



# **Senate Committee on Agriculture and Rural Affairs**

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## **SNAP Overview and Nutrition Initiatives**

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# Supplemental Nutrition Assistance Program Overview

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**The Supplemental Nutrition Assistance Program (SNAP) is an entitlement program that provides a monthly benefit to qualified applicants**

- Benefits can be used to purchase eligible food items from participating retailers
- SNAP benefits are provided through the Lone Star Card, an electronic benefit transfer card that is similar to a debit card

## **SNAP Administration**

- United States Department of Agriculture (USDA), Food and Nutrition Service (FNS) oversees SNAP
- HHSC is responsible for eligibility policy and determination, and benefit administration

## Federal - USDA Food and Nutrition Service

- Define eligible food items
- Establish benefit levels
- Establish eligibility criteria, with some state options
- Authorize retailers and investigate retailer fraud

## State - Health and Human Services Commission

- Determine client eligibility based on federal criteria
- Issue benefits on the state-maintained electronic benefit transfer (EBT) system
- Investigate client fraud (Office of Inspector General)

## SNAP benefits are:

- 100 percent federally funded
- Benefit amounts are established at the federal level
  - HHSC issued a total of \$5.22 billion in SNAP benefits during FY 2012
    - In August 2012, \$428.5 million was issued to almost 3.6 million individuals, with an average benefit of \$289 per household
  - \$5.32 billion in benefits were issued in FY 2011

## The administrative costs are:

- 50 percent federally funded
- 50 percent state funded

## Eligibility criteria for SNAP is federally defined and is based on financial and non-financial factors

- Households must meet gross and net monthly income eligibility requirements
  - For example, the maximum gross monthly income for a family of three is \$2,548
- Most households may have up to \$5,000 in countable resources and still be eligible (e.g., checking/savings account, cash)
  - \$15,000 of the market value of one vehicle is excluded, and other vehicles may also be excluded
- Legal immigrants who have been legal residents of the U.S. for more than five years, and legal immigrants who are children, elderly, or disabled may receive SNAP benefits if eligible
  - All undocumented immigrants are ineligible for SNAP benefits
- Able-bodied, childless, and unemployed adults under age 50 are limited to three months of SNAP benefits.

## Items eligible for purchase with SNAP benefits are defined in the federal Food and Nutrition Act as:

*"any food or food product for home consumption and also includes seeds and plants which produce food for consumption by SNAP households"*

**Any change to this definition would require new federal law**

## **SNAP benefits cannot be used to buy:**

- Beer, wine, liquor, cigarettes, or tobacco
- Any nonfood items such as pet foods, soaps, paper products and household supplies
- Vitamins and medicines
- Food that will be eaten in the store
- Hot food (states can request a waiver to allow hot foods to be purchased in times of disaster)

**The federal government (USDA, Food and Nutrition Service) is conducting the Healthy Incentives Pilot (HIP) to encourage SNAP recipients to purchase more fresh produce with their benefits**

- 2008 Farm Bill authorized \$20 million to determine if incentives provided to SNAP recipients at the point-of-sale increase the purchase of fruits, vegetables, or other healthful foods
  - 14-month pilot is underway in Massachusetts and will end in December 2012
  - For every SNAP dollar participants spend on fruits and vegetables, 30 cents is added to their benefit balance
- Evaluation report will be issued in 2013

## **Federal regulations give states the option to provide nutrition education to SNAP recipients**

- Goal of SNAP-Ed is to improve the likelihood that SNAP recipients will make healthy food choices within a limited budget and choose physically active lifestyles
- No state funds are expended – local entities provide 50 percent of the funding, which is matched with federal funds
- HHSC contracts with 14 organizations to provide nutrition education information and classes throughout the state
  - Contractors include Texas A&M University AgriLife Extension Service, ACTIVE Life Inc., and twelve food banks
  - Classes cover topics such as food budgeting, food safety, healthy food choices, and increasing daily physical activity

# SNAP Nutrition Initiatives - State

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- **Partnered with the Texas Department of Agriculture (TDA) and FNS to place wireless EBT devices in farmers' markets**
    - TDA identified the farmers' markets eligible for the pilot, and HHSC provided wireless EBT devices
  - **Primary purposes of the pilot:**
    - Increase opportunities for SNAP and cash assistance program recipients to purchase fresh fruits and vegetables
    - Assess the impact of wireless devices on SNAP sales at farmers' markets
  - **TDA issued final report to FNS in April 2012**
    - Pilot conducted from October 2010 through October 2011, with 33 markets
    - 14 markets withdrew from the pilot, citing:
      - Insufficient staffing to handle the operations
      - Concern over the cost of maintaining the equipment once the pilot ended
    - 19 markets completed the pilot; feedback included:
      - Overall volume of SNAP transactions was lower than anticipated, making it difficult to justify the expense of staff time needed to administer
  - **Congress provided additional funding in May 2012 to help equip farmers' markets not currently participating in SNAP with wireless point-of-sale equipment . Texas' allocation is a maximum of just over \$97,000.**
    - HHSC and TDA outreached to 66 potential market locations
    - 23 markets responded; 3 new markets have been authorized, and 9 are in the process of becoming authorized to accept SNAP
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**The Farm Bill is the federal government's primary vehicle for establishing policy for programs under the purview of the USDA, including SNAP and other nutrition programs**

- The standing Farm Bill – the Food, Conservation, and Energy Act of 2008 – went into effect October 1, 2007, and expires September 30, 2012

## **Farm Bill Current Status**

- The Senate passed the Agriculture Reform, Food, and Jobs Act of 2012 (S. 3240) on June 21
- The House Agriculture Committee passed the Federal Agriculture Reform and Risk Management Act of 2012 (H.R. 6083) on July 12, but it has not been considered by the full House
  - Prior to the August recess, an effort by House leadership to pass a one-year extension of the current Farm Bill failed
- If the current Farm Bill expires on September 30, SNAP can continue to operate without reauthorization as long as there is an appropriation in place for the program