standard deduction for households with three or fewer persons for the first time since the mid-1990s.[17] The standard deduction for these households modestly increased from $134 to $144 in FFY 2009 and has since risen to $147 due to annual inflation adjustments.

- **Eliminated the cap on SNAP's dependent care deduction.** The 2008 Farm Bill eliminated the cap on the amount of dependent care expenses that households can deduct from their gross income for the purpose of calculating SNAP benefits.[18] Since FFY 2009, low-income families have been able to deduct all of the child care costs they incur in order to work or participate in education and training programs, thereby increasing the amount of SNAP benefits they receive.[19] Previously, this deduction was limited to $175 per child per month or $200 per month for a child under age 2. Due to this change, SNAP now fully reflects the extent to which child care costs reduce families' disposable income and therefore their ability to pay for food.

- **Boosted SNAP's minimum benefit.** The 2008 Farm Bill took a step toward increasing the adequacy of SNAP's minimum benefit by changing the way it is calculated. Congress set the minimum benefit at 8 percent of the maximum monthly SNAP benefit for a one-person household.[20] Previously, the minimum benefit was a fixed dollar amount – $10 per month – and had not been adjusted for more than three decades. Due to this change, the minimum benefit has since risen modestly to the current level of $16 per month.[21]

Congress Is Considering Deep Cuts to SNAP Food Assistance

The current Farm Bill expires on September 30, 2012.[22] Congress is working on a new Farm Bill that will reauthorize funding for various agricultural and nutrition programs, including SNAP, for the next several years. The House Agriculture Committee's version of the Farm Bill, voted out of committee on July 12 and awaiting passage by the full chamber, would cut federal spending on SNAP by more than $16 billion over 10 years.[23] The Senate's version, passed on June 21, would cut $4.5 billion from SNAP over the same period.[24]

The House bill would eliminate the flexibility that states now have to simplify SNAP policies and broaden eligibility to more low-income families, a change that would significantly reduce the number of households that qualify for SNAP. Both the House and Senate bills would restrict states' ability to coordinate SNAP with a federal energy assistance program, which would reduce the amount of nutrition benefits that many households receive. If lawmakers are unable to agree on a Farm Bill by September 30, they could extend the current Farm Bill provisions beyond the November election and possibly into 2013, providing additional time for the two houses to work out their differences.

House Bill Would Eliminate California's Flexibility To Help More Low-Income Families Qualify for SNAP

The House bill would eliminate a longstanding option that allows states to simplify their SNAP policies and broaden eligibility to low-income families whose gross incomes or assets are somewhat higher than those allowed by SNAP's standard rules. This option – which is known as "broad-based categorical eligibility" – is particularly important for low-income working families whose gross incomes exceed the SNAP limit of 130 percent of the poverty line.[25] This is because these families may have *disposable* incomes that fall *below* the poverty line after subtracting child care and housing costs, leaving relatively little in their household budgets for food. Eliminating broad-based categorical eligibility would terminate SNAP assistance for roughly 2 million to 3 million low-income individuals in 40 states, including California, cutting federal spending on SNAP by $11.5 billion over 10 years.[26]

California used this option to eliminate the CalFresh asset test beginning January 1, 2010.[27] Prior to this change, low-income households generally could not receive CalFresh food assistance if their assets exceeded the restrictive SNAP limit of $2,000, which discouraged low-income families from saving beyond that amount for emergencies or other purposes.[28] In addition to removing a barrier to saving, eliminating the asset test streamlines the eligibility process and reduces operational costs.[29] CalFresh caseworkers, for example, no longer need to collect and verify asset documentation from low-income households, who generally have few or no assets.[30] The $2,000 SNAP asset limit would be reinstated in California if Congress eliminates broad-based categorical eligibility.

