



## **Congressional testimony on farm bill**

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Thank you, Chairman Thompson, Ranking Member Scott and committee members for the invitation to join you today before the House Agriculture Committee on *“Innovation, Employment, Integrity, and Health: Opportunities for Modernization in Title IV.”* I am Tikki Brown, Assistant Commissioner for Children and Family Services at the Minnesota Department of Human Services. With more than 20 years of state government experience, including serving as Minnesota’s state SNAP Director for several years, I am pleased to share the state perspective with all of you.

The purpose of the Supplemental Nutrition Assistance Program (SNAP) is to “promote the general welfare and to safeguard the health and well-being of the Nation’s population by raising the levels of nutrition among low-income households. Congress finds that the limited food purchasing power of low-income households contributes to hunger and malnutrition among members of such households. Congress further finds that increased utilization of food in establishing and maintaining adequate national levels of nutrition will promote the distribution in a beneficial manner of the nation’s agricultural abundance and will strengthen the nation’s agricultural economy, as well as result in more orderly marketing and distribution of foods. To alleviate such hunger and malnutrition, a supplemental nutrition assistance program is herein authorized which will permit low-income households to obtain a more nutritious diet through normal channels of trade by increasing food purchasing power for all eligible households who apply for participation.”

SNAP has a long and successful history of providing temporary help to reduce food insecurity, lift people out of poverty, help families achieve self-sufficiency and reduce health disparities.<sup>1</sup> For nearly 60 years, the federal government and states have worked together to make these goals a reality by focusing on four primary areas:

1. Ensuring people have reliable access to food, reducing deprivation and improving health.
2. Incentivizing people to work to meet national and local labor needs and support opportunities for financial stability and growth.
3. Serving people well by being good stewards of public funds.
4. Prioritizing and balancing the portion of program funds required to administer these programs by responding to evolving needs through human and technological innovation.

I hope to offer insight into how SNAP operates in Minnesota under the framework of these four goals and provide information as current and future legislation is considered.

## **Ensuring people have reliable access to food reduces deprivation and improves health.**

SNAP is a critical lifeline for approximately 440,000 people in Minnesota. The program supports families with children, seniors, and people with disabilities – these groups make up two-thirds of all SNAP recipients in Minnesota.

- More than one-third of SNAP recipients are children (another 30% are parents or adults caring for children in their homes.)
- Another quarter are either seniors or adults with a disability.
- Seniors make up 14% of recipients.
- People with disabilities represent 11% of recipients.<sup>2</sup>

While many people work hard directing resources and efforts to address hunger and nutrition challenges, more than a third of Minnesotans report not having consistent, reliable access to enough food. There is compelling evidence that shows systems struggle to ensure everyone has enough to eat in Minnesota and across the country, especially for people of color and Native people. In 2020, Black, Hispanic and Latino Minnesotans reported food insecurity at more than double the rate of white residents (85% of Black residents, and 70% of Hispanic residents, compared to 32% of white residents.) Fifty-two percent of Asian American residents and 55% of people of other races also reported some degree of food insecurity.<sup>3</sup>

Minnesota had a record number of food shelf visits in 2022 – more than 5.5 million visits. That is 1.7 million more visits than the previous record set in 2020. The increase was largely due to the rise in food prices.<sup>4</sup> In 2022, food-at-home (grocery store or supermarket food purchases) prices increased by 11.4%.<sup>5</sup> Food shelf use continued to rise, even with the distribution of Emergency SNAP supplements and the SNAP benefit increase in the Thrifty Food Plan.

In 2020, the Minnesota Department of Human Services published a report uplifting the voices and experiences of those living in deep poverty that provided groundbreaking insight on the importance of economic stability. During interviews conducted with parents living in poverty, many shared they had received SNAP at some point in their lives. They reported that it was very valuable in helping them access food, especially healthy food, and worry less about whether they would be able to feed their family. A recipient named Alison shared how making sure children have enough to eat is their main concern.

