LIBERTY. OPPORTUNITY. SECURITY. KEVIN HERN, CHAIRMAN

TO: RSC Member Offices FROM: RSC Policy Team RE: Farm Bill—Policy Options for Reforming SNAP

State of Play

Current Farm Bill authorizations are set to expire on September 30, 2024. Last week, it was announced that the House Agriculture Committee intends to markup the Farm Bill later this month on May 23, 2024.

Work Requirements

Should the House of Representatives take up a new Farm Bill, it provides conservatives with an opportunity to advance important reforms to welfare programs that can encourage and empower Americans to become self-sufficient through work.

The Nutrition title of the Farm Bill constitutes 84% of total <u>baseline spending</u> for the Farm Bill. For the Supplemental Nutrition Assistance Program (SNAP), the Nutrition Title's largest program, <u>CBO is projecting</u> \$1.148 trillion in outlays over 10 years. During the pandemic, SNAP benefits were drastically expanded, from work requirements being waived to benefits increasing through the Thrifty Food Plan update.

While conservatives may hold diverse opinions on various matters within the Farm Bill, reforming SNAP and promoting policies that recognize the dignity of work are recognized as essential among all conservatives.

Polling

A 2023 <u>Axios</u>-Ipsos poll found that 63 percent of Americans support work requirements as a condition to receive federal benefits, including SNAP. Specifically, supporters of work requirements constitute 80 percent of Republicans, 66 percent of independents, and 49 percent of Democrats. The president of Ipsos U.S. Public Affairs summarized the results as, "Americans have a long-standing belief in the value of work. Consequently, when presented with work requirements for government aid, particularly aid most people don't personally access, we see majorities supporting the policy change."

House Republicans Have Consistently Advocated for SNAP Reform in the Majority

House Republicans were in the majority in 2018, which is the last time Congress enacted a Farm Bill (as opposed to extending existing authorizations). At the time, the House-passed Farm Bill <u>included</u> historic SNAP <u>reform</u> proposals designed to strengthen existing work requirements that able-bodied adults without dependents (ABAWDs).

This Congress, House Republicans universally supported expanding work requirement in the *Limit, Save, Grow Act*. RSC's summary of the bill can be found <u>HERE</u>.

Current RSC Member Bills:

Already, several RSC Members have introduced bills to reform SNAP. As Republicans look ahead to the House Agriculture Committee's markup, policies put forth by RSC Members should be considered.

- Rep. Burlison's (MO) End the Cycle of Dependency Act would adjust the age threshold for the ABAWD work requirement to 18-65 year olds, as well as amend the definition of "dependents" to ensure that only parents with children below the age of 6 years old are exempt from the work requirement. This bill would repeal both the geographic waiver and discretionary exemption, as well as set a time limit of five years for individuals to receive SNAP benefits.
- Rep. LaTurner's (KS) Jobs and Opportunities for SNAP Act would adjust the age threshold for the ABAWD work requirement to include 18-65 year olds, as well as amend the definition of "dependents" to ensure that only parents with children below the age of 7 years old are exempt from the work requirement. This bill would repeal the geographic waiver and decrease the discretionary exemption's work requirement waiver from the current rate of 8% of SNAP participants down to 3%.
- Rep. Cline's (VA) <u>No Welfare for the Wealthy Act</u> would require states to enforce the income and asset requirements for traditional SNAP eligibility—effectively ending states' abuse of the broad-based categorical eligibility (BBCE) loophole.
- Rep. Johnson's (SD) <u>America Works Act</u> would adjust the ABAWD work requirement to include 18-65 year olds and ensure that parents of dependents under the age of 7 are subject to the work requirement. The bill would also strengthen existing law on geographic waivers by ensuring that waivers are only approved for areas with unemployment higher than 10%, limiting the Secretary's ability to waive areas based on other economic factors.
- Rep. Brecheen's (OK) <u>Healthy SNAP Act of 2023</u> would ensure that SNAP benefits cannot be used to purchase soft drinks, candy, ice cream, and prepared desserts.

Additional Policy Options:

Below are additional reforms that should be considered and discussed in conjunction with the House-drafted Farm Bill.

• 2021 Thrifty Food (TFP) Plan Update

- With the 2021Thrifty Food Plan (TFP) update, SNAP beneficiaries receive more in benefits than ever before. Republicans may wish to revisit the way that this Administration carried out the TFP update. However, Republicans may also want to prevent benefits from continually increasing. Despite the TFP's 21% increase in benefits, benefits will also increase in 2024 compared to 2023 due to the <u>annual COLA</u>. With the latest COLA, the maximum benefit for a family of four was raised from \$939 to \$972. Congress has frozen the COLA for SNAP in the past, specifically in the American Recovery and Reinvestment Act of 2009 which replaced the COLA with a 13.6% <u>increase in SNAP benefits</u>.
- **Policy Option:** Congress could enact legislation that would repeal the Biden Administration's 2021 TFP update and set standards on keeping the development of the TFP cost-neutral.
- **Policy Option:** Congress could freeze the COLA for benefits until the rate of increase would bring benefits in line with the TFP maximum allotment.

