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Corn-Fed Legislation

Jan 29 2014 @ 3:40pm

Plumer outlines what's in the $956 billion farm bill that the House passed today. It's mostly food stamps and other nutrition programs:

$756 billion over 10 years ($8 billion less than existing law). This is by far the biggest part of farm policy, with the bulk taken up by the Supplemental Nutrition Assistance Program, which helps low-income families pay for food. House Republicans and Senate Democrats have long wrangled over how to modify this program. The Senate wanted to slightly tweak some of the rules governing eligibility and cut just $4 billion from existing law. The House wanted to put in place much stronger restrictions on who could get food stamps and cut $40 billion from current law. The Senate mostly won this fight. The compromise bill will cut $8 billion over 10 years.

Chris Edwards urges reporters not to call it a "cut":

[T]he 2014 farm bill is not a cut at all when compared to the 2008 farm bill, which was projected to cost $640 billion over 10 years. That is a 49 percent spending increase. Sure, the new bill shuffles the farm subsidy deck chairs, but the bill's main budget attribute is that it ratifies the huge recent increase in food stamp spending. The House bill had proposed trimming a modest $39 billion (5 percent) from food stamps, but Republican leaders caved in and agreed to just a token 1 percent trim in the final bill.

Daren Bakst is disappointed that the GOP caved on food stamp reform:

One loophole, known as broad-based categorical eligibility, allows people to receive food stamps even if they have a million dollars in the bank. There's no asset test, so in theory, an individual could have unlimited assets and still receive food stamps. This absurd loophole should be closed. To its credit, the House did close the loophole in its bill. Then, the House negotiators folded when it came to the conference bill. If this loophole were closed, taxpayers would have saved about $12 billion.

Erika Eichelberger, however, says the Republicans won the food stamp battle:

Here's why the compromise level of cuts is a Republican win: In addition to the $9 billion in food stamp cuts in this five-year farm bill, another $11 billion will be slashed over three years as stimulus funding for the program expires. The first $5 billion of that stimulus money expired in October; the rest will disappear by 2016. In the months since the first $5 billion in stimulus funding was cut, food pantries have been struggling to provide enough food for the hungry. Poverty remains at record high levels, and three job applicants compete for every job opening.

And yet, despite the $5 billion in cuts that already happened and the guarantee of $6 billion more, Republicans succeeded in getting their Democratic peers to cut food stamps further. This is the first time in history that a Democratic Senate has even proposed cutting the program. Now the upper chamber is expected to pass cuts twice the level it approved last year.

Robert Greenstein downplays the impact of the SNAP cuts:

The SNAP cut that remains is a provision to tighten an element of the SNAP benefit calculation that some states have converted into what most people would view as a loophole. Specifically, some states are stretching the benefit formula in a way that enables them not only to simplify paperwork for many SNAP households, but also to boost SNAP benefits for some SNAP households by assuming those households pay several hundred dollars a month in utility costs that they do *not* actually incur. Congress did not intend for states to stretch the benefit rules this way, and longstanding SNAP supporters like myself find it difficult to defend. Moreover, a future Administration could close off this use of the rules administratively, without any congressional action.

Two-thirds of states do not use the current rules this way, and *no* SNAP beneficiaries in these states are expected to lose any benefits under this provision. Across the other one-third of states, CBO estimates that 88 to 89 percent of beneficiaries would remain untouched, while 11 to 12 percent would remain eligible for SNAP but face a benefit reduction because their state has used this practice to boost their benefits above what they would otherwise be.

Pierce is characteristically apoplectic:

How, precisely, does this particular bill help “businesses create jobs”? Almost a million people will have less money to spend on luxuries like heat and food. That doesn’t help you if you’re creating jobs in grocery stores or selling heating oil. Teachers will have to cope with dozing, hungry children while their unemployed parents try very hard not to yawn their way through job interviews. But the Republicans didn’t get absolutely everything they wanted, and the Democrats agreed to cut twice what they’d proposed, and the deal was struck among people who never will feel its real effects, and that’s the way things are supposed to work in this great Republic of ours.

