# FISCAL TOPICS

Fiscal Services Division September 1, 2023

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LEGISLATIVE

SERVICES AGENCY Serving the Iowa Legislature

## Supplemental Nutrition Assistance Program (SNAP) Overview

#### Summary

The <u>Supplemental Nutrition Assistance Program (SNAP)</u> is a federally administered program that supplements the food budget of families by providing them with benefits to purchase healthy and nutritious food. The SNAP is available to low-paid working families, including individuals and households with low incomes, low-income older adults (60 years and older), and people with disabilities. The SNAP is federally administered by the <u>U.S. Department of Agriculture (USDA)</u>, and administered in Iowa by the <u>Department of Health and Human Services (HHS)</u>.

#### Background

The SNAP was authorized by the federal Food Stamp Act of 1964, and is administered federally through <u>7 U.S.C. §2011 - 2036d</u> and <u>7 C.F.R. §271 - 285</u>. Federal income thresholds for the SNAP are specified at 130.0% of the federal poverty limit (FPL), with states able to exceed the floor. The HHS has previously <u>administered</u> the Program at 160.0% of the FPL, while 2023 Iowa Acts, <u>Senate File 494</u> (Medicaid, Supplemental Nutrition Assistance Program (SNAP), Eligibility Verification Act), codified the FPL threshold for the SNAP eligibility at 160.0%. **Figure 1** shows the FPL thresholds by family size for 2023.

| Family Size | 100.0%    | 130.0%    | 160.0%    |  |
|-------------|-----------|-----------|-----------|--|
| 1           | \$ 14,580 | \$ 18,954 | \$ 23,328 |  |
| 2           | 19,720    | 25,636    | 31,552    |  |
| 3           | 24,860    | 32,318    | 39,776    |  |
| 4           | 30,000    | 39,000    | 48,000    |  |
| 5           | 35,140    | 45,682    | 56,224    |  |
| 6           | 40,280    | 52,364    | 64,448    |  |
| 7           | 45,420    | 59,046    | 72,672    |  |
| 8           | 50,560    | 65,728    | 80,896    |  |

#### Figure 1 — 2023 Federal Poverty Level Thresholds

In FY 2023, allowable federal asset limits are \$2,750 (including bank accounts), or \$4,250 if at least one member of the household is age 60 or older or disabled. In 2023, SF 494 defined "asset test" to include the value of all assets of all members of a SNAP applicant's household up to \$15,000 for eligible lowans. Asset tests for receipt of SNAP benefits include members of the applicant's household. Per federal guidelines, certain resources, such as homes, are not counted when determining eligibility. Allowable assets for review by State agencies include boats, vacation homes, savings accounts, and the value of vehicles used for household transportation purposes. Federal regulations provide a State option to

#### **More Information**

Iowa Department of Health and Human Services SNAP: <u>hhs.iowa.gov/food-assistance/SNAP</u> LSA Staff Contact: Eric Richardson (515.281.6767) <u>eric.richardson@legis.iowa.gov</u> disqualify custodial parents from participation in the SNAP unless the individual cooperates with a State agency.

Most unemployed nondisabled adults aged 18 to 49, who are not living with minor children, are limited to three months of SNAP benefits, unless they are working at least 20 hours per week or participating in a qualifying workfare or job training program. States may seek temporary waivers from this time limit for areas with high unemployment where qualifying jobs are scarce. States also have separate authority to impose work requirements on many adults in SNAP households; however, lowa has not imposed work requirements through the statute for the Program.

The SNAP benefits must be utilized by eligible recipients, per federal <u>guidelines</u>, on a specific set of foods, including fruits and vegetables, meat and dairy products, breads and cereals, snack foods, and seeds and plants. The HHS provides <u>eligible</u> SNAP enrollees Electronic Benefit Transfer (EBT) cards that can be used to buy groceries at supermarkets, grocery stores, and some <u>farmers markets</u>. The average number of Iowa households and individuals receiving SNAP benefits, average benefit per household, and average amount of monthly benefits issued from FY 2019 to FY 2022 is shown in **Figure 2**.

| Fiscal Year | Average Number of | Average Monthly    | Average Number of | Average Monthly |
|-------------|-------------------|--------------------|-------------------|-----------------|
| FISCAI TEAT | Households        | Household Benefits | Recipients        | Benefits Issued |
| 2019        | 160,000           | \$ 227             | 332,000           | \$ 36,213,000   |
| 2020        | 152,000           | 260                | 313,000           | 39,600,000      |
| 2021        | 147,000           | 398                | 299,000           | 58,737,000      |
| 2022        | 141,000           | 428                | 287,000           | 60,404,000      |

Figure 2 — Iowa SNAP Benefits (FY 2019 – FY 2022)

#### Funding

The SNAP funding for benefits is received from the federal government; however, 50.0% of administrative costs are paid by the State, with the other 50.0% paid by the USDA. According to the USDA, in FY 2020, the State paid \$22.4 million for SNAP administrative expenses to match federal funding. Most of the State funding for SNAP administrative expenses was paid through the General Fund appropriation to the HHS for Field Operations.

### **Related Statutes and Administrative Rules**

Iowa Code chapter <u>239</u> Iowa Administrative Code <u>441 IAC 47.1</u>, Iowa Administrative Code <u>441 IAC 65</u>

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