



MASW
Since 1901

Missouri Association for Social Welfare

606 East Capital Avenue
Jefferson City, MO 65101
Telephone: (573) 634-2901
Fax: (573) 635-1648
Email: citizenvoice@masw.org
Web Page: <http://www.masw.org>

August 13, 2008

**Changes made to the Federal Food Stamp Program
because of the passage of the 2008 Farm Bill ***

Name change: The Food Stamp Program will now be called the Supplemental Nutrition Assistance Program (SNAP). The Food Stamp Act of 1977 will be called the Food and Nutrition Act of 2008.

Standard Deduction: Raises minimum standard deduction for households of 1-3 people from \$134 to \$144 per month in FY2009. It also indexes the deduction to inflation. This should help 10 million people and provide a typical family \$4-\$5 more a month in 2009. For Missouri, this should help 243,000 people by the year 2012.

CBO 9yr cost: \$5.420 billion

Dependent Care Deduction: Removes the cap on the dependent care deduction. This will provide about \$500 more a year to 100,000 working households who pay high childcare costs. In Missouri, approximately 20,000 Missourians should benefit from this.

CBO 9yr cost: \$500 million

Minimum Benefit: Raises the minimum benefit from \$10 a month to 8% of the thrifty food plan, probably \$14 in FY09. 650,000 households (mostly seniors and disabled) will receive this benefit. In Missouri alone, 26,000 people should benefit from the increase in the minimum benefit.

CBO 9yr cost: \$278 million

Excludes Combat Pay: Excludes from the countable income test the special pay received by service members who are deployed to a combat zone.

CBO 9yr cost: \$2 million

Index Asst Limits: Begins to index food stamp asset limits to annual inflation. CBO predicts an increase to \$3,250 for elderly and disabled in 2012 and to \$2,250 for other households in 2014.

CBO 9yr cost: \$168 million

Excludes Retirement Accounts: Will exclude all federal tax-preferred retirement accounts (IRAs) from countable income. CBO predicts about 80,000 might receive \$125 a month.

CBO 9yr cost: \$991 million

Exclude Education Accounts: Will exclude all federal tax-preferred education accounts (529s and Coverdell education savings accounts) from countable income.

CBO 9yr cost: \$17 million

Simplified Reporting: Allows states the option to extend “simplified reporting” to certain households, such as households that have only seniors and disabled individuals and no earnings. States could require a report once every year (unless income goes above 130% of poverty).

CBO 9yr cost: \$285 million

Transitional Food Stamps: Currently, states can extend 5 months of Food Stamps to families leaving the Federal cash assistance program. The new law allows states to extend this help to the families on their state-only funded cash assistance programs.

Food Stamp Employment and Training (FSET) Activities: Makes 2 changes- Allows FSET funds to be used for job retention (for 90 days after employment begins) or clarifies that FSET volunteers are not subject to the 120 hour-a-month participation limit or the requirement that the number of hours of participation not exceed the household’s food stamp benefit divided by the minimum wage.

CBO 9yr cost: \$27 million

FSET Funding: State must spend its FSET money within 15 months or they lose it.

CBO 9 yr cost: negligible

Clarification of Split Issuance: State can not split a household’s allotment into more than one monthly issuance. States can still disperse food stamps on different days of the month.

Accrual of EBT Benefits: States can store household benefits off-line if they have not accessed them in 6 months. The state must send notice of this to the beneficiary and restore the benefits within 48 hours of a request. States must also expunge the benefits if they have not been accessed for 12 months.

De-obligation of Food Stamp coupons: No more coupons will be made or issued after June 17, 2009. Coupons can still be redeemed for 1 year. After that all transactions must be made with the EBT card.

CBO 9yr cost: -\$8million

Review of major changes in program design: Requires the state to collect data on the impact of these major changes.

Civil Rights Compliance: Food Stamps administering agencies must comply with 4 major civil rights statutes. For most states this will have no practical impact

Codification of Bilingual Access Rules: Says that bilingual access rules in food stamp regulations will have same legal standing as if it was in statute. For most states, this will have no practical impact.

State option for telephonic signature: Gives states the option to allow households to apply for the Food Stamp program and establish filing dates over the telephone, subject to several basic procedural safeguards.

Privacy Protections: Limits the use of personal information and prohibits commercial exploitation of that data for purposes unrelated to the program.

Preservation of Access and Payment Accuracy: States must test and pilot new computer programs, update systems and evaluate the systems’ effect on access and accuracy.

Civil penalties and disqualification for retailer fraud: Gives the USDA more flexibility in setting fines and disqualification measures for retailer violations.

CBO 9yr cost: \$18 million

Major Systems Failures: If the USDA sees that a major system failure in a state caused over-payments to lots of citizens than the USDA may prohibit the state for collecting the over-payments but instead require the state to pay back the Federal Government.

CBO 9yr cost: - \$9 million

Technical clarification regarding eligibility: To ensure innocent people are not denied Food Stamps, this requires the Secretary to define several terms to make sure the 1996 provision that prevents fleeing felons from receiving food stamps.

New eligibility disqualifications: Disqualifies people from the program if- 1. Intentionally get cash by using the program to purchase a product that has a returnable container, use the content and return the container for the deposit. 2. Intentionally sell food purchased with food stamps.

Food Stamps nutrition education program: Requires States to take part in nutrition education activities to promote healthy food choices.

Pilot projects on Obesity, Nutrition promotion and Health: \$20 million to Secretary to conduct research and a pilot project to provide supermarkets with incentives to promote healthy foods purchases for food stamps recipients.

CBO 9yr cost: \$20 million

Feasibility study of Comparable Access for Puerto Rico: Requires the Secretary to conduct a study to see if treating Puerto Rico the same as the rest of the states is feasible. Right now they are in a block grant program.

CBO 9yr cost: \$1 million

Food Distribution Program on Indian Reservations (FDPIR): Amends the program. (Some American Indians receive this program instead of Food Stamps). 1. Disqualifies someone from FS if they are disqualified from the FDPIR. 2. \$5million to purchase locally grown food for the program. 3. Separate appropriations for purchase of bison. 4. Report on the FDPIR Food package compared to food stamp program.

State performance on enrolling children receiving Food Stamps for Free School Meals: USDA must submit report on each state's ability to automatically enroll school age children in the free school program based on their food stamp participation.

Reauthorization: This act extends the Food Stamp Act.

Effective Date: All provisions take effect on October 1, 2008.

* This is a summary of the Center on Budget and Policy Priorities paper: [Food Stamp Provisions of the Final Farm Bill](http://www.cbpp.org/7-1-08fa.htm) written by Dottie Rosenbaum, revised July 25, 2008. Full paper can be found: <http://www.cbpp.org/7-1-08fa.htm>