*“It helps me from worrying or trying to figure out how to feed my kids. It doesn’t matter the situation, my kids come first. I will give them the last of whatever it is so that they’re satisfied. You’re not fighting and worrying about, ‘how am I gonna support my kids?’”<sup>6</sup>*

## **SNAP helps to offset health care costs for vulnerable adults.**

- A study conducted by our agency and published in a Johns Hopkins University public health journal found that health care costs were lower for adults without a disability or dependents when they had access to SNAP benefits.<sup>7</sup>

- Annual health care costs decreased by an average of \$99 for every month someone otherwise subject to time limits continued to receive SNAP benefits.

The study highlights an alarmingly high burden of various chronic diseases in people who are subject to time limits. Among the people subject to time limits:

- At least one in three have significant chronic health problems that are likely to interfere with stable employment. These conditions include chronic obstructive pulmonary disorder (COPD), chronic renal failure, or heart disease that included a heart attack or required hospitalization.
- 40 percent have a severe mental illness.
- Although these conditions should exempt these individuals from the time limit, the complexity of the work rules and requirements for verification frequently result in the loss of SNAP benefits.

For every month someone is denied food benefits because of time limits, they have fewer resources for food and public expenditures on their health care increase. After losing food assistance, people are hospitalized, end up in emergency rooms and need more outpatient care. Denying unhealthy people access to food makes them sicker. As might be expected, there is an even greater reduction in monthly health care expenditures for people who were homeless (\$152.40), had a chronic mental health condition (\$206.10) or had a chronic physical disease (\$193.20) when they are able to receive food benefits.<sup>4</sup>

### **Incentivizing people to work to meet the national and local labor needs and support opportunities for financial stability and growth**

SNAP supports working families – more than half of parents with children receiving SNAP in Minnesota are working.<sup>8</sup> Most adult Minnesotans who receive SNAP work but earn wages too low for their household to afford adequate food. The people turning to SNAP are low-wage workers in retail, hospitality, food service, health care and temporary agencies. These jobs are subject to inconsistent work schedules, high turnover, and few benefits. Though, in Minnesota, jobs are plentiful, significant skills gaps continue to limit employment for many workers, particularly in rural areas.

According to an independent study featured on the U.S. Department of Agriculture website, there is no evidence that SNAP time limits increase employment or annual earnings.<sup>9</sup> A more effective way to increase employment among SNAP recipients is to raise the earned income disregard that is applied to wages and earnings for a household. SNAP currently disregards 20% of earnings. This is out of step with other federal programs, like Supplemental Security Income, which disregards the first \$65 of earnings and then the remaining 50% in a month. Increasing the earned income disregard would help to incentivize work among SNAP recipients by reducing the effects of the benefits cliff, allowing recipients to maintain SNAP benefits as they earn more income. In Minnesota, about 60,000 households receiving SNAP could benefit from this policy change. Families with children and households composed solely of working-aged adults without a documented disability or children in the home would be the most likely to benefit. Minnesota's unemployment rate currently stands at 2.8% and the state ranks seventh in seasonally adjusted labor force participation. Those individuals still on the sidelines in Minnesota's labor force typically face significant barriers to work that are not easily addressed.

- Significant racial inequities exist, and the economic strain caused by the COVID-19 pandemic impacted populations of color and American Indians more significantly. The number of workers who have applied for Unemployment Insurance benefits as a share of the labor force varies widely by race and ethnicity: Blacks (42.2%) and American Indians (35.9%) have the highest number of Unemployment Insurance applications as a share of total labor force size, which is at least in part because of the industries in which they are employed. A large number of American Indians are employed in accommodation and food services, many of which were temporarily closed. Likewise, a high share of Black or African Americans in Minnesota work in the health care industry and other customer-facing industries like retail trade and personal services, which have all been severely impacted by pandemic containment measures<sup>10</sup>.
- As the economy moves into recovery, employment trends indicate certain demographic groups were slower to return to work or didn't return at all. Individuals aged 55 and above were among the groups most likely to leave the workforce, suggesting that the pandemic has pushed more of them to retire. Other categories who are struggling to reenter are Black workers, workers with a disability and workers with lower levels of educational attainment.<sup>11</sup>

