

Hunger Task Force Position Paper

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- [SB174](#) will have the greatest negative impact on vulnerable FoodShare recipients: the elderly, the blind, and disabled; and the homeless.
- [SB174](#) is expensive and impractical for State of Wisconsin taxpayers to implement and maintain.
- [SB174](#) will increase hunger in Wisconsin.

Hunger Task Force OPPOSES [SB174](#)

BACKGROUND

FoodShare is Wisconsin's name for the Supplemental Nutrition Assistance Program (SNAP), traditionally called Food Stamps. SNAP is an entitlement program of the U.S. Department of Agriculture, administered in Wisconsin by the Department of Health Services (DHS). Currently, FoodShare benefits may only be used to purchase food, not including hot or prepared items. FoodShare benefits are currently expunged after 365 days in accordance with [federal regulations](#). [Twenty-five-percent of FoodShare recipients are either elderly, blind, or disabled.](#)

ANALYSIS

[SB174](#) will create incentive programs for counties and tribes to receive reward payments for identifying fraudulent activity; the removal and offline storage of benefits from certain FoodShare accounts; and expunge FoodShare benefits that have been unused for over one year. SB174 will also limit the number of replacement electronic benefit cards a FoodShare recipient may receive during the year. This dramatic modification to the FoodShare program is offered without reference to practicality, effectiveness, or implementation and continuity costs.

The removal and offline storage of benefits from certain FoodShare accounts proposed in [SB174](#) will have the greatest negative impact on vulnerable FoodShare recipients: the elderly, the blind, and disabled (EBD).

- Nationally, nearly [80% of SNAP/FoodShare](#) benefits are used within the first half of the month. [97% of SNAP/FoodShare](#) benefits are used by the end of the month.
 - In 2015, [11,548 recipients](#) had inactive accounts for 6 months or more -- this is about 1.45% of total recipients during this time.
- [25%](#) of FoodShare recipients are either elderly, blind, or disabled. 46% of FoodShare households have an elderly, blind, or disabled member.
- Only about [40% of seniors](#) who are eligible utilize the FoodShare program, compared to over 80% in the general population. There are many barriers that contribute to this low participation rate including: mobility; technology; program stigma; and widespread myths about how the program works and who qualifies.

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- [SB174](#) states that individuals that let their benefits go offline will have to either contact the state agency to gain access to their benefits or re-apply for those benefits, which if approved will take up to 48 hours to appear in their account. Adding administrative hurdles for individuals to gain access to their benefits will cause more seniors to drop out of the program. There is also not a guarantee that these individuals will gain access to all of their benefits that were taken offline, that is up to the discretion of the state agency. This lack of clarity and addition of more rules of regulation will cause confusion and put individuals who are already in dire situations in a worse position.
- [30% of EBD](#) caseload is receiving an allotment of \$20 or less. Often, these households save up their benefits from month-to-month to aid in the efficiency and effectiveness of their food purchases.
 - In a study done by the Department of Health Services in 2015, [62.5%](#) of cases inactive for 6 months were individuals that received less than \$20 per month.
 - In the same study done by the Department of Health Services in 2015, [32.1%](#) of cases inactive for 6 months had at least one EBD individual

Limiting the number of replacement electronic benefit cards a FoodShare recipient may receive during the year as proposed by [SB174](#) will have a negative impact on vulnerable individuals as well, such as those who are victims of crime and the homeless.

- [SB174](#) fails to articulate how EBT cards are counted by the state agency.
 - By not detailing how state agencies will be counting cards, individuals who need a replacement EBT card will not know how the cards are being tracked in the system. Are temporary cards counted towards the limitation? What if a card never gets to the intended recipient due to clerical error or theft?
- If the goal of this legislature is to eradicate fraud by limiting excessive replacement cards, [SB174](#) will not succeed. In fiscal year 2014, the FoodShare overpayment error rate, which included fraud, was reported to be [1.99%](#), which is lower than the national average.
 - In fiscal year 2014, [90%](#) of all overpayments that states established were non-fraud. These errors were found to be innocent errors by households and other mistakes were made by the states themselves.
 - Adding more administrative burdens may increase the state's error rate and could result in a federal fine.
- [SB174](#) also fails to articulate how the bill will protect the most vulnerable citizens and how they will communicate with FoodShare recipients if they are at risk of not being reissued a card.
 - Federal regulations [require](#) that while regulating replacement cards, a State agency shall act to protect household containing homeless persons, elderly or disabled members, victims of crimes and other vulnerable persons who may lose EBT cards but are not committing fraud.
 - This is especially worrisome for transient individuals who may not have a physical address. By not detailing how many times or in what way the state agency will attempt to contact an individual nor provide protections for individuals who may be victims of crime, this bill does not meet federal regulations.

