

Food Stamp/SNAP Improvement Coalition

c/o Mass Law Reform Institute

99 Chauncy Street

Boston, MA 02111

February 26, 2009

By FAX and Email

The Honorable Governor Deval Patrick
Office of the Governor, State House

Dr. JudyAnn Bigby, Secretary
Executive Office of Health and Human Services

Mr. Jeffrey A. Simon,
Director of Infrastructure Investment
Office of the Governor, State House

Dear Governor Patrick, Secretary Bigby, Director Simon:

I am writing on behalf of members of the Food Stamp/SNAP Improvement Coalition to urge the Administration to take immediate steps to address the administrative crisis at Food Stamp offices. We urge the Administration to increase the number of front line staff necessary to handle the growing caseload, and to seek additional federal changes in Food Stamp/SNAP the processing requirements. Today's *Boston Globe* underscores the urgency of this request. The Department of Transitional Assistance (DTA) reports receiving 20,000 new Food Stamp applications per month, in addition to managing the existing 309,000 Food Stamp households. Food Stamp workers in most local offices juggle over 700 cases that require regular review or extensions, as well as process many new applications. We are acutely aware of the problems that local DTA offices face in managing the overwhelming service demand. Coalition members who run food banks and feeding programs report significant increases in emergency food requests because of difficulty getting timely benefits. Both low income families and the Commonwealth are losing out on critical federal dollars that will both feed hungry families and directly stimulate the local economy.

Members of the Coalition urge the Administration to consider taking a number of steps to address this growing problem:

- *Ensure that the \$3M federal funds anticipated from the 2009 American Recovery and Reinvestment Act this yearⁱ are directed as soon as possible to DTA to hire additional staff and bolster DTA's infrastructure, including expanding the document imaging pilot to manage the client documents and forms required for federal Food Stamp eligibility.*
- *Allocate an additional \$10M or more in state funds to enable DTA to hire a significant number of front line staff for local offices and/or statewide food stamp processing centers - much like the MassHealth Enrollment Centers - to process applications and conduct the federally required phone interviews. Note - state dollars allocated for the administration of the Food Stamp program are reimbursed 50% by the United States Department of Agriculture. \$10M in state administrative funds translates into roughly 160 FTE workers.ⁱⁱ*
- *Explore federal waivers of specific Food Stamp processing requirements that are unnecessary or unduly burdensome for workers and clients. For example, the Administration could explore a federal waiver to extend current certification periods beyond the current 12 month (for families) and 24 month (for elder/disabled households) to at least a 36 month*

period. This length of time would be consistent with the duration of the Recovery Act and would relieve the state of time consuming administrative tasks as the caseload increases. In addition, the Coalition recommends the Department explore a waiver of the mandatory interview for Food Stamp households seeking recertification or reopening of a case where the household information and verifications provided are not questionable, the case is not error prone, and the household benefits will be approved.

- *Pursue interagency agreements between DTA and the Office of Medicaid, the Division of Unemployment Assistance and the Department of Early Education and Care to access documents, with client consent, that FS applicants have provided to these sister agencies in the course of their receiving Medicaid, Unemployment Insurance or Income Eligible Child Care.* Minimally, we recommend DTA be allowed to rely on the accuracy of eligibility information these sister agencies used to confirm client identity, age, residence, wages, unearned income, non-citizen legal status and other eligibility factors also relevant to Food Stamps. We note that over 1.1 million Massachusetts residents currently receive MassHealth but only 600,000 residents receive Food Stamps, leaving a gap of more than 400,000 low income MassHealth residents not getting Food Stamps yet potentially eligible.ⁱⁱⁱ Further, over 70,000 individuals filed UI claims in December 2008^{iv}, at least one-third of whom have dependents. The majority of MassHealth recipients and a significant portion of UI claimants are financially eligible for Food Stamps. They have already provided substantial information and verifications to the Commonwealth for their benefits, which information and verifications could be used in processing Food Stamp applications.

It is well recognized that one of the most effective and immediate sources of economic stimulus is funds from the federal Food Stamp program. USDA has found that **each \$1 in FS/SNAP benefits generates \$1.84 in economic activity.**^v Moody's Economy.com has estimated a multiplier of \$1.73 for each dollar spent, and has found that FS/SNAP benefits are the most effective of all government programs in creating economic activity.^{vi} If the Department were able to successfully process and approve even half of the 20,000 new applications cases coming in each month, over **110,000 low-income Massachusetts households would receive 100% federally funded nutrition benefits - leveraging an up to \$340 million additional federal dollars per year.** An additional \$340M in federal food stamps in the economy would have a positive economic impact of **more than half a billion dollars.**

