House Agriculture Committee Holds SNAP Hearings

In early 2015 the House Agriculture Committee announced it would conduct a “top-to-bottom” review of the Supplemental Nutrition Assistance Program (SNAP) through scrutiny of its policies and impacts. Both the full Agriculture Committee and its Nutrition Subcommittee began a series of hearings then that continued into mid-2016 on various aspects of the program. Committee staff have indicated they plan to use the results of the hearings to begin drafting legislative changes for the program's next reauthorization, due for fiscal year 2019. More information on the activities of the House Agriculture Committee can be found on its website.

SNAP access – On January 12, 2016, the Nutrition Subcommittee held a hearing on access to SNAP benefits for special populations, especially seniors and those currently or formerly serving in the military. Ranking Member Jim McGovern (D-MA) cautioned against movement toward a SNAP block grant, which he said would result in declining benefits. Discussion of barriers to seniors included the need for mobile point-of-sale devices that accept SNAP benefits, and concerns over work requirements for those over 50 who face particular barriers in finding work.

Public health and obesity – On February 3, the Subcommittee heard testimony on public health and obesity concerns, particularly efforts within SNAP to improve the nutrition of recipients. Subcommittee Chair Jackie Walorski (R-IN) provided background on the programs authorized by the last two farm bills to encourage better food choices by SNAP recipients, and Rep. McGovern highlighted various initiatives through farmers markets. Both emphasized the responsibility of federal nutrition programs to improve health as well as alleviate hunger. The witnesses agreed.

SNAP administrative options – On March 2, the full Committee took up state administrative options: categorical eligibility options, state accountability for performance, information systems, engagement of
SNAP recipients in work, and the pros and cons of state flexibility. Chairman Mike Conaway (R-TX) expressed concern that some states have used options to weaken program integrity, increase program costs, or deviate from the intent of federal policy. Ranking Member Collin Peterson (D-MN) expressed disapproval of options that have resulted in different SNAP eligibility standards from one state to the next. One witness testified that only 3.3 percent of SNAP recipients are made eligible through the categorical eligibility option, and that their average monthly benefit is only $58; Rep. Bob Goodlatte (R-VA) responded that four million people are nonetheless receiving SNAP who do not meet normal resource thresholds.

**Food retailers** – On May 12, the full Committee met to highlight issues of the food retailers who transact SNAP benefits. The testimony reflected the divergent perspectives of large and small retailers. A witness representing large retailers emphasized the need for more EBT vendors and disagreed with proposals to restrict purchases to particular foods. Representatives of the small-retailer view objected to the rule recently proposed by the Nutrition Service (FNS) that would impose additional store eligibility requirements for stocking and sale of food types.

**Nutrition education** – The full Committee held a hearing June 22 on SNAP nutrition education. Chairman Conaway said that chronic disease is a serious U.S. health problem that is related to current levels of overweight and obesity caused by poor eating habits and physical inactivity. The witnesses spoke to their efforts with community-centered programs that encourage low-income people toward better food choices, provide instruction in food preparation, and promote physical activity. Conaway found the work of these programs impressive but closed with remarks emphasizing the need to develop new metrics to define and measure the success of nutrition education, all the more important given limited funding.

**Error rates and program integrity** – On July 6 the full Committee held a hearing entitled “Evaluating Error Rates and Anti-Fraud Measures to Enhance Program Integrity.” Witnesses covered a range of issues surrounding SNAP payment errors and recipient and retailer fraud. Much discussion focused on the accuracy of currently available data and of the state systems that measure errors. Numerous questions and statements stemmed from the September 2015 USDA Office of Inspector General (OIG) review of state QC systems. Discussion also included the potential pros and cons of a SNAP block grant.

**SNAP E&T** – On September 13 the Subcommittee held a hearing on the SNAP Employment and Training program. As authorized by the 2014 Farm Bill, USDA awarded ten states grants to carry out E&T pilot projects, and witnesses from three of the awardees (Washington state, Georgia, and Fresno County, California) presented testimony on their programs.

**House Government Operations Oversight and Government Reform Subcommittee hearing on fraud and trafficking** – On June 9, this subcommittee also held a SNAP hearing to examine federal and state efforts to combat SNAP fraud and trafficking. USDA Under Secretary Kevin Concannon testified for the Administration. The bulk of the time was given to trafficking issues, with additional discussion of the potential fraud impacts of a SNAP block grant and attention to the question of whether SNAP discourages work.

**House Agriculture Appropriations Subcommittee Holds Budget Nutrition Programs Hearing**
On February 24, the House Appropriations Agriculture Subcommittee held a hearing on the Administration’s FY 2017 budget request for federal nutrition programs. In his opening remarks, Subcommittee Chair Robert Aderholt (R-AL) made clear that he seeks reductions in expenditures and has made increased oversight of these programs a priority.