• Impose a Cost-Share on States

- Our federal debt is continuing to grow. With the current trajectory of SNAP spending, an argument can be made that states need to shoulder more of the costs for SNAP. States are charged with investigating and preventing SNAP fraud under current law since they are the ones administering the program. However, because the federal government provides funding for SNAP benefits, the incentive to go after fraud is drastically reduced—further justifying the need for states to have more buy-in.
- In the Senate, Senator Lee (R-UT) has <u>introduced</u> legislation that would impose a state match, beginning with 5% and increasing to 50%. The idea behind this is that states may have more of an incentive to go after fraud if it is their own money being misspent. The bill, however, also allows states to retain 50% of funds recovered for fraud prevention, an increase relative to current law's allowance of only 35% of the funds.
- **Policy Option:** Congress could establish a state match for SNAP.

• Work Requirements

- As mentioned, the Fiscal Responsibility Act (FRA) recently adjusted the age threshold for ABAWD work requirements. The bill gradually phases in a new policy requiring ABAWDs 18-54 to adhere to work requirements. However, Republicans may believe that the age cap could be raised even further to make it more consistent with the average retirement age. The Center for Retirement Research at Boston College points to the <u>average age of retirement</u> for men being 65 years of age and for women, 62. Additionally, the <u>age of retirement</u> for Americans to receive full Social Security benefits is 67 years of age.
- **Policy Option:** Congress could raise the age cap for the ABAWD work requirements, adjusting it beyond the recent adjustment to 54 years of age.

- The Fiscal Responsibility Act also amended the law to exempt homeless individuals, veterans, and anyone 18-24 who had been in foster care from the SNAP ABAWD work requirement. Republicans may note that our welfare programs should be encouraging employment to self-sufficiency. Furthermore, Republicans may also note that the Biden administration recently proposed regulations to implement the Fiscal Responsibility Act's exemption, writing them in a way to exempt nearly all individuals from the work requirement by including individuals who are "imminently homeless."
- For individuals who are struggling to find employment to meet the ABAWD requirement, states offer employment and training programs, for which participation can count towards the work requirement. Additionally, states can allow time spent <u>volunteering or engaged in community service</u> as work. Therefore, there are ways that homeless individuals and veterans can continue to receive benefits if they are struggling to find work.
- **Policy Option:** Congress could amend the law to strike the exemption for homeless individuals, veterans, and 18–24-year-olds previously in a foster home.

• SNAP Geographic Waivers

- As mentioned earlier, current law allows states to waive areas with unemployment rates that exceed 10%. In a perfect world, states would request waivers for specific, narrow areas with a local economy experiencing high unemployment. However, the law has never defined what constitutes an "area." As a result, some states have chosen to combine various counties and towns to waive as many people as possible from the ABAWD work requirement. As an example, Washington <u>requested and was approved for a</u> <u>waiver</u> for a single area that was comprised of 37 of its 39 counties.
- **Policy Option:** Congress could repeal the geographic waiver option.
- **Policy Option:** Congress could amend existing law to better define what an "area" is, whether it's a certain town or county, or ZIP code.
- Discretionary Exemptions
 - The Fiscal Responsibility Act provided necessary changes to discretionary exemptions, reducing it from 12% of a state's SNAP caseload to 8%. Republicans may believe that the allowance for exemptions should be lowered or eliminated altogether. Some Republicans may believe that states shouldn't be given any flexibility to exempt ABAWDs from the work requirements given that individuals can participate in other opportunities, such as volunteering, to meet the work requirement.
 - **Policy Option:** Congress could repeal the discretionary exemption or lower the exemption from 8% of a state's SNAP caseload.
- Reining in Broad-Based Categorical Eligibility:

- Under broad-based categorical eligibility (BBCE), states can choose not to administer an asset test and set their own gross income limit up to 200% of the federal poverty line. Unfortunately, this expands SNAP in a way that provides benefits to individuals who normally wouldn't meet SNAP eligibility requirements.
- **Policy Option:** Congress could repeal broad-based categorical eligibility (BBCE), ensuring that all states abide by the income and asset limits required traditionally by SNAP.
- Policy Option: Congress could allow states to continue to rely on categorical eligibility but narrowing it to only households that have received substantial and ongoing benefits from TANF (valued at \$50/month) and imposing asset limits. This policy would replicate the proposed rule from the Trump Administration.

• Promote Healthy Food Choices in SNAP

- Healthier food choices have a tremendous influence on one's overall health. Current law <u>prohibits</u> the use of SNAP benefits for items like alcohol and tobacco. Some Republicans may believe that this prohibition needs to be expanded to sweets and soft drinks. SNAP benefits should be spent in a way that supports the well-being of individuals—not spent on junk food that lacks essential nutritional content and contributes to health complications.
- **Policy Option:** Congress could prohibit SNAP benefits from being spent on junk food, like soda and candy.
- **Policy Option:** Congress could prohibit SNAP benefits from being spent on any item with "added sugar."

Note: This RSC Memorandum is for informational purposes only and should not be taken as an official statement of support or opposition from the Republican Study Committee.