

# Federal Policy Update

October 18, 2011



# Creating the Political and Public Will to End Hunger in Utah



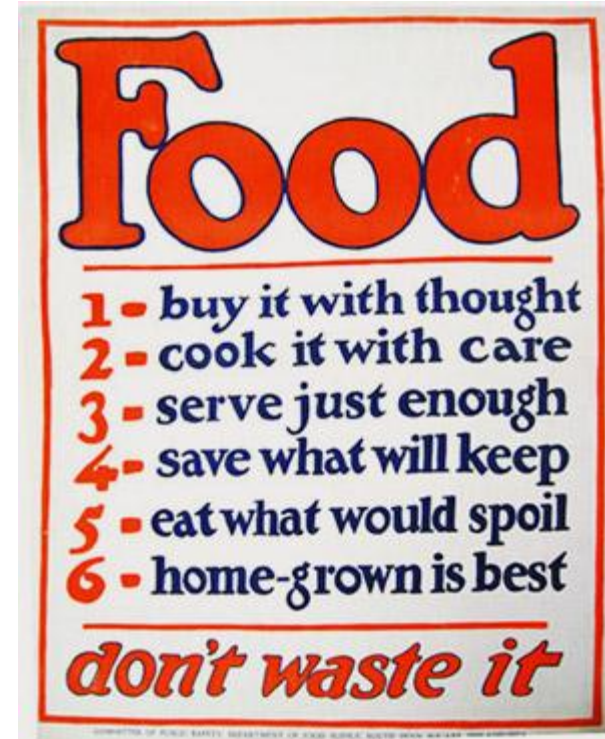
Utahns Against Hunger works to reduce and eliminate hunger in the state of Utah.

UAH does this in the following ways:

- Public policy advocacy: program expansion and removal of access barriers to services.
- Working with Utah's Congressional delegation on federal legislative and funding issues.
- Providing training and technical assistance
- Working to educate the public about hunger and poverty issues.
- Developing a state legislative agenda.
- Piloting a youth farm project – Real Food Rising

# Purpose

- ☞ Update on the current federal budget issues.
- ☞ What's coming up.
- ☞ How you can have a voice in the process and advocate for your clients



# Timeline

- February 2011- President Obama releases budget request for FY 2012
- April 2011 Cuts are made to the 2011 federal budget.
- April 2011 Rep. Ryan introduces House budget that would cut food stamps by \$127 billion (over the next 10 years) – almost 20 percent.
- June 2011 The House passes Rep. Ryan's budget proposal, which gets 2/3 of savings from programs serving low-income Americans. Senate defeat
- June/July, 2011 – Deficit reduction & balanced budget amendments proposals start emerging.
- July 2011 – Deal reached to increase Debt Ceiling, Super Committee to propose \$1.5 trillion in cuts to federal spending.

# Deficit-Reduction Changes

## How the Budget Deal Works

From Food Research and Action Center

The President and most Congressional leaders reached a budget deal to lift the debt ceiling and create a multi-stage process that will lead to damaging program cuts and continued economic weakness.

It should not have come to this, from many perspectives. There should have been revenue increases in the deal. Key programs should have been shielded. The nation needed a deal that creates rather than destroys jobs. Even with the partial protection of low-income programs, the deal will hurt low-income and working people, and the economy.

# The Deficit deal

It immediately locks in a 10-year downward spiral in spending on discretionary programs – for example:

The deficit reduction deal includes \$900 billion in cuts to discretionary funding, including;

- Title 1 education,
- Head Start,
- Law enforcement,
- Juvenile justice,
- LIHEAP (The Low Income Home Energy Assistance Program) & many others.

# Deficit Deal cont'd

- ∞ Over 10 years (FY 2012-FY 2021) the cuts will amount to \$900 billion
- ∞ \$350 billion from defense and security spending (defined for this stage as defense, state and foreign operations, homeland security and veterans affairs)
- ∞ \$550 billion from non-defense discretionary, reducing the latter to levels not seen since the 1950s.
- ∞ These cuts are “backloaded” – the FY 2012 cuts will be painful but modest compared to later years.

