FISCAL TOPICS

Fiscal Services Division November 9, 2023

Ground Floor, State Capitol Building

Des Moines, Iowa 50319

Supplemental Nutrition Assistance Program (SNAP)

Summary

The Supplemental Nutrition Assistance Program (SNAP) is a federal program that provides recipients with assistance in acquiring nutritious food and forming healthy and sustainable dietary habits. SNAP is administered by the U.S. Department of Agriculture as part of the Food and Nutrition Service (FNS), with the goal of reducing poverty and food insecurity while stimulating economic growth. In the State of Iowa, the Program is administered by the Iowa Department of Health and Human Services (HHS).

Background

The first Food Stamp Program (FSP) in the United States began in 1939 and was brought under federal control and regulation with the passage of the <u>Food Stamp Act of 1964</u>. Development of Electronic Benefits Transfer (EBT) cards began on a federal level with the passage of the Hunger Prevention Act of 1988, which initiated pilot programs to test the technology. By 2004, all U.S. states were using EBT cards to deliver FSP benefits. EBT is also used in many states to deliver certain Temporary Assistance to Needy Families (TANF) benefits to recipients.

In 2008, the name of the FSP was changed to the Supplemental Nutrition Assistance Program in an attempt to prevent existing stigmas around food stamps from impacting the effectiveness of the welfare program. Additionally, references to the Food Stamp Act were replaced with references to the Food and <u>Nutrition Act of 2008</u>. The following year, the passage of the <u>American Recovery and Reinvestment Act of 2009</u> led to a temporary increase in monthly benefits for SNAP households from April 1, 2009, to October 31, 2013.

As part of the U.S. government's response to the COVID-19 pandemic, Congress passed the <u>Families</u> <u>First Coronavirus Response Act of 2020</u>. This granted the Secretary of Agriculture the authority to approve state agencies' plans to administer further EBT benefits in response to the pandemic. Pandemic EBT (P-EBT) benefits allowed eligible children to receive temporary emergency nutrition benefits loaded onto EBT cards. After the public health emergency ended in May 2023, children under the age of six in households receiving SNAP benefits were no longer eligible for P-EBT benefits. However, school-aged children who attended a school participating in the National School Lunch Program at the end of the 2022-23 school year were still eligible for summer 2023 P-EBT benefits in participating states.

Employment and Training Program (E&T) Requirements

An Employment and Training Program (E&T) was added to SNAP in 1985, which required states to provide a form of job search assistance, job search training, work experience, workfare, or other relevant services to SNAP recipients. There are two different sets of work requirements that may apply to a

More Information

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person receiving SNAP benefits: general work requirements and the Able Bodied Adult Without Dependents (ABAWD) work requirements.

General work requirements apply to most persons aged 16 to 59 who are able to work, meaning that persons need to meet the general work requirements in order to receive SNAP benefits. General work requirements include registering to work, participating in SNAP E&T or workfare programs, taking a suitable job if one is offered, and not voluntarily quitting or reducing hours at a job without good reason. In order to be excused from the general work requirements, a person must be:

- Already working at least 30 hours each week
- Meet work requirements for another program
- Take care of a child under the age of six or an incapacitated person
- Be unable to work due to a physical or mental limitation
- Participate regularly in an alcohol or drug treatment program
- Be studying in school or a training program at least half-time

One failure to meet the general work requirements results in being disqualified from SNAP for at least one month. Repeated failures to meet work requirements after reinstatement results in being disqualified from SNAP for longer durations, and could lead to permanent disqualification.

ABAWD work requirements apply to persons who are aged 18 to 52, are able to work, and have no dependents. Qualifying persons need to meet both general work requirements and an additional ABAWD work requirement in order to receive SNAP benefits for more than three months in a given three-year time period. A person can meet ABAWD requirements by working, participating in a work program, or a combination of the two for at least 80 hours each month. It is also possible to meet ABAWD requirements by participating in workfare.

Any of the following conditions excuses a person from ABAWD work requirements and time limits:

- Inability to work due to a physical or mental limitation
- Pregnancy
- Having someone under the age of 18 living in the SNAP household
- · Being excused from general work requirements
- Being a veteran
- Experiencing homelessness
- Being age 24 or under and in the foster care system on 18th birthday

A person can lose SNAP benefits after three months of failure to complete ABAWD work requirements. In order to begin receiving benefits again, a person must adhere to ABAWD work requirements for a 30day period or wait until the end of the three-year SNAP time limit.

SNAP in Iowa

While administering costs are shared equally between the state and federal funds, SNAP benefits are entirely federally funded. State administrative funding comes primarily from the Field Operations General Fund appropriation under Regional Offices. **Figure 1** shows the breakdown of SNAP administrative spending in Iowa for fiscal year (FY) 2022.

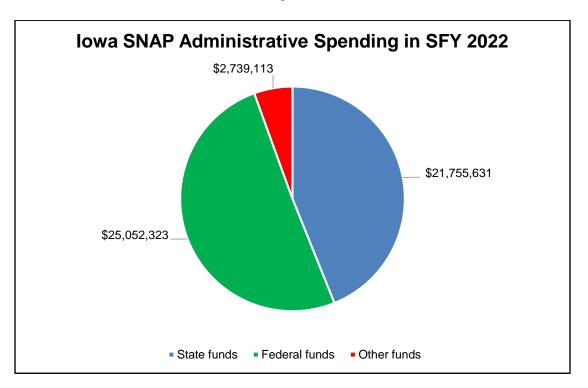


Figure 1

The State receives federal funding as a federal appropriation and receives additional funding from the federal TANF block grant. For state fiscal year (SFY) 2022, Iowa received \$885.8 million from federal appropriations for SNAP. That year, Iowa also received \$11,000 from the TANF block grant to fund Categorical Eligibility SNAP. If every member of a household receives Supplemental Security Insurance (SSI) or Family Investment Program (FIP) benefits, then certain eligibility factors for SNAP are considered to be automatically met and verified for that household. This is known as Categorical Eligibility SNAP. Individuals must still meet all SNAP requirements not considered automatically met. Although the TANF block grant has specific limitations on the use of funds, Categorical Eligibility SNAP meets the purposes established in federal law, which allows the State to allocate some of the TANF block grant moneys toward categorical eligibility for food assistance.

With the passage of <u>Senate File 494</u> (Public Assistance Modernization Act), Iowa instituted new rules regarding SNAP regulations. The gross countable monthly income threshold was set at 160.0% of the Federal Poverty Level (FPL) for a given household size. The Act states that applicants must complete a computerized identity authentication and an asset test conducted by the HHS. The Act also establishes that applicants are to be provided written notice and the opportunity to explain any issues identified in the authentication and verification process.

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