Changes to Nutrition Programs in the 2018 Farm Bill

Charlotte Ambrozek and Timothy Beatty

Nutrition programs comprise 76% of Farm Bill spending. These programs target families, children, and other vulnerable populations, and have historically enjoyed wide bipartisan support. A broad literature documents positive health and well-being effects on program participants. Changes in the most recent Farm Bill and in proposed rules by the USDA will affect eligibility requirements, restricting the population of individuals who qualify for food stamps. We synthesize these changes and consider likely consequences.

Most spending allocated by the Farm Bill goes to nutrition programs—$326 billion over 2019–2023, which constitutes 76% of total Farm Bill spending. This funding will go to social safety net programs focused on ensuring food and nutrition security, especially the Supplemental Nutrition Assistance Program (SNAP), the Special Supplemental Nutrition Assistance Program for Women, Infants, and Children (WIC), the National School Lunch Program (NSLP), and the School Breakfast Program among other food distribution and child nutrition programs.

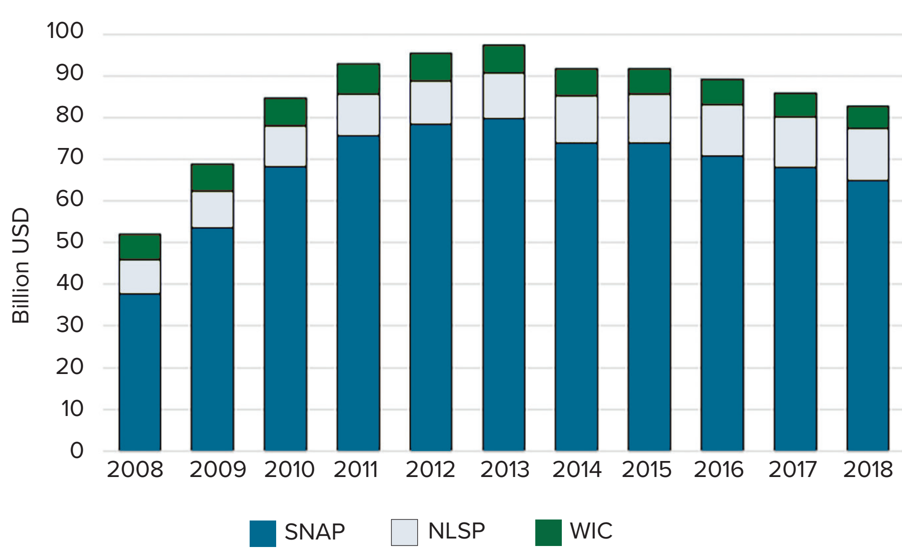
SNAP is by far the largest of the nutrition programs in terms of both reach and spending. More than 12% of the U.S. population participated in FY2018. Studies show that SNAP and WIC increase food security of participants, while participating in WIC improves child health and nutrition outcomes. Research suggests longer run educational and economic improvements from participating in food assistance. Figure 1 shows how SNAP spending has evolved over time relative to WIC and NSLP, the next largest food assistance programs.

Households become eligible for SNAP when their income falls below the state limit. Individuals must also be American citizens or qualified legal immigrants. For California's SNAP program, CalFresh, households with net income less than 100% of the federal poverty level may participate. More than 4 million Californians use SNAP, and 1 in 10 SNAP participants lives in California, but the share of eligible people participating is lower in California than in most other states. Average SNAP household income is low, at 61% of the poverty line in FY2016. The average household on SNAP has two people and receives $252 per month for groceries, a quarter of the total funds for the household. Most SNAP households include children, although elderly and disabled people also make up a sizeable share of participants.

Programs like SNAP, WIC, and NSLP are designed to act as automatic stabilizers during recessions. Eligibility is tied to the federal poverty level – when incomes drop, more people may participate. Figure 2 (on page 10) illustrates expansion of participation in food assistance programs across the Great Recession, showing the unemployment rate and the number of program participants from 2008 to 2018. Generally, nutrition programs enjoy broad bipartisan support given the appeal of supporting children, families, and other vulnerable populations, but some lawmakers have raised concerns about continued (relatively) high levels of participation despite relatively low levels of unemployment.

