



## The Ryan Budget Challenge to SNAP

On April 5, 2011, House Budget Committee Chairman Paul Ryan unveiled a budget proposal that would markedly change the way the United States provides nutrition assistance to families in need. The Ryan budget includes a cut of \$127 billion in SNAP funding over the next 10 years, due principally to a new structure that no longer would base assistance strictly on need, but would apportion assistance from a fixed allotment of dollars to states.

Ryan's proposal includes a block-grant structure for the Supplemental Nutrition Assistance Program (SNAP), formerly Food Stamps. Under a block grant, instead of covering needs as they arise, the federal government would pay some fixed dollar amount to the states for SNAP. Benefit cuts and new eligibility limits would be inevitable.<sup>1</sup> This proposal raises several issues: 1) The program would cease to be a counter-cyclical intervention to serve more as need increases during economic downturns; 2) Increased SNAP spending has reflected increased need; 3) Food insecurity and household economic instability would rise.

### ***The program would cease to be a counter-cyclical intervention to serve more as need increases during economic downturns***

Ryan's proposal would either cut numbers or cut food benefits during a time of economic hardship. It could not accommodate a significant increase in the numbers of SNAP recipients during future recessions; nationwide, from the beginning of the recession in December 2007 until October 2010, SNAP recipients increased by 15.6 million people, or 57 percent.<sup>2</sup> During this time in Iowa, the number of recipients rose by 43 percent, and the number of unemployed grew by 66 percent.<sup>3</sup> CBO predicts that in Iowa, the number of SNAP participants in 2012 will reach 389,000 — an additional increase of 14.5 percent from 2010, which would be difficult to accommodate under the proposal. Under Ryan's plan, Iowa would lose \$930 million in federal money for SNAP benefits between 2012 and 2021.<sup>4</sup>

Food insecurity in Iowa has been on the rise — from 8 percent in the mid-'90s, to 10.2 percent in 2002-04, 11.7 percent in 2005-07, and 12.8 percent in 2009.<sup>5</sup> Notably, even under the present system not all

### ***What is SNAP?***

Formerly known as Food Stamps, SNAP is the nation's primary program designed to alleviate food insecurity — the lack of nutritionally adequate and safe foods and the inability to acquire them.

The U.S. government reimburses states in full for SNAP benefits, and pays a percentage of each state's SNAP operating costs. This enables states to enroll eligible households and provide them with benefits, without having to turn down anyone due to a shortage in federal money. Anyone who qualifies must be covered.

The program helps food-insecure low-income households that meet the federal criteria, which specify limits for the household's assets, total income and net income (income after all deductions). In this manner, eligibility rules are largely similar among states, with only minor differences. In 2010, SNAP served about 43 million Americans, including about 340,000 Iowans. Nationally, over three-quarters of SNAP recipients are families with children, and over one-third are in households with an elderly or a disabled member. (See <http://tinyurl.com/6a826m4>)

food-insecure Iowans qualified for SNAP: The Iowa Food Bank Association estimates that in 2009, of 382,510 food-insecure Iowans, only 43 percent qualified for SNAP benefits.<sup>6</sup> This means local food support services (food banks, food pantries, etc.) already serve more than 100,000 Iowans.

Under the Ryan plan, basing federal funds for SNAP on existing recipient numbers, eligible households in Iowa would quickly exceed the federally allocated funds. A block grant based on non-recession usage levels would leave states with large numbers of otherwise eligible recipients getting no aid when the next recession hits, just when need is greatest. And over time, population growth alone would force reductions in benefits or increasingly restrictive eligibility.

### ***Increased SNAP spending has reflected increased need***

There are four main reasons for SNAP growth in recent years, none due to unnecessary spending:<sup>7</sup>

- SNAP spending increased with need due to the recession and high unemployment. SNAP is tightly linked to unemployment, as laid-off workers struggle to provide for their families.<sup>8</sup>
- Benefit levels have risen since 2007 as a result of the increase in food prices.
- Recovery Act funds have been enhancing SNAP benefit spending temporarily since 2009 by raising the level of benefits. Economists view SNAP as one of the most effective forms of economic stimulus.

Those four reasons account for the vast majority of increase in spending on SNAP at a time of recession and recovery from recession. In 2010, SNAP served its highest-ever number of recipients, over 40 million.<sup>9</sup>

### ***An America without SNAP — food insecurity and economic instability***

The Ryan budget proposal includes no viable alternatives to remedy food insecurity. If the proposed cuts to SNAP were to focus on reducing eligibility alone, more than 10 million Americans would be left out of the program between 2015 and 2021.<sup>10</sup> With no federal support, states could put newly eligible households on waiting lists or turn them down despite immediate need, or finance them with no federal help. States would not have the capacity to respond to a predicted increase in need.<sup>11</sup>

In addition, since the demand for food assistance is not expected to decline, the local nonprofit sector would be called upon to step up and help the food-insecure that the federal program could not cover. This would burden organizations with unstable and tight resources, especially as the state economy is still struggling and money for nonprofits is more limited than ever.<sup>12</sup>

If current projections for 2012 are correct, the number of Iowa SNAP recipients will have increased by 63 percent from the beginning of the recession. This means SNAP is answering a problem created by a struggling economy. Ryan's budget proposal recommends replacing the current structure with a block grant. Resources would not follow need, either during a downturn or in a recovery when the local economy and hard-hit families are still struggling to rebound.

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<sup>1</sup> <http://www.cbpp.org/cms/index.cfm?fa=view&id=3463>

<sup>2</sup> <http://www.cbpp.org/files/policybasics-foodstamps.pdf>

<sup>3</sup> <http://www.cbpp.org/files/4-5-11fa.pdf> and <http://www.fns.usda.gov/pd/15SNAPpartPP.htm>

<sup>4</sup> <http://www.cbpp.org/files/4-11-11fa.pdf>

<sup>5</sup> [http://www.extension.iastate.edu/hunger/reports/08\\_foodpantry.pdf](http://www.extension.iastate.edu/hunger/reports/08_foodpantry.pdf)

<sup>6</sup> <http://iowafba.org/AboutHunger.aspx> and [http://iowafba.org/AboutHunger/Map\\_the\\_Meal\\_Gap.aspx](http://iowafba.org/AboutHunger/Map_the_Meal_Gap.aspx)

<sup>7</sup> <http://www.cbpp.org/files/4-5-11fa.pdf>

<sup>8</sup> <http://www.iowafiscal.org/2010docs/100217-IFP-snap-arra.pdf>

<sup>9</sup> <http://www.fns.usda.gov/pd/SNAPsummary.htm>

<sup>10</sup> <http://www.cbpp.org/files/4-11-11fa.pdf>

<sup>11</sup> <http://www.cbpp.org/files/4-5-11fa.pdf>

<sup>12</sup> <http://www.iowafiscal.org/2010docs/100217-IFP-snap-arra.pdf>