# The Members of the Super/Select Committee

- ☞ **U.S. Sen. Max Baucus**, a Democrat from Montana who chairs the Senate Finance Committee.
- ☞ **U.S. Rep. Xavier Becerra**, a Democrat from California who is a senior member of the House Ways and Means Committee.
- ☞ **U.S. Rep. Dave Camp**, a Republican from Michigan who chairs the House Ways and Means Committee.
- ☞ **U.S. Rep. James Clyburn**, a Democrat from South Carolina and the third-ranking Democrat in the House.
- ☞ **U.S. Rep. Jeb Hensarling**, a Republican from Texas who chairs the House Republican Caucus. Co-chairman of the Super Congress.
- ☞ **U.S. Sen. John Kerry**, a Democrat from Massachusetts who ran unsuccessfully for president in 2004.
- ☞ **U.S. Sen. Jon Kyl**, a Republican from Arizona who is the 2<sup>nd</sup> highest-ranking Republican in the Senate Republican Caucus behind McConnell.
- ☞ **U.S. Sen. Patty Murray**, a Democrat from Washington who serves as chairwoman of the Democratic Senatorial Campaign Committee. Co-chairman of the Super Congress.
- ☞ **U.S. Sen. Pay Toomey**, a Republican from Pennsylvania who once chaired the anti-tax group Club For Growth.
- ☞ **U.S. Sen. Rob Portman**, a Republican from Ohio who served as the White House budget director under Pres GW Bush
- ☞ **U.S. Rep. Fred Upton**, a Republican from who chairs the House Energy and Commerce Committee.
- ☞ **U.S. Rep. Chris Van Hollen**, a Democrat from Maryland.

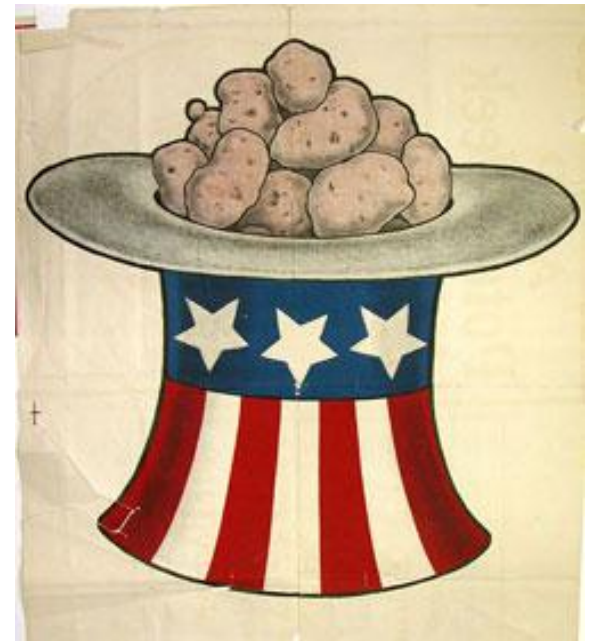
# Super Committee

## The Select Committee on Deficit Reduction:

- A 12-member bipartisan, bicameral Congressional super committee, with 3 members each appointed by House Democrats and Republicans, and Senate Democrats and Republicans.
- The committee is charged with producing \$1.5 trillion in further cuts by the end of the year from entitlements and tax revenues. The bill it reports out (if it succeeds in producing a bill) is “fast-tracked” – i.e., it doesn’t go through normal committee processes and isn’t subject to procedural roadblocks like a filibuster.

# Super Committee cont'd

- On October 14<sup>th</sup>, regular authorizing committees (e.g., the Agriculture Committees in the House and Senate, the Senate Finance Committee) sent recommendation to the Super Committee.
- However, their suggestions are in no way binding, nor (at this moment) is there any indication of the scope of cuts needed in particular committees' jurisdictions.
- The Super Committee must report out its bill by November 23rd. Congress must vote on it by December 23rd.



# Super Committee cont'd

If the committee fails to produce a bill or the bill doesn't pass, that will trigger "automatic" across-the-board cuts (a "sequestration") in the amount of \$1.2 trillion.

- One half of those cuts will be in defense.
- One half will be in entitlement programs
  - Exempted from those cuts are: Social Security, Medicaid, unemployment insurance, SSI, SNAP/Food Stamps, child nutrition programs and TANF
  - Medicare can be cut, but there is a cap on that cut and it only applies to providers.
  - Other nutrition programs that could potentially get cut are: WIC, TEPFAP and CSFP.

The continued debate over deficit reduction and the debt ceiling could include cutting important federal nutrition funding.

# What We Don't Know

While we know that the House and Senate Agricultural Appropriations Committee recommended a \$23 billion cut to meet the deficit reduction goals, specific targets have not been announced.

A letter to the Select/Super Committee indicates those targets will be announced by November 1<sup>st</sup>.