Time limits for SNAP are burdensome to implement, racially inequitable and ineffective in helping people move into employment or out of poverty. Time limits also apply to individuals who live in rural areas and do not have reliable access to transportation. These individuals want to work, but their circumstances make finding and keeping steady work challenging. SNAP time limits increase these challenges. When Minnesota lost a statewide waiver from the time limit in 2013, 45,000 time-limited adults without dependents lost SNAP benefits; we ask for support from USDA to prevent a similar outcome in 2023.<sup>12</sup>

Even though for most low-wage workers who participate in SNAP it is a critical work support, for some people, including college students and participants in work experience programs, SNAP's rigid rules can interfere with their advancement.

For college students, working to better their education and training prevents access to food even when their income qualifies for SNAP. College students, many of whom are working as much as they are able while also trying to complete training as quickly as possible, face antiquated and complex additional eligibility rules. Take for example, Alex, a nursing student, who was required to complete the program in one academic year per the program requirements. This means Alex was taking 18 credits a semester as well as the additional clinical hour, which are a rotating schedule of shifts. Alex was unable to work outside of the rigorous academic requirements as well as the unpredictable clinic schedule. Alex was 24, therefore required to use her parent's income for her FAFSA, which placed her over income for additional grants. Despite having no additional resources, Alex was also ineligible for SNAP because she didn't meet student exemption criteria. Unable to access the resources she needed to stay healthy and focused on her degree, Alex dropped out of the LPN program.

In addition, the student eligibility rules prevent students from applying for SNAP even when it is desperately needed and make it more difficult for eligibility workers to accurately assess eligibility.

This jeopardizes their ability to complete these trainings. As a result, in 2018 37% of Minnesota state college students working hard to increase their earnings in the long-term reported feeling food insecure<sup>12</sup>. This can create a vicious cycle, with food insecurity discouraging the student from earning a degree.

Supports exist within the program to help SNAP recipients increase their income. Minnesota's SNAP Employment and Training program has expanded significantly over the past five years and is working to improve outcomes and service quality. But SNAP Employment and Training is underfunded and administratively burdensome to both providers and SNAP recipients. For example, very limited direct allocation funds for the program cannot be used for one of the most evidence-backed program components- support services- and the 50% funding model is limited by SNAP Employment and Training program rules that discourage braided funding (effectively paying for 50% of services while expecting adherence to extensive federal program guidelines). Most critically, SNAP's rigid income calculations make the best-evidenced activities within SNAP Employment and Training largely ineffective.

Research shows that paid and structured work experience is among the most effective approaches to lifting SNAP recipients out of poverty [Best Practices in SNAP E&T Programs 2016-2020: Final Report, USDA, p 25]. But for many, particularly single adults without dependents, the income they earn in these programs makes them immediately ineligible for the very program they need for sustainable wage gain. Once they fall out of the training program, they often end up income eligible for SNAP again. Excluding income earned through a training or education program from SNAP income calculations would have a minimal impact on SNAP benefit receipt in the short term and has the potential to make a hugely positive impact on these individuals' benefit receipt in the long term.

### **Time limited SNAP recipients**

In Minnesota, American Indian and Black or African American recipients are significantly overrepresented in the time limited group of recipients for many of the reasons, including those shared above. This over-representation means that the federal mandates and policy decisions disproportionately affect these recipients, limiting their food benefits and further exacerbating health disparities due to food insecurity.