In addition, a bill moving through the Legislature – AB 1560 (Fuentes) – would use this option to expand CalFresh eligibility to low-income families who have at least one person enrolled in Medi-Cal and who do not meet the SNAP gross income limit.[31] Specifically, these families would no longer be excluded from CalFresh on the "first pass" – that is, because their incomes exceed the gross income limit of 130 percent of the poverty line. Instead, they would be considered "categorically eligible" for CalFresh as long as their gross incomes do not exceed 200 percent of the poverty line (currently $3,090 per month for a family of three). However, these families would continue to be subject to the CalFresh *net* income limit. This means that their disposable income would have to be at or below the poverty line to receive any CalFresh food assistance.[32] This change would primarily benefit low-income working families who have a connection to Medi-Cal and who spend much of their incomes on child care and housing – leaving too few dollars in their budgets to provide an adequate diet. California, however, would be prohibited from implementing this change if Congress repeals the broad-based categorical eligibility option.

House and Senate Bills Would Restrict California's Ability To Boost SNAP Benefits Through "Heat and Eat" Policies

Both the House and Senate bills would restrict states' ability to implement "Heat and Eat" policies, which increase SNAP food assistance for families who also participate in the federal Low-Income Home Energy Assistance Program (LIHEAP).[33] This change would jeopardize California's pending Heat and Eat policy, which was enacted as part of AB 6 in 2011 and is scheduled to be implemented on January 1, 2013.[34]

Currently, states may provide a nominal LIHEAP benefit – $1 to $5 per year, for example – to SNAP households. Due to the link between LIHEAP and SNAP in federal law, receipt of this LIHEAP benefit – regardless of the amount – generally allows these families to qualify for a fixed utility "allowance" for heating and cooling costs.[35] This utility allowance is rolled into a broader deduction for housing costs, which is then subtracted from total, or gross, income to help determine the amount of SNAP assistance a family will receive.[36] Because the utility allowance increases a family's overall housing deduction – and therefore further reduces their disposable income – families who participate in LIHEAP can qualify for more SNAP assistance than if they had not received a LIHEAP benefit. In addition, by triggering a utility allowance, Heat and Eat policies reduce paperwork and administrative costs because caseworkers do not have to examine utility bills in order to calculate families' actual heating and cooling expenses. Thirteen states and the District of Columbia currently have Heat and Eat policies.

The House and Senate bills would require states to provide a LIHEAP benefit of at least $10 per year in order to trigger the fixed utility allowance for SNAP households.[37] This change would mean that states with Heat and Eat policies would have to provide a larger share of their limited LIHEAP funding to SNAP families in order to maintain those policies, leaving fewer LIHEAP dollars for other purposes.[38] As a result, some states "would discontinue that practice," according to a Congressional Budget Office analysis.[39] Consequently, this change would reduce SNAP food assistance for an estimated 500,000 households by an average of $90 per month, cutting federal spending on SNAP by $4.5 billion over 10 years.[40]

Congress Should Maintain States' Flexibility To Expand SNAP Food Assistance

As Congress works to reauthorize the Farm Bill, lawmakers should maintain states' flexibility to increase the number of low-income families who qualify for SNAP and boost the amount of food assistance that they receive. Specifically, Congress should:

- **Preserve broad-based categorical eligibility.** Broad-based categorical eligibility, described above, provides a vital route to food assistance for low-income families whose gross incomes or assets are somewhat higher than those allowed by SNAP's stringent eligibility guidelines. Most states have used this longstanding option to simplify their SNAP programs and broaden eligibility to more families in need, primarily low-income working families with children who have high child care and housing costs. As discussed earlier, California recently used broad-based categorical eligibility to eliminate SNAP's restrictive $2,000 asset limit. Moreover, a bill moving through the state Legislature would make low-income families categorically eligible for CalFresh so long as their *gross* incomes do not exceed 200 percent of the poverty line, although their *disposable* incomes would still need to be at or below the poverty line.[41] The House proposal to eliminate broad-based categorical eligibility would significantly curtail California's ability to provide a pathway to food assistance for low-income parents who are working, but who earn too little to put enough food on the table for themselves and their children after meeting their housing and child care expenses.