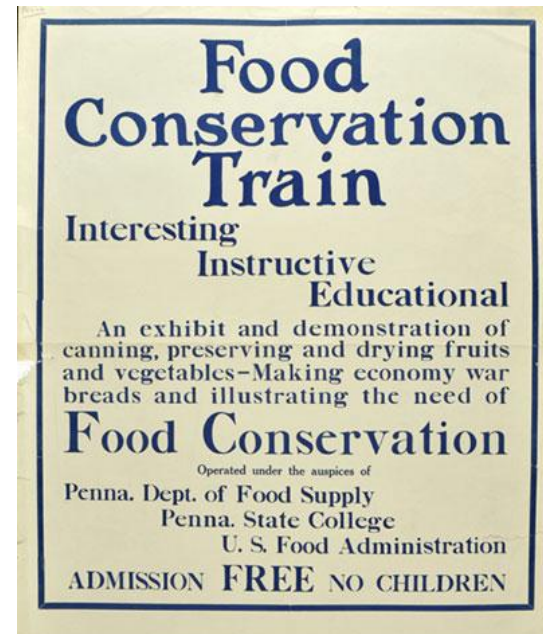
# Emerging Federal Issues

Farm Bill 2012, while the farm bill is scheduled to expire in 2012 there isn't a lot of information about what will be contained in the proposal

- Senator Lugar's REFRESH Act (*Rural Economic Farm and Ranch Sustainability and Hunger*) proposes cutting \$14 billion from food stamps, largely through elimination of categorical eligibility. Utah does not use any of these provisions.
- The debate over the Farm Bill 2012 will likely include efforts to **block grant** the Food Stamp Program. (Rep. Ryan's goal)

# Why Block Granting Doesn't Work

- ✎ Block granting caps funding.
- ✎ The food stamp program would not be able, as it has this time, respond to an economic downturn.
- ✎ States could choose to shift money away from food assistance
- ✎ Fixed funding would make it nearly impossible to increase participation.



# Economic Impact of the Food Stamp Program

## Cuts to SNAP/Food Stamps Would Eliminate Significant Economic Stimulus

([The Economist](#), July 14, 2011)

- 1 in 7 Americans participated in the SNAP/Food Stamp Program in April 2011.
- The “Unsustainable growth” myth - The program is supposed to promptly respond during hard economic times. Families receiving the assistance are so poor that they spend the funds immediately.
- This spending stimulates the economy; according to Moody’s Analytics, SNAP/Food Stamps are the most effective assistance, as each \$1 in SNAP/Food Stamps generates \$1.73 in economic activity.
- The average monthly benefit is \$133 a month, but is set to fall soon once a temporary boost expires. (increased in April 2009 through the stimulus package)
- About ½ of recipients are children, 8% are senior citizens, and only 14% of Food Stamp households have incomes above the poverty line.
- Average participating households have \$101 in savings or valuables.

# Food Stamp Monthly Income Limits & Maximum Benefit Amounts

HH Size	Maximum gross Monthly Income Elderly/Disabled 165% of Poverty	Gross Monthly Income Limits 130% of Poverty	Net Monthly Income Limit 100% of Poverty	Maximum Monthly Allotment
1	\$1,498	\$1,180	\$908	\$200
2	\$2,023	\$1,594	\$1,226	\$367
3	\$2,548	\$2,008	\$1,545	\$526
4	\$3,074	\$2,422	\$1,863	\$668
5	\$3,599	\$2,836	\$2,181	\$793
6	\$4,124	\$3,249	\$2,500	\$952
7	\$4,649	\$3,663	\$2,818	\$1,052
8	\$5,175	\$4,077	\$3,136	\$1,202
9	\$5,701	\$4,491	\$3,455	\$1,352
10	\$6,227	\$4,905	\$3,774	\$1,502
For each additional member add:				
	\$526	\$414	\$319	\$150

**Effective: October 1, 2011**

# Basis for Food Stamp allotments

- ∞ Thrifty Food Plan is the basis for food stamp allotments.
- ∞ The USDA has outlined 4 plans: Thrifty, Low-cost, Moderate, & Liberal Plans

<http://www.cnpp.usda.gov/usdafoodplanscostoffood.htm>

<http://www.cnpp.usda.gov/Publications/FoodPlans/2011/CostofFoodJun2011.pdf>

- ∞ The Food Plans represent a nutritious diet at four different cost levels.
- ∞ The nutritional bases of the Food Plans are the 1997-2005 Dietary Reference Intakes, 2005 Dietary Guidelines for Americans, and 2005 MyPyramid food intake recommendations.
- ∞ In addition to cost, differences among plans are in specific foods and quantities of foods.
- ∞ Another basis of the Food Plans is that all meals and snacks are prepared at home.
- ∞ For specific foods and quantities of foods in the Food Plans, see *Thrifty Food Plan, 2006* (2007) and *The Low-Cost, Moderate-Cost, and Liberal Food Plans, 2007* (2007).
- ∞ All four Food Plans are based on 2001-02 data and updated to current dollars by using the Consumer Price Index for specific food items.

