

The Food, Conservation and Energy Act of 2008

Title IV – Nutrition

- **UPDATES THE NAME OF THE FOOD STAMP PROGRAM:** The term “food stamps” refers to actual paper coupons, which are now virtually non-existent as the program has transitioned to debit-like electronic benefit transfer (EBT) cards. To more adequately reflect this new reality, the Food Stamp Program is renamed as the “Supplemental Nutrition Assistance Program” (SNAP).
- **HELPS RESTORE THE FOOD PURCHASING ABILITY OF LOW-INCOME FAMILIES:** The SNAP benefit formula is based on several factors which are intended to reflect the economic circumstances of low-income families and adjust benefits accordingly. As a result of deep cuts to the standard deduction – a component of the benefit formula which is subtracted from family income to determine eligibility and benefit levels – the purchasing power of federal food assistance has eroded greatly over time. In 2008, a typical working parent with two children will receive about \$37 less in food assistance each month because of the 1996 cuts. The bill ends that erosion and partially restores benefit levels that have been lost by increasing the standard deduction from \$134 per month to \$144, and indexing that amount to inflation. The Congressional Budget Office (CBO) estimates that this change will increase monthly benefits for as many as 14.5 million individuals.
- **ACCOUNTS FOR CHILD CARE COSTS IN CALCULATING FOOD ASSISTANCE:** The current dependent care deduction allows households to deduct up to \$175 per month for the cost of child care. This deduction, which is used to determine eligibility and benefit levels, is not indexed for inflation, has not been adjusted in over a decade and is nowhere near the average monthly cost of child care in 2006 of \$631. The bill assists low-income families with high child care expenses by allowing a full deduction for child care expenses in calculating family income and food assistance levels. According to CBO, over the next five years this policy change will result in approximately 100,000 households receiving an average of roughly \$40 in additional food assistance benefits each month.
- **ENCOURAGES RETIREMENT AND EDUCATION SAVINGS:** Households must meet several eligibility criteria to participate in SNAP, one of which is known as the “asset test”, which specifies that if a household has more than \$2000 in assets (\$3000 for households with an elderly or disabled member) it is ineligible to receive food assistance. This test has remained largely unchanged since it was established in 1977. If the limit established in 1977 had been indexed for inflation, it would be over \$6000 today. Additionally, despite broad agreement about the value of saving for college and retirement, the current asset test does not exempt tax-preferred savings accounts from counting against the \$2000 limit, which forces otherwise eligible households to choose between liquidating such savings, or going without needed food assistance. The nutrition title corrects this problem by indexing the asset limit to keep pace with inflation and exempting the value of retirement and education savings accounts from counting towards the asset limit. According to CBO, when fully phased in these changes will bring approximately 125,000 individuals each year onto the program that would have otherwise been ineligible for assistance.
- **PROVIDES STATES WITH IMPROVED FLEXIBILITY TO SIMPLIFY PROGRAM RULES:** The Farm Security and Rural Investment Act of 2002 provided a bipartisan option to states that enabled them to simplify the rules under which most food stamp participants inform the state about their income and circumstances (called “simplified reporting”). This has not only been tremendously helpful to participating families, but it has also streamlined program administration. Due to an oversight however, Congress neglected to include several types of families – seniors and persons with disabilities – in the simplified reporting option. The bill extends the policy of the 2002 bill and updates it to include seniors and persons with disabilities, which CBO estimates will allow states to extend the simplified reporting option to an additional 2.3 million households.

- **INCREASES THE MINIMUM BENEFIT:** The current minimum food assistance benefit has not been raised in over 30 years. Households that receive the minimum – most of which are seniors or persons with disabilities – can purchase only about one-third as much food with that sum as they could have in 1979. The bill raises the minimum benefit from \$10 to \$14 and indexes that level to future inflation. CBO estimates that this change will increase benefits for roughly 650,000 households over the next ten years.
- **ASSISTS FAMILIES TRANSITIONING OFF OF WELFARE:** One of the successful provisions of the Farm Security and Rural Investment Act of 2002 gave states the option to provide up to five months of food assistance to low-income families that were leaving federal cash welfare programs. When families are leaving federal assistance programs, they are often at their most vulnerable and need work supports like food assistance to help them make ends meet. In order to keep low-income families on their feet as they leave the welfare rolls for the job rolls, the bill builds upon the 2002 policy by giving states the option to extend transitional food assistance for up to five months for individuals who are leaving state-funded public assistance programs.
- **HELPS MILITARY FAMILIES RETAIN ELIGIBILITY FOR FOOD ASSISTANCE:** Federal nutrition assistance programs set out income requirements in order to determine which families are eligible for participation. In some instances, the additional pay that military personnel receive as a result of deployment to a combat zone can make their families ineligible for food assistance due to the increased income that results from such additional pay. In order to ensure that families of military personnel serving in Iraq, Afghanistan, and other combat zones do not suffer a penalty in food assistance, the bill includes a provision to exclude combat zone pay from eligibility determinations.
- **PROMOTES BETTER HEALTH FOR SCHOOL CHILDREN:** With poor diet and childhood obesity rates at epidemic levels, it is more important than ever to encourage healthier eating habits among children. The bill includes a nationwide expansion of the Fresh Fruit and Vegetable Program, which provides free fresh fruits and vegetables to low-income children in schools. Over the next ten years, \$1 billion is invested in this initiative, which will allow it to serve as many as three million low-income children in all 50 states.
- **STRENGTHENS ASSISTANCE FOR FOOD BANKS:** With the recent surge in food prices, local area food banks are struggling to help hungry families put food on the table. To help strengthen the domestic food assistance safety net, the bill devotes an additional \$1.256 billion to increase commodity purchases for food banks through The Emergency Food Assistance Program – an increase to nearly double the current level of funding.
- **CONTINUES THE SENIOR FARMERS' MARKET NUTRITION PROGRAM:** The program provides coupons to eligible low-income seniors to be used at farmers' markets, roadside stands, and other community supported agriculture programs, which are important sources of fresh, local, healthy foods. The bill expands annual funding for this program from \$15 million to \$20.6 million.
- **PROMOTES COMMUNITY FOOD PROJECTS:** The Community Food Projects (CFP) competitive grants program provides funding to eligible nonprofit organizations to improve community access to food through the development of innovative projects such as school-to-garden programs and urban greenhouse initiatives. The bill provides \$5 million in mandatory funding a year for USDA to continue this important program.