[SB174](#) is expensive and impractical for State of Wisconsin taxpayers to implement and maintain.

- Wisconsin already expunges unused FoodShare benefits after [365 days](#).
- Moving unused benefits offline after 6 months will likely have a chilling effect on seniors who are already reluctant to use the FoodShare program.

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- Moving benefits offline creates another administrative hurdle for FoodShare recipients to gain access to their benefits. If those recipients do contact the state agency and either re-apply or gain access to their benefits, they might not get the total amount that was taken offline and will gain access to those benefits within 48 hours instead of immediately.
- Limiting the number of replacement cards that an individual can receive in a year without a detailed plan in place to protect vulnerable individuals fails to meet federal regulations. If the goal of this bill is to eradicate fraud, this bill will not do that and could instead result in federal fines for errors-while Wisconsinites go hungry.

SB174 will increase hunger in Wisconsin.

- SB174 is an additional program requirement that would restrict access to food for FoodShare recipients that are EBD, homeless, or victims of crime.
- This bill increases the stigma associated with the program and provide another hurdle for the already under-enrolled senior demographic to overcome.

Hunger Task Force works to feed hungry people with respect and dignity. Hunger does not respect age, sex, race or background. Many visitors to local pantries and soup kitchens never would have anticipated the unforeseen circumstances that put them in the position of asking for help. We do not believe that people struggling to feed themselves are second class citizens. One of the benefits of the FoodShare program is it gets people out of the food pantry system and into the grocery store. Limiting benefits by either moving unused benefits offline or limiting replacement EBT cards will add stigma and confusion to the nation's leading anti-hunger initiative. By placing restrictions on this program to ultimately eradicate a small amount of fraud will likely instead hurt already vulnerable Wisconsinites.

FOODSHARE FACTS:

- SNAP participation has been found to reduce food insecurity for households.¹
- Food insecurity has been found to have many negative impacts on the health of individuals including higher rates of diabetes, heart disease, and depression.¹
- About 696,930 people (roughly one in eight) in Wisconsin currently use SNAP / FoodShare benefits.² In 2016, 967,356 people (17%) in Wisconsin received SNAP / FoodShare.³
- In 2016, about 67% of FoodShare recipients were either minors (43%) or elderly, blind or disabled (24%).⁴
- In 2016, about 33.6% of FoodShare households had at least one person working. 41% of adult recipients are employed.⁴
- About 35% of FoodShare recipients are female adults and about 22% are male adults.⁵
- Between 2009 and 2012, SNAP kept 125,000 people out of poverty in Wisconsin, including 54,000 children.⁶
- In 2016, the average allotment per SNAP/FoodShare individual in Wisconsin is about \$105.90 per month.⁷
- 100% of FoodShare benefits are paid by the federal government. Program administration is shared equally between the state and federal governments.⁸
- \$1.00 of FoodShare generates \$1.70 in local economic activity.⁹
 - Wisconsinites received more than \$9.1 million in FoodShare benefits in 2016,³ which generated more than \$1.55 billion dollars in economic activity.

¹ *Does SNAP decrease food insecurity?*; USDA Economic Research Service Report Number 85, October 2009

² Olson, C.M. (1999). *Nutritional and Health Outcomes Associated with Food Insecurity and Hunger*. The Journal of Nutrition, 129: 521524.

³ *Wisconsin Department of Health Services* (April 2017)

⁴ *Wisconsin Department of Health Services* (2016)

⁵ *FoodShare Wisconsin Program at a Glance, January 2016-December 2016*. Wisconsin Department of Health Services.

⁶ SNAP Factsheets. http://www.cbpp.org/sites/default/files/atoms/files/snap_factsheet_wisconsin.pdf

⁷ Wisconsin Department of Health Services (December, 2016)

⁸ *Wisconsin Legislative Fiscal Bureau "Food Share Wisconsin"*. January 2011, pg. 5

⁹ *Policy Basics: Introduction to the Supplemental Nutrition Assistance Program (SNAP)*. (2016). CBPP.