



U.S. House food stamp proposal may keep some Minnesotans from receiving aid

By: Julie Siple – June 3, 2013

The U.S. House is expected to take up the farm bill this month, and food stamps will likely be a contentious part of the debate.

The version before the House would cut the Supplemental Nutrition Assistance Program by about \$20 billion over 10 years, largely by making it harder to qualify for the program. If the proposal becomes law, it would change food stamp eligibility rules in Minnesota by reviving a limit on how many assets people who receive food stamps can have.

That could make 32,344 food stamp recipients in Minnesota ineligible, state officials estimate. Among those who could lose help buying food is 88-year-old Marjorie Cullen, of Chaska, Minn.

Cullen lives on a Social Security check of \$800 a month, barely enough to meet her expenses. That's why she is grateful for \$130 a month in food stamps. She has received them for about a year, since an outreach worker at the Scott-Carver-Dakota Community Action Partnership convinced her to give the program a try.

Without it, Cullen said she'd skimp on food. "I would not be eating the fruits that I'm eating," she said. "My goodness they're expensive."

Cullen has about \$80,000 put away in a savings account and certificates of deposit. That may sound like a lot to some, but not to Cullen, who saw her savings depleted last summer by two medical emergencies that led to two trips in an ambulance and two stays in a nursing home. For decades, she has saved for just such emergencies. "I thank God I did it," she said. "It gives me a feeling of confidence; I'm not down in the dumps. If I get sick, I know I can get there."

Cullen protects her savings because she is terrified of the day she winds up in a nursing home and can't pay for it.

Under current requirements of the federal Supplemental Nutrition Assistance Program, there is no limit to how much in savings food stamp recipients in Minnesota can have.

But the bill before the U.S. House would change that by doing away with a complicated rule known as categorical eligibility that allows states to set some eligibility requirements. In 2010, the Minnesota legislature raised the gross income limit for people on food stamps to 165 percent of the federal poverty level of \$11,490 for a single person and \$23,555 for a family of four. It also eliminated the cap on a person's assets.

If the House bill were to become law, that income limit would fall to 130 percent of the poverty level, and the asset cap of \$2,000 for most people and \$3,250 for senior citizens would be restored. The limit would not apply to homes or most retirement accounts. But it would count savings.

The changes would affect working families, children and senior citizens, state Human Services Commissioner Lucinda Jesson said. But the asset limit would particularly hit seniors.

"We have a lot of seniors who don't have that much income, but they've got a few assets," Jesson said. "Often it's just that \$5,000 or \$10,000 CD that they've been saving for emergencies. We shouldn't make them spend that money down in order to be able to put food on their table."

Ed Bolan, a senior policy analyst at the Center on Budget and Policy Priorities, in Washington, D.C. said forcing people to spend down everything they have is short-sighted.

"We want people to keep their car if it's going to help them get a job," he said. "We want them to be able to have a little bit of cash in hand to deal with an emergency. Keeping some basic assets is actually a good way for folks to get out of poverty and to rebuild some stability in their lives."

But critics say the food stamp program has simply grown too big. Since 2003, spending on the program has more than tripled to nearly \$80 billion a year. That's unaffordable, said Chris Edwards, an economist at the conservative CATO Institute.

"No one wants to see people bear financial hardship, but we have a real financial problem in this country, with the federal government running trillion dollar deficits," he said. "You know, we can't keep subsidizing everyone like we have been in recent years or we'll simply go bankrupt." Edwards said there should be an asset limit for food stamps.

"The basic idea is that people with substantial financial means shouldn't be on the government dole," he said. "Individuals should mainly rely on their own savings when they go through difficult periods, and not the government."

Marjorie Cullen said that if an asset limit caused her to lose food stamp benefits she would use a little of her savings for food. But more than likely, she would eat cheaply.

"I'd certainly eat less, and probably not as nutritional," Cullen said.

If the House bill passes, it may have to be reconciled with the version before the Senate, which would cut food stamps far less -- by about \$4 billion over the next 10 years. Several budget experts say they expect some cuts, but suspect they won't be as deep as those in the House bill.