An exchange took place between Aderholt and Under Secretary Concannon on the September 2015 OIG review. Concannon said that he was deeply troubled by OIG’s findings that some states were not reporting correctly, and that FNS will delay the awarding of bonuses to states until the underlying issues can be identified and corrected.

FNS Responds to OIG Review of State SNAP QC Processes

On January 20, FNS issued a policy memorandum to states in response to the September 2015 OIG review. In it FNS laid out several new restrictions on state QC operations. Among them: Second party review must be applied equally whether a case was found by the initial reviewer to have errors or not; modifying QC files to offset or hide errors is prohibited; QC reviewers must not be given incentives to find cases correct or to undercount errors. Internal committees set up to review errors may engage only after case results have been reported to FNS. FNS also signaled its intent to closely scrutinize use of third-party consultants. States will be required to provide federal reviewers full access to state QC systems and files.

In the months since the release of the memo, FNS has undertaken detailed reviews of each state’s QC system. Reports to each state were due by the end of September and FNS expects the reviews to be completed by year’s end. Also, when OIG released its review last year, FNS suspended all payment accuracy awards to the states, even those that had already been announced for prior years. FNS has indicated it will issue its conclusions on those awards by December 31 as well. A national-level-only payment accuracy rate will be assigned for FY 2016 and state error rates will be resumed for FY 2017. FNS has issued a new 310 handbook (the instructions to states on completion of QC reviews), which was released in draft at the National Association for Program Information and Performance Measurement (NAPIPM) conference in August. FNS has also launched a nationwide series of training sessions on the new handbook.

FNS Issues Rule on Federal Oversight of Major State Operational Changes

On January 19, FNS published a final rule that establishes standards for identification of major changes in state SNAP operations and sets requirements for state notification and reporting on the impact of the change. The ruling finalizes a proposed regulation of May 3, 2011.

Temporary Assistance for Needy Families

Four TANF Bills Approved by House but not Enacted; Program is Level-Funded for FY 2017

On May 6, 2016, two new bills addressing the Temporary Assistance for Needy Families program (TANF) were introduced in the House: Rep. Vern Buchanan (R-FL) introduced H.R. 5169, the What Works to Move Welfare Recipients into Jobs Act designed to strengthen welfare research and evaluation. Rep. Todd Young (R-IN) introduced H.R. 5170, the Social Impact Partnerships to Pay for Results Act designed to encourage and support partnerships between public and private sectors to improve social programs.

On May 11, the House Ways and Means Committee held a markup session to consider H.R. 5169 and H.R. 5170 as well as four other bills which were included in the Committee’s Discussion Draft on TANF Reauthorization in July 2015:

- **H.R. 2952, the Improving Employment Outcomes for TANF Recipients Act** would provide payments to states based on employment, job retention, and earnings of former TANF recipients, with target indicator levels agreed to by the Secretary and each individual state.
- **H.R. 2959, the TANF Accountability and Integrity Improvement Act** would prevent states from counting certain expenditures as Maintenance-of-Effort spending to reduce TANF work requirements.
- **H.R. 2966, the Reducing Poverty Through Employment Act** would amend the purposes of TANF to include reducing poverty by increasing employment entry, retention, and advancement.
- **H.R. 2990, the Accelerating Individuals Into the Workforce Act** would reserve $100,000,000 to provide for the conduct of demonstration projects to test the effectiveness of subsidized employment for TANF recipients.

The group of bills and several amendments and substitutes that were considered did not constitute a thorough revision of the TANF statute but did cover several significant areas. Committee discussion often focused on the merits of provisions that would allow new approaches for testing alternative ideas, with a number of members expressing doubt that the bills had enough limits and controls to keep states from “gaming the system.”

There were also concerns about transfers of TANF funds to other human services uses (such as child welfare and child care) in ways that several members said deprived families and children of the direct support they should have. While the bills reflected a degree of bipartisan work prior to the markup, most votes fell largely along party lines. H.R. 5170, H.R. 2990, H.R. 2959, and H.R. 2966 were approved by the Committee. On May 24, the Committee held a markup session of the two bills that were not acted upon during the previous markup, H.R. 2952 and H.R. 5169. After some amendments, both bills were ordered favorably reported to the full House.

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<th>TANF Bills Approved by House Ways and Means Committee and Reported to the Full House</th>
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On June 21, the House passed **H.R. 5170, the Social Impact Partnerships to Pay for Results Act**. The intent of the bill is to use social impact financing to support innovative and effective social programs that deliver real results. The bill was amended to incorporate **H.R. 5169, the What Works to Move Welfare Recipients into Jobs Act**, to strengthen welfare research and evaluation. Both bills were introduced and underwent markup in May. H.R. 5170 was also amended to incorporate **Sec. 501 of H.R. 5456, the Family First Prevention Services Act**. **Sec. 501 of H.R. 5456 calls for technical corrections to data exchange standards to improve program coordination**. H.R. 5170 was passed with an amendment providing for a level-funded, one-year extension of TANF.