- **Maintain states' current flexibility to implement Heat and Eat policies.** The current connection between SNAP food assistance and LIHEAP energy assistance, described above, gives states an important way to help families access more nutritional benefits while also reducing both paperwork and operational costs. In California, the average CalFresh benefit of $1.61 per person per meal may be too low for families to maintain a healthy diet.[42] California's pending Heat and Eat policy – which is scheduled to take effect on January 1, 2013 – will increase the amount of food assistance that many families receive, thereby making it easier for those families to put healthy food on the table. The House and Senate proposals to curtail states' flexibility would, if implemented, jeopardize California's Heat and Eat policy and reduce food assistance by an average of $90 per month for hundreds of thousands of low-income families across the nation.

Conclusion

SNAP, the nation's most important anti-hunger program, currently helps more than 46 million Americans, including nearly 4 million Californians, to put food on the table in the aftermath of the Great Recession. SNAP's effectiveness stems, in part, from the flexibility it provides to states to broaden eligibility to more low-income families, increase the amount of food assistance that families receive, and reduce paperwork and operational costs. Congress, however, is considering proposals as part of the reauthorization of the Farm Bill that would severely curtail states' current flexibility. These changes, if enacted, would end SNAP assistance for roughly 2 million to 3 million low-income individuals in 40 states and reduce SNAP food assistance for an estimated 500,000 households by an average of $90 per month. Moreover, these changes would jeopardize improvements that California has made – or is considering making – to CalFresh. With many families still reeling from the most severe downturn since the 1930s, Congress should maintain the flexibility states now have to increase low-income families' access to SNAP and boost the amount of food assistance that households may receive, while also making the program more efficient.

Scott Graves prepared this Budget Brief *with the assistance of Sam Sellers. The CBP was founded in 1994 to provide Californians with a source of timely, objective, and accessible expertise on state fiscal and economic policy issues. The CBP engages in independent fiscal and policy analysis and public education with the goal of improving public policies affecting the economic and social well-being of low- and middle-income Californians. General operating support for the CBP is provided by foundation grants, subscriptions, and individual contributions. Please visit the CBP's website at www.cbp.org.*

ENDNOTES

1 Food Research and Action Center, *Nearly 46.5 Million Americans Participated in SNAP in May 2012* (August 1, 2012). This *Budget Brief* uses the terms "CalFresh" and "SNAP" interchangeably. For an overview of SNAP, see Center on Budget and Policy Priorities, *Introduction to SNAP* (Updated July 9, 2012).

2 Nationally, SNAP food assistance totaled $71.8 billion in FFY 2011, which ended on September 30, 2011. The federal, state, and county governments share the cost of SNAP administration.

3 CBP analysis of US Department of Agriculture data.

4 Households with an individual who has a disability or is age 60 or older are not subject to the gross income test.

5 "Deductions play an important role in determining SNAP benefits. They reflect the fact that not all of a household's income is available for purchasing food; some must be used to meet other needs." Center on Budget and Policy Priorities, *A Quick Guide to SNAP Eligibility and Benefits* (January 9, 2012), p. 3.

6 The SNAP asset limit is $3,250 for households in which at least one member is disabled or age 60 or older. Federal law excludes certain assets, such as a home and certain retirement accounts, from the asset limit.

7 US Department of Agriculture, Food and Nutrition Service, *Characteristics of Supplemental Nutrition Assistance Program Households: Fiscal Year 2010* (September 2011), p. 77. FFY 2010 is the most recent year for which these data are available.

8 US Department of Agriculture, Food and Nutrition Service, *Supplemental Nutrition Assistance Program Quality Control Annual Report Fiscal Year 2010* (September 2011), p. 49. FFY 2010 is the most recent year for which these data are available.

9 The number of jobs in California peaked at 15.2 million in July 2007, five months before the national recession began in December 2007. The number of jobs in California declined steadily through September 2009 and then remained essentially flat for the next few months before reaching a low point of 13.8 million jobs in February 2010 – more than half a year after the national recession ended in June 2009. The number of jobs in California has increased modestly since February 2010, but remains well below the July 2007 peak.

