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## February 7, 2019

To: Chair Howard and Members of the Health and Human Services Committee From: Chrissy Tonkinson, Research Coordinator

RE: Support for LB 255 - Change provisions relating to the Supplemental Nutrition Assistance Program

Children are Nebraska's greatest resource, and when all children have the opportunity to reach their full potential in adulthood, our state and economy are better off. Today, over 17% of Nebraska's children do not have reliable access to a sufficient amount of nutritious food. Voices for Children in Nebraska supports LB 255 because it is the best use of our resources to reduce child hunger.

The Supplemental Nutrition Assistance Program (SNAP), is one of the most effective antipoverty programs in our nation's history. It is estimated that SNAP moved 8,600 Nebraska households above the poverty line in 2016. <sup>ii</sup> The vast majority of SNAP participants in Nebraska are working families who are struggling to make ends meet (54%), or families with household members who are unable to work due to age or a disability (29%). <sup>iii</sup> Benefits are calculated by need, with benefit amounts decreasing as family income increases.

More and more, hard work isn't enough to make ends meet for Nebraska's families. Our new *Family Bottom Line* tool provides a more realistic picture of what it takes to raise a family in Nebraska.<sup>iv</sup> The Federal Poverty Level (FPL), which is used for nearly all means-tested public assistance programs, including SNAP, is a flawed and outdated measure of economic well-being. The Federal Poverty Level that we use today is still based on the cost of food as a share of a typical family budget from the 1960s, without any account for geographic variations throughout the country and for changes in child care and housing costs over the decades.<sup>v</sup>

LB 255 brings eligibility for food assistance closer to a family-sustaining wage in Nebraska. To my testimony I have attached a few sample family incomes outputs from the *Family Bottom Line* for selected counties represented by members of this committee. The current SNAP threshold at 130% of FPL is far lower than the income that most families need to pay for child care, rent, food, and other basic expenses.

These data show a serious design flaw in our SNAP program, often referred to as the "cliff effect"—families are forced to lose food assistance before they have reached financial independence and stability. States have the flexibility to raise this limit, which 33 other jurisdictions have already opted to do. "I The modest increase proposed by LB 255 would ease the cliff effect by allowing families to get closer to a wage that can support a family before losing food assistance. Under LB 255, families would still need to have enough deductible expenses to meet the lower net income threshold at 100% of FPL, ensuring that families with higher household expenses, such as those with child care costs, are still able to put nutritious food on the table.

Nutrition and health are the most basic building blocks for healthy child development. SNAP benefits helped ensure that nearly 37,000 Nebraska children were well-nourished last year, vii and LB 255 builds upon the program's successes. We thank Senator McCollister for his continuous leadership on this issue and this committee for their time and consideration. We respectfully urge the committee to advance LB 255 to General File. Thank you.

<sup>&</sup>lt;sup>1</sup> Voices for Children in Nebraska, Kids Count in Nebraska 2018 Report, https://kidscountnebraska.com/.

ii Ibid.

<sup>&</sup>quot;" "Nebraska: Supplemental Nutrition Assistance Program," Center on Budget and Policy Priorities, December 2018, <a href="https://www.cbpp.org/sites/default/files/atoms/files/snap\_factsheet\_nebraska.pdf">https://www.cbpp.org/sites/default/files/atoms/files/snap\_factsheet\_nebraska.pdf</a>.

iv Family Bottom Line, Voices for Children in Nebraska, https://familybottomline.com/.

<sup>&</sup>lt;sup>v</sup> "The Family Bottom Line: Nebraska Families after the Great Recession," Voices for Children in Nebraska, 2014, <a href="https://voicesforchildren.com/wp-content/uploads/2017/09/Family-Bottom-Line2-Aug-2014-FINAL-FIXED.pdf">https://voicesforchildren.com/wp-content/uploads/2017/09/Family-Bottom-Line2-Aug-2014-FINAL-FIXED.pdf</a>.

vi "Broad-Based Categorical Eligibility," United States Department of Agriculture, October 2018, <a href="https://fns-prod.azureedge.net/sites/default/files/snap/BBCE.pdf">https://fns-prod.azureedge.net/sites/default/files/snap/BBCE.pdf</a>.

vii Voices for Children in Nebraska, Kids Count in Nebraska 2018 Report.

Table 1. SNAP Eligibility is Much Lower than Basic Household Expenses for Many Families in Nebraskaviii

Family Type	Family of 2 - 1 Adult, 1 Infant			Family of 2 - 1 Adult, 1 Teenager			Family of 3 - 1 Adult, 1 Infant, 1 School Aged			Family of 3 - 2 Adults, 1 Infant			Family of 4 - 2 Adults, 1 Infant, 1 Toddler		
	Annual	Monthly	Hourly	Annual	Monthly	Hourly	Annual	Monthly	Hourly	Annual	Monthly	Hourly*	Annual	Monthly	Hourly*
Douglas	\$36,256	\$3,021	\$17.43	\$25,089	\$2,091	\$12.06	\$48,898	\$4,075	\$23.51	\$43,813	\$3,651	\$10.53	\$58,283	\$4,857	\$14.01
Sarpy	\$38,695	\$3,225	\$18.60	\$27,245	\$2,270	\$13.10	\$50,844	\$4,237	\$24.44	\$45,997	\$3,833	\$11.06	\$60,051	\$5,004	\$14.43
Washington	\$31,209	\$2,601	\$15.00	\$24,813	\$2,068	\$11.92	\$37,464	\$3,122	\$18.01	\$38,893	\$3,241	\$9.35	\$47,939	\$3,995	\$11.53
Clay	\$27,518	\$2,293	\$13.24	\$21,705	\$1,809	\$10.43	\$34,655	\$2,888	\$16.67	\$35,732	\$2,978	\$8.58	\$44,625	\$3,719	\$10.73
Dodge	\$29,423	\$2,452	\$14.15	\$23,271	\$1,939	\$11.18	\$36,007	\$3,001	\$17.32	\$37,377	\$3,115	\$8.98	\$46,331	\$3,861	\$11.14
Dawson	\$35,724	\$2,977	\$17.18	\$21,169	\$1,764	\$10.18	\$34,170	\$2,848	\$16.43	\$35,290	\$2,941	\$8.48	\$44,169	\$3,681	\$10.61
Current - 130% of FPL	\$21,983	\$1,832	\$10.57	\$21,983	\$1,832	\$10.57	\$27,729	\$2,311	\$13.33	\$27,729	\$2,311	\$13.33	\$33,475	\$2,790	\$16.09
LB 255 - 140% of FPL	\$23,674	\$1,973	\$11.38	\$23,674	\$1,973	\$11.38	\$29,862	\$2,489	\$14.36	\$29,862	\$2,489	\$14.36	\$36,050	\$3,004	\$17.33

<sup>\*</sup> Hourly wages per adult.

viii Family Bottom Line, Voices for Children in Nebraska, https://familybottomline.com/.