Federal regulations allow states to seek waivers of time limits for areas within the state with an unemployment rate over 10% or a lack of sufficient jobs. Prior to the statewide waiver of time limits initiated by the public health emergency, Minnesota sought and received time-limit waivers for certain counties and most Tribal Nations. However, a 2017 analysis found that although African American, Asian American and Hispanic/Latino adults experienced high unemployment in Minnesota's labor market, very few SNAP enrollees from these racial and ethnic groups were served in counties that received a waiver. American Indian SNAP recipients have historically made up a significant portion of the population in waived areas because the time limit waiver has covered Tribal Nations in Minnesota due to continuous high unemployment rates in these communities. Minnesota is exploring options to seek waivers for areas that lack sufficient jobs, even in the context of historically low statewide unemployment rates.

- June 2022 administrative data shows that of 27,594 time-limited recipients, 24% showed significant challenges in accessing housing and were homeless. Having an address, a reliable phone and means of transportation are basic requirements for employment.

- Many SNAP recipients subject to time limits face serious health issues and housing barriers not related to the unemployment rate. However, federal SNAP policies rely on individual SNAP recipients to identify whether they have conditions that might exempt them from the time limits. There are not adequate resources or systems to ensure that people with serious health conditions are not subject to time limits.

## **Serve people well by being good stewards of public funds**

We must maintain public trust, be aware of and responsive to threats to the program, and ensure we review and adjust our policy and practices accordingly.

As administrators of the program, there is a critical need to maintain and update our systems, policies and practices, especially with regard to technology. External criminal forces are nimble and target vulnerable populations. Elderly SNAP recipients are a target, with fewer technology resources and knowledge to detect phishing and other scams. Without adequate funding to implement changes, such as adding chip technology to EBT cards, or, moving to tap-to-pay options, to better protect public dollars, we will continue to be at a disadvantage and coming from behind, rather than proactively addressing needs per the evolving marketplace.

### **Program Integrity**

Program integrity is a critical component of maintaining public confidence. States, counties and Tribes all have a role to ensure benefits are provided accurately. Program integrity tools, like The Work Number, help avoid errors related to household wages. We look forward to the outcome of USDA's work to expand access to wage data through third-party verification

Minnesota used ARPA funds to build a tool for counties and tribes to use to conduct case audits. Ongoing, systematic case audits are a fundamental tool to ensure integrity in the SNAP program and reduce errors. In addition, our weekly virtual policy and procedural update meetings during the pandemic contributed to an error rate under the national average.

### **Innovations**

We thank Congress for support of funding for pandemic EBT to ensure children had enough to eat during summer breaks, emergency SNAP benefits to boost basic SNAP benefits, and additional flexible administrative dollars for states to manage pandemic response activities.

With additional administrative funding, Minnesota was able to hire temporary SNAP staff to communicate program and policy changes efficiently and effectively to counties and Tribes during the chaotic, uncertain and ever-changing pandemic landscape. We created better learning tools for the virtual environment, stood up pandemic EBT and emergency SNAP programs, and piloted a contact center with interactive voice technology to allow people to receive answers to basic questions without the need for human intervention. This funding, coupled with the careful use of waivers, allowed Minnesota to seamlessly deliver critical service while ensuring a payment error rate below the national average.

We are proud of the work that states undertook to provide necessary benefits to people in need. And, given the heroic efforts of state, county and Tribal staff to provide excellent customer service who are now managing to the workforce shortage, staff are dealing with the aftereffects. While change is a given in human services, the speed of change and the ongoing adjustments is wearing on staff at all levels. Local public sector employment in Minnesota has not recovered since the initial pandemic decline and is currently experiencing the fifth steepest percent decline in public sector employment compared to pre-pandemic levels. Eligibility workers are essential and highly skilled. They navigate multiple complex systems and timelines with applicants whose lives and needs are equally complex.

### **Simplification is key**

SNAP policies and procedures are complex and eligibility workers are typically responsible for learning and applying rules for multiple assistance programs. The more complex the policies and procedures, the more it costs to administer the program – including training staff, writing training, technical and informational materials, updating systems, conducting quality audits and reviews and correcting benefit calculation errors.