10 Karen Cunnyngham, *Reaching Those in Need: State Supplemental Nutrition Assistance Program Participation Rates in 2009* (Mathematica Policy Research, Inc. for the US Department of Agriculture, Food and Nutrition Service: December 2011), p. 2. FFY 2009 is the most recent year for which these data are available.

11 Karen Cunnyngham, *Reaching Those in Need: State Supplemental Nutrition Assistance Program Participation Rates in 2009* (Mathematica Policy Research, Inc. for the US Department of Agriculture, Food and Nutrition Service: December 2011), p. 3. FFY 2009 is the most recent year for which these data are available.

12 The US Department of Agriculture (USDA) assesses food security annually, with households classified as food insecure based on their responses to a series of survey questions. Food insecure households are classified as having low or very low food security. "Households classified as having low food security have reported multiple indications of food access problems, but typically have reported few, if any, indications of reduced food intake," according to the USDA. "Those classified as having

very low food security have reported multiple indications of reduced food intake and disrupted eating patterns due to inadequate resources for food. In most, but not all, households with very low food security, the survey respondent reported that he or she was hungry at some time during the year, but did not eat because there was not enough money for food." Alisha Coleman-Jensen, et al., *Household Food Security in the United States in 2010* (US Department of Agriculture, Economic Research Service: September 2011), p. 4.

13 The data reported in this section are from an unpublished Center on Budget and Policy Priorities analysis of Current Population Survey Food Security Supplement data. 2010 is the most recent year for which these data are available.

14 Research shows that every dollar spent on SNAP benefits generates $1.79 in economic activity. Kenneth Hanson, *The Food Assistance National Input-Output Multiplier (FANIOM) Model and Stimulus Effects of SNAP* (US Department of Agriculture, Economic Research Service: October 2010). For an overview of the SNAP benefit increase included in the ARRA, see Center on Budget and Policy Priorities, *Introduction to SNAP* (Updated July 9, 2012), p. 8.

15 This increase applies to the 48 contiguous states and the District of Columbia. See US Department of Agriculture, Economic Research Service, *Supplemental Nutrition Assistance Program (SNAP): ARRA* (last updated June 4, 2012), downloaded from http://www.ers.usda.gov/topics/food-nutrition-assistance/supplemental-nutrition-assistance-program-(snap)/arra.aspx on July 25, 2012.

16 Under the ARRA, the SNAP benefit increase was intended to remain in place "until the program's regular annual inflation adjustments overtook it." This was not expected to occur until sometime in 2014. See Center on Budget and Policy Priorities, *Introduction to SNAP* (Updated July 9, 2012), p. 8, and US Department of Agriculture, Economic Research Service, *Supplemental Nutrition Assistance Program (SNAP): ARRA* (last updated June 4, 2012), downloaded from http://www.ers.usda.gov/topics/food-nutrition-assistance/supplemental-nutrition-assistance-program-(snap)/arra.aspx on July 25, 2012.

17 The 2008 Farm Bill did not change the standard deduction for larger households, which already received a larger standard deduction indexed to inflation. Letter from Jessica Shahin, acting associate administrator, Food Stamp Program, to Food and Nutrition Service regional administrators (July 3, 2008), p. 2.

18 Letter from Jessica Shahin, acting associate administrator, Food Stamp Program, to Food and Nutrition Service regional administrators (July 3, 2008), p. 2.

19 See Dorothy Rosenbaum, *Farm Bill Contains Significant Domestic Nutrition Improvements* (Center on Budget and Policy Priorities: Revised July 1, 2008), p. 3.

20 Letter from Jessica Shahin, acting associate administrator, Food Stamp Program, to Food and Nutrition Service regional administrators (July 3, 2008), p. 3.

21 See Dorothy Rosenbaum, *Farm Bill Contains Significant Domestic Nutrition Improvements* (Center on Budget and Policy Priorities: Revised July 1, 2008), p. 3, and US Department of Agriculture, Food and Nutrition Service, *Supplemental Nutrition Assistance Program: FY 2012 Minimum SNAP Allotment* (last modified April 11, 2012), downloaded from http://www.fns.usda.gov/snap/government/FY12_Minimum_ Allotments.htm on July 25, 2012.