Here's the math: According to DTA, the current average Food Stamp benefit is \$217 per household per month. With 309,000 recipient households, this totals \$67M per month or \$804M per year of federal dollars. The 13.6% increase to the SNAP Thrifty Food Plan (the maximum benefit amount) effective April 1, 2009 which is included in the 2009 Recovery Act will *increase the average benefit in Massachusetts by an average of \$39/month to \$256/month* per household. Hence, if 110,000 new households join the Food Stamp in Massachusetts and receive an average of \$256/month, over a 12 month period this will add another \$340M in federal revenue- helping hungry households, grocers and the economy. Furthermore, the state's investment to leverage this federal money is truly minimal – each \$1 of state monies brings in \$40 to \$50 in federal revenues (accounting for the 50% federal reimbursement in state costs). The bottom line: the more federal nutrition dollars we bring to needy families in Massachusetts, the greater the benefit for the citizens of the Commonwealth and our economy. Increasing Food Stamp participation is a *fork-ready economic stimulus.*

DTA has achieved remarkable progress in reversing the downward cycle of participation created by earlier state Administrations. Since 2002, even before the economic downturn, DTA worked with the Coalition to pursue federal options and FNS approved waivers which resulted in the caseload more

than doubling. However, during this same period of time, as the *Globe* story accurately documents, the workforce needed to manage these cases *has been cut by over 30%*, including substantial cuts to clerical staff. Food Stamp caseload growth, coupled with diminished administrative resources, has created new problems. It has severely limiting the ability of the state to process more cases in a timely manner and meet federal quality control requirements. Coalition members report a significant increase in waiting times at local offices and on the phone, full voice mail of workers, lack of staff to collect and input verification, process eligibility on reported changes, address discrepant information. New applicants get discouraged, withdraw or give up on their applications, worry that phone calls and documents are lost in the process. Bottom line: DTA is at a breaking point.

Finally, we wish to underscore the importance ensuring sufficient DTA infrastructure for this federal benefit. Massachusetts DTA workers are required to enter and track client information and verifications in a complex computerized eligibility and data tracking system, and to conduct federally required interviews of each client to ensure eligibility and benefits accuracy. To avoid high quality control errors and/or fiscal sanctions, the Food Stamp program requires trained employees to manage complex data systems, conduct interviews, confirm eligibility factors with other state and federal data bases, and pursue discrepant information. In fact, the federally-required steps that Massachusetts and other states must take to confirm household eligibility helps to maintains program integrity and, frankly, *continues to help make this 100% federally funded program popular with Congress.*

The 2009 American Recovery and Reinvestment Act presents new opportunities and challenges for the Commonwealth on a range of fronts. The 13.6% increase in Food Stamp benefits will enable thousands of current recipients to buy more of the food they need in grocery stores and take the pressure off soup kitchens and food pantries who provide limited food supplies as a last resort. The challenge is to enable all needy households in Massachusetts to receive these benefits quickly, and bring the federal dollars home. MLRI and members of the Coalition welcome the opportunity to meet with you to discuss these initiatives and work with the Massachusetts Legislature and Congressional Delegation to ensure their success.

Sincerely



Patricia Baker
Chair, Food Stamp/SNAP Improvement Coalition

Cc. Julia Kehoe, Commissioner, Department of Transitional Assistance
Phuoc Cao, Director, Food Stamp/SNAP Program
Members, Food Stamp/SNAP Coalition

ⁱ Center for Budget and Policy Priorities, *State by State Impact of American Recovery and Reinvestment Act of 2009, Food Stamp Dollars*. Updated 2/25/2009 <http://www.cbpp.org/1-22-09bud-fs.pdf>

ⁱⁱ DTA currently reports the average FTE worker salary is currently \$50,000, plus an additional fringe rate of \$12,500 plus ancillary expenses of \$5,000. Pay for entry level staff would be lower.

ⁱⁱⁱ Office of Medicaid Data, *Caseload by Group Code (10/31/08)* indicates that of the 1,151,000 MassHealth recipients, roughly 100,000 are either institutionalized (nursing homes) or do not meet federal non-citizen rules, and thus these individuals would not be Food Stamp eligible. The overwhelming majority of MassHealth recipients have income below 200% of the federal poverty level, the same standard used for most Food Stamps households.

^{iv} Division of Unemployment Assistance, Economic Research Department, *Profile of Massachusetts UI claimants*, December 2008. <http://lmi2.detma.org/Lmi/claimant.asp>

^v USDA FNS. *The Business Case for Increasing SNAP Participation*. Last Modified: 2/17/2009. <http://www.fns.usda.gov/fsp/outreach/business-case.htm>

^{vi} Zandi, Mark. "The Economic Impact of the American Recovery and Reinvestment Act." 21 January 2009: 9. https://www.economy.com/mark-zandi/default.asp?src=economy_hopmepage