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February 16, 2017

To: Senator Riepe and Members of the Health and Human Services Committee
From: Kaitlin Reece, Policy Coordinator for Economic Stability and Health
RE: Support for LB 358

Children need access to nutritional foods in order to ensure healthy development. Families working hard to make ends meet should not have to choose between a promotion at work and food in their children's bellies. Sadly, because of the way our public assistance programs are currently structured, this is a reality for many families and a major barrier toward economic self-sufficiency. Too many Nebraska families get trapped in a cliff effect where a small raise at work triggers a much larger loss in work supports like child care or food stamps. What's more, because eligibility rules vary from program to program, these cliff effects can have a much larger cumulative effect on a family's budget. In budgetary terms, a 30 cent decrease in benefits for every additional dollar earned across three programs (such as TANF, SNAP and child care), equals a 90% marginal tax rate.

Fortunately, states can smooth this cliff effect with policies like LB 358 and 31 states, including Iowa, Florida, North Carolina, and North Dakota, have all addressed the cliff effect in the Supplemental Nutrition Assistance Program, or SNAP. Voices for Children in Nebraska supports LB 358 because it takes steps to address the cliff effect in SNAP and improves the program in a way that supports longer term financial security for families.

SNAP is an important work-support that helps prevent children from going hungry and has kept millions of children out of poverty. SNAP participation has been shown to reduce low birth weight and infant mortality in newborns, decrease the likelihood of childhood obesity, and other positive health and educational outcomes.¹ A recent study completed by the University of Missouri found that a \$100 increase to SNAP benefits reduces the likelihood of ER visits for low blood sugar, or hypoglycemia, in children by 13%, with an average savings of \$1,186 per visit.²

LB 358 leaves the net income requirement for SNAP in place, ensuring that only families who really need it receive this type of assistance. Eligibility is then determined based on whether a family's net income, the income actually available to purchase food, is less than 100% of the federal poverty level. Right now, if a single mother with one child working full time at \$10.00 an hour accepts a 50-cent

¹ "SNAP Works for America's Children." *Center on Budget and Policy Priorities*. September 2016. Accessible online here: <http://www.cbpp.org/research/food-assistance/snap-works-for-americas-children>

² "Study: Increased Food Benefits for Poor Could Reduce ER Visits." United Press International. February 1, 2017. Accessible online here: http://www.upi.com/Health_News/2017/02/01/Study-Increased-food-benefits-for-poor-could-reduce-ER-visits/3571485975976/

raise, she will no longer be eligible for assistance. With a raise, the worker will earn 80 dollars more a month but stands to lose on average \$260 a month in food assistance.³ For many families, the hard work that earned them the raise doesn't pay off. They must turn down the raise or promotion, undermining their ability to advance and succeed long-term. Under LB 358, the worker can accept the raise and still qualify for assistance once her shelter and child care expenses are deducted. For these reasons, we urge the Committee to advance LB 358 to General File.

³ Based on average monthly benefit in 2016 as reported by the Center on Budget and Policy Priorities. Accessible online here: <http://www.cbpp.org/research/policy-basics-introduction-to-the-supplemental-nutrition-assistance-program-snap>