22 The current Farm Bill is titled "The Food, Conservation, and Energy Act of 2008" (Public Law 110-246).

23 See Congressional Budget Office, *Congressional Budget Office Cost Estimate: H.R. 6083, Federal Agriculture Reform and Risk Management Act of 2012 as Ordered Reported by the House Committee on Agriculture July 11, 2012* (July 26, 2012) and Dorothy Rosenbaum and Stacy Dean, *House Agriculture Committee Farm Bill Would Throw 2 to 3 Million People Off of SNAP* (Center on Budget and Policy Priorities: Updated July 12, 2012).

24 See Congressional Budget Office, *Congressional Budget Office Cost Estimate: S. 3240, Agriculture Reform, Food, and Jobs Act of 2012 as Passed by the United States Senate on June 21, 2012* (July 6, 2012) and Dorothy Rosenbaum and Stacy Dean, *House Agriculture Committee Farm Bill Would Throw 2 to 3 Million People Off of SNAP* (Center on Budget and Policy Priorities: Updated July 12, 2012).

25 Categorical eligibility can be conferred based on receipt of either cash assistance or a noncash benefit. Households in which all members receive, or are eligible to receive, cash assistance funded with federal Temporary Assistance for Needy Families (TANF) block grant dollars, federal Supplemental Security Income dollars, or state-financed General Assistance dollars are considered to be automatically eligible for SNAP. In addition, states can extend categorical eligibility to other households – generally those with incomes at or below 200 percent of the poverty line – by providing a noncash benefit (such as an informational brochure or an "800" number to access services) funded with federal TANF block grant dollars or related state maintenance-of-effort (MOE) dollars. In particular, states have the option to confer categorical eligibility to households in which *at least one member* receives, or is eligible to receive, a noncash benefit funded at least partially with TANF or MOE dollars. In setting their noncash categorical eligibility policies, states decide whether to raise or remove the SNAP asset test, increase SNAP's gross income limit, and/or eliminate SNAP's net income limit. The US Department of Agriculture uses the terms "narrow" and "broad-based" to refer to noncash categorical eligibility, with the primary distinction being the scope of the SNAP population that is made eligible – a small subset (narrow) versus most or all (broad-based). The Farm Bill passed by the House Agriculture Committee would restrict categorical eligibility to households that receive cash assistance, thereby eliminating states' ability to confer either narrow or broad-based categorical eligibility. However, while 40 states have adopted broad-based categorical eligibility, just five states have adopted its "narrow" counterpart. Therefore, this *Brief* exclusively uses the term to "broad-based categorical eligibility" to refer to categorical eligibility that is conferred based on receipt of a noncash benefit. For an overview of categorical eligibility, see Gene Falk and Randy Alison Aussenberg, *The Supplemental Nutrition Assistance Program: Categorical Eligibility* (Congressional Research Service: July 17, 2012).

26 Dorothy Rosenbaum and Stacy Dean, *House Agriculture Committee Farm Bill Would Throw 2 to 3 Million People Off of SNAP* (Center on Budget and Policy Priorities: Updated July 12, 2012), p. 2.

27 AB 433 (Beall, Chapter 625 of 2008).

28 At the time this change was adopted, the asset limit was $3,000 for households with a member who was elderly or disabled, a level that has since increased to $3,250.

29 According to a recent federal report, "staff in many of the local [SNAP] offices we visited stated that, before [broad-based categorical eligibility] was implemented, verifying assets often took a considerable amount of time, and state officials added that it could be costly, as banks sometimes charge SNAP offices a fee to provide account documentation." Researchers conducted site visits to 18 local SNAP offices in five states: Arizona, Illinois, North Carolina, South Carolina, and Wisconsin. Government Accountability Office, *Supplemental Nutrition Assistance Program: Improved Oversight of State Eligibility Expansions Needed* (July 2012), pp. 28 and 45.