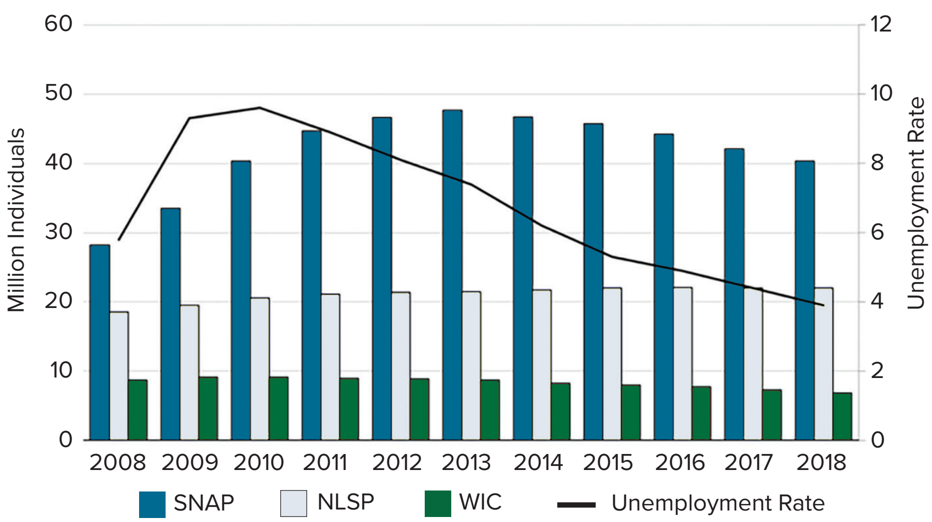
Over the period 2019–2023, total Farm Bill spending on nutrition will increase by 0.03%, or $98 million, mostly as a result of the employment and training (E&T) and nutrition targeting items discussed below. Changes to federal nutrition programs in the 2018 Farm Bill focused largely on work requirements for participants in SNAP. No explicit legislative changes were made to WIC, and minor clarifications were made to the administration of the

Figure 1. Annual Spending on Select Nutrition Programs, FY2008–2018



Data from USDA FNS Program Data site: https://www.fns.usda.gov/pd/overview

Figure 2. Annual Participation, Selection Nutrition Programs, FY2008–2018



Data from USDA FNS Program Data site: https://www.fns.usda.gov/pd/overview

NSLP, specifically enforcing the "Buy American" requirement. In this brief overview, we focus on changes made to SNAP as part of the Farm Bill and also on a proposed rule change issued by USDA shortly after the Farm Bill was signed.

Changes to SNAP in the Farm Bill

Changes to SNAP in the Farm Bill largely focused on work requirements, particularly for able bodied adults without dependents (ABAWDs) who make up 8.8% of the 43.6 million SNAP participants. An ABAWD is defined as an individual age 18–49 who is of sufficient physical and mental health to work (not disabled) and has no dependents (not pregnant and does not care for a child or incapacitated family member).

Since implementation of the Personal Responsibility and Work Opportunity Reconciliation Act (PRWORA) in 1996, receipt of SNAP benefits for ABAWDs is limited to three months in a 36-month period, unless those individuals work 80 hours per month, participate in E&T activities, or comply with a state-approved volunteering program. States can apply for discretionary waivers from these work requirements. However, the 2018 Farm Bill reduces the number of waivers allocated to each state agency from 15% to 12% of the the state's caseload that is ineligible for program benefits because of the ABAWD time limit. Importantly, the current Farm Bill did not implement a proposed change to apply work requirements to individuals ages 18–59 with dependent children aged 6–18 as well as those aged 50–59 without dependents under the age of 6.

Changes to SNAP in the Farm Bill will affect E&T programs that are designed to increase the ability of ABAWDs to obtain regular employment, for example through trainings, services for job seekers, or volunteering activities. Funding for E&T programs will be expanded by more than 10%, and the new Farm Bill imposes minimum requirements for state spending on E&T programs. SNAP participants who fulfill the work requirement through job search programs must now attend a program that has direct supervision.

The 2018 revisions in the Farm Bill allow E&T programs to be designed by non-State agencies, and allow for partnerships between private institutions and SNAP administration in implementing these programs. These changes expand opportunities for private organizations to receive state funds for administering E&T programs. New entrants to these E&T partnerships will be restricted by another change—previously funded E&T programs have an assured 50% share of future funding.