# Emergency Food

There is currently a crisis in the emergency food system that demonstrates how vulnerable it is:

Administrative spending and product has temporarily been cut from The Emergency Food Assistance Program (TEFAP). This is a program that offers farm commodities to food banks throughout the country. These cutbacks came with very little lead time.

However, the Senate Ag. Appropriations for FY2012 provides \$260 million for **TEFAP mandatory commodity** funding, \$13.5 million more than FY2011 and \$60 million more than H.R. 2112 (*Agriculture, Rural Development, Food and Drug Administration, and Related Agencies Appropriations Act*) which passed the house and is waiting on the Senate.

This figure reflects the mandatory funding level established by the 2008 Farm Bill of \$250 million, with an adjustment for food price inflation. It funds **TEFAP Storage and Distribution (Administrative)** at \$48 million, \$1.5 million less than FY2011, and \$10.5 million more than H.R. 2112.

By November 1, 2011 the Joint Ag. Approps. Committee will recommend \$23 billion in cuts to the Select/Super Committee on Deficit Reduction



# What are you experiencing in regards to local donations/giving?

What do you think our congressional delegation needs to hear from you and your constituents?

# What can you do?

Call and educate your Congressional delegation about why these programs are important to their constituents.

Senators:

Hatch: 202-224-5251

Lee: 202-224-5444

Representatives:

Bishop (District 1) 202-225-0453

Matheson (District 2): 202-225-3011

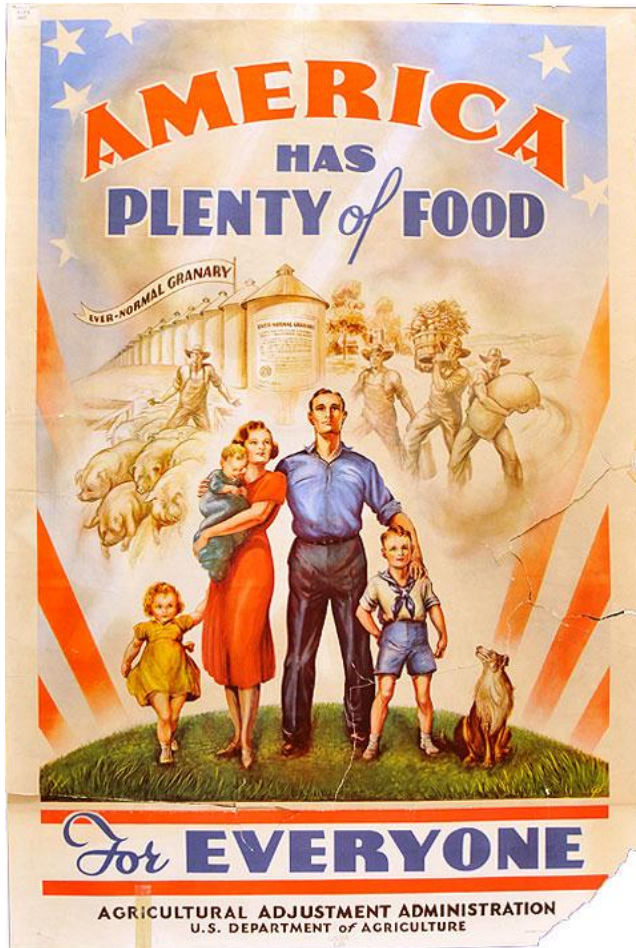
Chaffetz (District 3): 202-225-7751

Super Committee Public Comment Link:

<http://www.deficitreduction.gov/public/index.cfm/>.



# To keep up-to-date



Visit our website for updates

[www.uah.org](http://www.uah.org)

- Check out the Posts on the homepage
- And the “Pressing Issues” drop-down under “Public Policy”

Sign up for our e-updates

- Check the box to receive regular updates
- Check a second box to receive action-alerts on pressing policy issues

# Questions?

Utahns Against Hunger  
[www.uah.org](http://www.uah.org)

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