30 According to a recent federal report, "available state-level data … suggest the value of assets held by SNAP households is low.… Further, during our site visits, caseworkers in all of the [SNAP] offices we visited said they believe the value of assets held by SNAP households is usually very low or $0. … Many caseworkers noted it is common to hear from applicants that they have exhausted a significant portion of their available assets before applying for SNAP." Researchers conducted site visits to 18 local SNAP offices in five states: Arizona, Illinois, North Carolina, South Carolina, and Wisconsin. Government Accountability Office, *Supplemental Nutrition Assistance Program: Improved Oversight of State Eligibility Expansions Needed* (July 2012), pp. 18-19 and 45.

31 AB 1560 (Fuentes) passed the Assembly on May 30, 2012, and is in the state Senate. Medi-Cal provides health care coverage to many low-income Californians who cannot afford or lack access to private coverage.

32 "Categorically eligible households have their SNAP benefits determined under the same rules as other households. … While the household may be categorically eligible, its net income may be too high to actually receive SNAP benefits." Gene Falk and Randy Alison Aussenberg, *The Supplemental Nutrition Assistance Program: Categorical Eligibility* (Congressional Research Service: July 17, 2012), p. 2.

33 For a detailed explanation of how Heat and Eat policies work, see Randy Alison Aussenberg, *Energy Assistance and SNAP Standard Utility Allowances (SUAs) in the Senate Agriculture Committee's 2012 Farm Bill* (May 12, 2012).

[34] AB 6 (Fuentes, Chapter 501 of 2011).

[35] This fixed utility allowance is technically referred to as a standard utility allowance.

[36] This deduction for housing costs is technically referred to as the excess shelter deduction. The excess shelter deduction "is available to households that expend *more than half* of their disposable income on housing and utility expenses" (emphasis in original). Dorothy Rosenbaum and Stacy Dean, *House Agriculture Committee Farm Bill Would Throw 2 to 3 Million People Off of SNAP* (Center on Budget and Policy Priorities: Updated July 12, 2012), p. 6.

[37] This change would be implemented beginning in FFY 2014.

[38] LIHEAP funding totaled $3.5 billion in FFY 2012, of which California received $154.6 million. LIHEAP dollars are used to help eligible households pay heating and cooling bills, provide payments for weather-related or energy-related emergencies, and provide free weatherization services to improve the energy efficiency of homes.

[39] Congressional Budget Office, *Congressional Budget Office Cost Estimate: H.R. 6083, Federal Agriculture Reform and Risk Management Act of 2012 as Ordered Reported by the House Committee on Agriculture July 11, 2012* (July 26, 2012), p. 8. According to the Congressional Research Service, "states would appear to no longer have any reason to issue LIHEAP payments below $10 to SNAP participants, since such sums would neither substantially assist with utility costs nor generate larger SNAP benefits." Randy Alison Aussenberg, *Energy Assistance and SNAP Standard Utility Allowances (SUAs) in the Senate Agriculture Committee's 2012 Farm Bill* (May 12, 2012), p. 9.

[40] Dorothy Rosenbaum and Stacy Dean, *House Agriculture Committee Farm Bill Would Throw 2 to 3 Million People Off of SNAP* (Center on Budget and Policy Priorities: Updated July 12, 2012), p. 6. See also Congressional Budget Office, *Congressional Budget Office Cost Estimate: H.R. 6083, Federal Agriculture Reform and Risk Management Act of 2012 as Ordered Reported by the House Committee on Agriculture July 11, 2012* (July 26, 2012), pp. 8-9.

[41] AB 1560 (Fuentes).

[42] SNAP benefits are based on the USDA's Thrifty Food Plan (TFP), which estimates the cost of food needed to provide a minimally adequate diet. However, the TFP understates the cost of a diet that includes healthy, low-calorie foods, which tend to be more expensive than less nutritious, high-calorie foods. Stacy Kish, *Healthy, Low-Calorie Foods Cost More on Average* (US Department of Agriculture, Cooperative State Research, Education, and Extension Service: March 19, 2008).