Simplifying the benefit administration system with more automation offers the potential for great savings. Given the current labor issues in this field all states are facing, a simpler policy will go a long way to ensure SNAP households receive the right amount of benefits at the right time.

While we are grateful for the grant opportunities currently provided by USDA, the flexible administrative ARPA dollars provided during the pandemic taught us how valuable it is for all states to have access to funds to test new technologies.

### **Prioritizing and balancing the portion of program funds that are required to administer these programs by responding to evolving needs through human and technological innovation.**

Over the last several years, Minnesota has prioritized partnerships with 11 federally recognized Tribal Nations to administer SNAP and other health and human service programs. Working closely with Tribal officials and providing support through state legislatively directed resources, the planning and implementation of human service delivery programs by Tribal Nations has resulted in three Tribal Nations determining SNAP eligibility and one administering a SNAP Employment and Training program. These three Tribes work in partnership with local units of government and successfully provide services to their members, both on and off reservation.

Supporting these efforts is Minnesota Executive Order 19-24; and now state law 10-65; affirming the Government-to-Government Relationship between the State of Minnesota and Minnesota Tribal Nations: Providing for Consultation, Coordination, and Cooperation. This executive order states in part: The State of Minnesota and the Minnesota Tribal Nations significantly benefit from working together, learning from one another, and partnering when possible. Meaningful and timely consultation between the State of Minnesota and the Minnesota Tribal Nations will facilitate better understanding and informed decision making by allowing for collaboration on matters of mutual interest and help to establish mutually respectful and beneficial relationships between the State and Minnesota Tribal Nations.

Good government programs require both an adequacy of resources to provide a structure of support and the flexibility to adjust and address state-specific needs and trends.

### **MN benefits**

We are grateful for the ability to partner with non-profits such as Code for America to create better access points for SNAP participants through a new MNbenefits portal. Before MNbenefits was implemented, it took applicants over an hour on average to complete a paper application. Using the portal, the average time to complete an application online has held steady at around 13 minutes.

As one recent applicant described it, the new portal makes it “very easy to complete the application. Major improvement from how it used to be.”

On the opposite end of the spectrum, “David’s” experience was quite different. Facing homelessness during the winter months and unable to secure transportation to the post office to retrieve his mail, he missed a notice with instructions on how to renew his SNAP benefits. When his cell phone was disconnected for non-payment, county workers could not reach him by phone, resulting in the closure of his SNAP benefits.

Minnesota, like most states, struggles to balance easy access to the program with our ability to keep up with the demand given existing labor issues and the need for further automation and quicker verification tools and methods. Additional funds similar to the “Process and Innovation Technology Grant – PTIG” would go a long way to streamline and automate resulting in better service and cost savings.

### **In conclusion**

The nation’s support of SNAP is more critical now than ever before. Fresh from a devastating pandemic, recipients need the program now, more than ever. By maintaining supports, the farm bill provides an opportunity for lawmakers to support an individual's trajectory out of poverty. Acknowledging and responding to the correlation between long-term access to food and healthcare costs can mitigate detrimental policy impacts.

SNAP has served the American people well, and exactly as it was designed to do. Reaching more recipients in times of need, and less when the economic realities of the population served are improved. State agencies and eligibility workers have completed an immense amount of work, through incredibly difficult times. They too need recovery and support as they move to address new challenges.

Employment is critical, and lawmakers' acknowledgment of the volatile nature and realities of low wage workers will ensure that SNAP policies take into consideration the real barriers people face while maintaining the most basic of all human needs, access to food.

Minnesota and national research highlight the disproportionate impact of time limits, barriers to employment, of poverty and hunger on American Indian and Black populations. An equity lens should be considered for any policy adjustments in the farm bill to minimize unintended impacts.

And finally, lawmakers should consider focusing on improving technological supports, supporting state flexibilities and smoothing the benefit cliff through adjustments to the earned income disregard.



Thank you again for the opportunity to join you today to share this important information about SNAP and the experiences of those who rely on this critical program.