Kilgore’s take:

The bill will probably get through the Senate next week with solid Democratic support; most of the food stamp cuts, it appears, will mainly be taken from the hide of beneficiaries that the states qualified via the “heat and eat” maneuver (giving them token heating assistance that automatically made them SNAP-eligible). A WaPo editorial recently called “heat and eat” a “political gift to SNAP’s perennial opponents,” and I tend to agree. But Lord knows we are living at a time when in case of doubt, you might want to just feed people.

Michael D. Tanner homes in on the agricultural subsidies, which he calls “pure corporate welfare”:

After all, while no one would deny that farming can be a difficult and sometimes precarious way of life, farmers generally are not suffering. In 2013 the average farm household had an income of $104,525. In 2011, the most recent year a direct comparison is available, farm-household incomes were 25 percent higher than the average for all U.S. households, and this gap has only increased since. Moreover, much farm aid goes not to small family farms but to giant agri-business. Among the biggest recipients of farm subsidies are Tysons Food, Pilgrim’s Pride, and Riceland Foods, none of which are likely to be the subject of a Lifetime TV movie anytime soon. In fact, roughly a third of subsidies in the last farm bill went to the wealthiest 4 percent of farmers.

Update from a reader, who adds his four cents:

As a person whose job it is to help eligible individuals sign up for SNAP (Food Stamps) in Pennsylvania, I am decidedly not elated about the apparent cuts coming down the line to the program. I was further displeased when I read some of the reactions to the proposed bill that demonstrated just how little some of the commentators seemed to know about the program. However, there are two things that I’d like to focus on, asset testing and categorical eligibility, that were brought up by Darren Bakst.

Categorical eligibility is a small provision of the SNAP program that allows states to designate that people who meet certain requirements can qualify for the program at higher incomes than others. Because this feature has absolutely no effect on the underlying formula used to determine how much a given applicant will receive in benefits, what this means is that elderly and disabled individuals with low incomes that are nonetheless significantly above the poverty level can qualify for the minimum benefit. In PA, this minimum benefit is $15/month, hardly a windfall to vulnerable seniors. Further, in some rare cases where seniors and the disabled are paying exorbitant out-of-pocket medical costs, they may find a much needed lifeline in SNAP and may qualify for significantly more than the minimum.

As to asset testing, this is the most useless and inane aspect of SNAP I’ve ever seen. SNAP currently doesn’t require asset testing because my state originally convinced the government of how dumb an idea it was, but Governor “gay marriage = incest” Corbett re-instituted the test to try and reduce imagined fraud (there’s a higher percentage of PA legislators convicted of corruption charges in the past 3 years than fraud rates). So now, in PA, if you have more than $5,500 in “assets”, or $9,000 if you’re a senior, you don’t qualify for benefits. “Assets” include: checking and savings account balances, stocks and bonds (though not retirement accounts), burial plots, funeral agreements, and any owned vehicles after the first, among others.

While this doesn’t matter for the overwhelming majority of applicants except as needless extra paperwork, in practical terms asset testing means kicking seniors and formerly-middle class families in need of assistance off the program when they need it most. Were you a middle class family that had bought a second car before the breadwinners lost their jobs? Too bad, moocher, go get in the pantry line that will give you 5-days (best case) worth of food for your family. Are you a senior that has a bank account with $10,000 in it to cover your burial and final expenses when you die? Better spend yourself into destitution before you even think about applying, you “taker”.

Asset testing is cruel, and stupid, and useless, and does nothing to combat the actual fraud people complain about – mainly those who sell their benefits to others for cash. One way to fix this problem might be to get rid of EBT cards and instead use state drivers’ licenses and photo IDs (hear that voter ID fans?) as the benefit cards, since applicants already have to submit that information to apply, they probably won’t give their ID to others, and it removes some of the stigma attached to EBT cards. Too bad all of this stuff is just about scaring people away from applying.