Changes to SNAP not related to work requirements generally focused on reducing fraud and tightening nutrition targeting of the SNAP program. Experts on food assistance policy have testified before the House that rates of fraud are notably low. Previous work has concluded that tighter fraud prevention measures likely would not be cost effective.

The nutrition component allocates additional funding for nutrition education and produce prescription programs that would allocate fruits and vegetables to households. These programs have the advantage of providing healthful foods to participants, but may result in wasted food and resources if barriers to uptake are sufficiently large. Finally, the bill eliminated an additional deduction option for homeless SNAP participants.

Changes to SNAP after the Farm Bill

Shortly after the Farm Bill was signed into law, U.S. Department of Agriculture, Food and Nutrition Service (FNS) proposed a new rule that would lead to tighter work requirements for ABAWDs. Historically, states have been able to apply for exemption from ABAWD work requirements for areas of the state where unemployment is exceptionally high or where there aren't enough jobs to go around. These exemptions are generally referred to as ABAWD waivers. Waivers were widely used during and after the Great Recession.

Reasoning that economic conditions have changed, a current policy priority is to reduce the number of waivers in use, since the administration believes that present use of waivers is out of step with the intent of the law.

The proposed rule, entitled "Supplemental Nutrition Assistance Program: Requirements for Able-Bodied Adults Without Dependents," would generally tighten the criteria for states to apply for waivers of work requirements for ABAWDs. States may no longer group towns, counties, or cities at a level smaller than that of a labor market area when applying for ABAWD waivers. The proposed rule eliminates the use of non-federal data to evaluate waiver eligibility. For instance, an academic report showing a declining employment-to-population ratio would no longer suffice for waiver status.

As long as Bureau of Labor Statistics (BLS) unemployment rate statistics are available, these statistics must be used to determine waiver eligibility. If appropriate data for eligibility determination are not available, the entire state may apply for a waiver. Importantly, states would be prohibited from applying for waivers unless the state overall has an unemployment rate greater than 10% or greater than both 120% of the national average rate and 7%. States may still apply for waivers for counties or cities that specifically have very high unemployment rates.

Three additional mechanisms for waiver eligibility are eliminated. The first mechanism was designation as a labor surplus area, meaning that the two-year average unemployment rate was 20% higher than the same 2-year national average. The proposed rule disallows states from implementing a waiver prior to approval even if the state meets the waiver criteria. Also, having a historical seasonal unemployment rate greater than 10% would no longer be a criterion for approval. This last change may well strike agricultural communities and their fluctuating workforces particularly hard.

Effects of Policy Changes on SNAP Participants

The policy debate around the changes from the Farm Bill and other proposed regulations on food assistance programs hinges on the participation and expenditure effects. Additional work requirements will almost certainly drive some participants off SNAP. In the current form, this will occur as jurisdictions are less easily able to obtain waivers or to qualify under revised E&T programs. Larger drops in participation would result from expanding the populations for which work requirements apply, as proposed by an initial draft of the Farm Bill.

Evidence from a report by the Hamilton Project suggests that most of the individuals who would be affected by tighter requirements on ABAWDs are either in the labor force already, although failing to meet the 80 hour a month requirement because of unstable employment, or might be eligible for hardship exemptions. These are individuals who, during a particular month, are unemployed, not in the labor force, or working less than twenty hours, but, over two years, are much more likely to transition into part- or full-time work. These individuals cite health or job-related issues when asked why they are not working during a month. If the labor force is a football game, these are individuals who are sidelined for part of the game, but will cycle in and out of play.

These participation losses result in a variety of mechanisms for loss of social welfare from SNAP. First, food assistance programs have well documented health and well-being benefits for participants. Cutting eligible participants off from the program eliminates those improvements. Secondly, tightening eligibility requirements has the unintended consequence of increasing administrative burden for both states and participants as caseworkers and households navigate an increasingly complex process. Another unintended consequence is pushing otherwise eligible households into alternative safety net programs, such as disability insurance, offsetting the intended cost reduction from restricting SNAP participation.

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For additional information, the authors recommend:

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