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**TANF Bills Passed by the House of Representatives**

**H.R. 5170** – The Social Impact Partnerships to Pay for Results Act (incorporating H.R. 5169 and Sec. 501 of H.R. 5456)

While these bills passed by the House did not become law this year, they are expected to be part of the House version of what could be a full reauthorization of TANF in 2017. The current continuing funding resolution for FY 2017 funding does include a level-funded, one-year extension of TANF. More details are available on the House Ways and Means website.

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**Ways and Means Hears Testimony on Safety Net, Poverty Reduction, and Opportunity**

On March 1, the House Ways and Means Human Resources Subcommittee held a hearing titled **Getting Incentives Right: Connecting Low-Income Individuals with Jobs**. Major topics of discussion included incentivizing employers to collaborate with human services and workforce agencies to invest in the workforce; employers’ need for job candidates that are work-ready; and measures to ensure that individuals transitioning from welfare to work are financially better off for doing so. On May 24, the Subcommittee held a hearing on **Moving America’s Families Forward: Setting Priorities for Reducing Poverty and Expanding Opportunity**. The hearing examined how the welfare system can better help more low-income Americans move out of poverty and up the economic ladder.

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**House Republicans’ Task Force on Poverty, Opportunity, and Upward Mobility Releases Blueprint for Reforming Welfare, Workforce, and Education Programs**

On June 7, the House Republicans’ Task Force on Poverty, Opportunity, and Upward Mobility released “**A Better Way,**” a 35 page “blueprint for reforming our welfare, workforce, and education programs” designed to empower Americans to access opportunity and achieve upward mobility. One major focus of the agenda is on repairing the safety net, particularly efficiently serving TANF participants and ensuring entry into the workforce. The agenda calls for a reauthorization of TANF with a strengthened focus on work and work preparation in response to the task force’s stated concern that several states are not fully engaging recipients in work-related activities under TANF. Additionally, the report urges a better connection between child support enforcement programs with workforce development programs to help provide noncustodial parents with the skills and work-based learning opportunities needed to find and keep a full-time job. It also proposes a reduction in federal aid programs generally, noting that duplicate and overlapping services often create not only inefficient spending but also

**Departments of Labor and Education Release Final WIOA Regulations**

On June 30, the Departments of Labor (DOL) and Education (ED) posted five final rules for implementation of the *Workforce Innovation and Opportunity Act* (WIOA), including two on which APHSA commented, the *Workforce Innovation and Opportunity Act; Joint Rule for Unified and Combined State Plans, Performance Accountability, and the One-Stop System Joint Provisions; Final Rule* (DOL and ED in collaboration with the departments of Health and Human Services, Agriculture and Housing and Urban Development) and the *Workforce Innovation and Opportunity Act; Department of Labor Only; Final Rule* (DOL only). The final rules reflect changes made as a result of public comments received to the Notices of Proposed Rulemaking that were published in April 2015.

**GAO Report Updates Information on States’ Use of Third-Party Expenditures for TANF MOE**

On March 10, the Government Accountability Office released a report on state spending in the TANF program. The report includes updated information on the extent to which states count nongovernmental third-party expenditures for services as TANF Maintenance of Effort (MOE) spending, as well as the types of nongovernmental third-party services provided that states count toward their TANF MOE spending requirements. According to the GAO report, 16 out of 51 states reported counting nongovernmental third-party spending toward their required MOE amount. The report notes that the number of states counting non-governmental third-party expenditures toward their TANF MOE requirements have remained higher than pre-Recovery Act levels, for which states have cited a number of reasons.

**Office of Family Assistance Presents Eleventh Report to Congress**

In April, the Office of Family Assistance (OFA) issued its Eleventh Report to Congress. The report provides data through FY 2013 and presents information regarding TANF expenditures and caseloads, work participation and earnings, the characteristics and financial circumstances of TANF recipients, TANF performance measures, interactions between TANF and child support, and specific provisions of state TANF programs. The report can be accessed at http://www.acf.hhs.gov/ofa/resource/eleventh-report-to-congress.

Some key highlights include:

- Combined federal TANF and state MOE expenditures totaled $31.6 billion in FY 2013. On a national level, states spent 28 percent of this total on basic assistance, 16 percent on child care, and 6 percent on work-related activities.
- The national average overall work participation rate achieved in FY 2013 was 33.5 percent, and the national average two-parent rate was 32.9 percent. Eleven states failed to meet their adjusted overall standard in FY 2013, a decline compared to FY 2012.
- There were approximately 811,500 child-only cases in FY 2013, accounting for about 50 percent of the total TANF caseload.
Office of Family Assistance Presents Eleventh Report to Congress

OFA recently added several updated TANF publications to its website as follows:


Issue Brief on TANF and Work-Study:

Issue Brief on TANF and SNAP E&T: