

**Testimony of
Alexandra Ashbrook
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Council of the District of Columbia

**Public Oversight Roundtable on Economic Recovery Plan
February 11, 2009**

I am Alexandra Ashbrook, Director of D.C. Hunger Solutions. D.C. Hunger Solutions is an initiative of the Food Research and Action Center, the leading national nonprofit organization working to improve public policies and public-private partnerships to eradicate hunger and undernutrition in the United States.

I appreciate the opportunity to comment on how the District can implement the Economic Recovery Plan to both boost the economy and cushion the hardships on vulnerable people who face a constant struggle against hunger. (I have attached a side-by-side comparison of the major nutrition provisions of the House and Senate bills for your reference.)

Nothing stimulates the economy like food stamps. Each dollar of federal food stamp benefits flowing into a local economy generates about double that in economic activity. In the stimulus debate, conservative as well as liberal economists, Chairman of the Federal Reserve Bernanke, recent Treasury Secretaries, and many more experts touted increased Food Stamp Program spending as, dollar-for-dollar, just about the most effective way to stimulate the economy. Food stamp benefits are one hundred percent federally funded, with states bearing about fifty percent of administrative costs. And, a California study revealed that a state's share of the administrative costs is mostly recouped from sales tax increases (i.e., food stamps allow recipients to free up some monies to purchase taxable necessities like clothes, detergent personal hygiene items, etc.). Food stamps get more resources quickly into the hands of the people most likely to quickly turn around and spend money to buy food.

The final stimulus plan package will almost certainly include millions of federal dollars to bolster the District's Food Stamp Program (recently renamed as the Supplemental Nutrition Assistance Program "SNAP") by:

- Increasing the monthly food stamp/SNAP allotment
- Helping with the administrative cost of growing caseloads

The District can prepare for this infusion of federal food stamp funding by ensuring that all food stamp households expeditiously receive the allotment boosts. While SNAP stimulus administrative dollars will help with administrative costs, the District should support the Income Maintenance Administration so that agency staff are prepared for the growing number of food stamp cases. To that end, the District should prioritize funding for sufficient staffing levels for processing the growing number of food stamp cases and reprogramming computer systems to ensure that all eligible residents get their increases immediately. As many food stamp clients likely will be calling with questions related to benefit increases, the District should work with its EBT vendor to prepare for increased calls and to update the call line with accurate information. The District also should conduct aggressive food stamp outreach to reach growing numbers of hungry people and

at the same time, bring in federal entitlement dollar. By implementing available food stamp policy options – like categorical eligibility, which extends eligibility to more low-income working families; “Heat and Eat,” which increases benefit levels for households with high energy costs; and implementing the waiver of the face-to-face interview, which streamlines the in-take process—the District can increase food stamp benefit amounts, improve access, streamline in-take, reduce error rates, and bring in millions of additional federal dollars.

The pending Economic Recovery Package contains other good nutrition assistance strategies to help struggling families and boost the economy. There is WIC funding in both versions of the Package. To help families tap into this critical nutritional assistance, the District must conduct WIC outreach, promote WIC referrals through cross-agency agreements, and plan for the smooth implementation of the new WIC food package. Every dollar spent on WIC results in approximate savings of between \$1.77-\$3.13 in Medicaid costs for newborns and their mothers.

The House proposes to expand the Afterschool Supper Program for children whose parents are working late hours. It makes total sense to give more help to afterschool programs that will use the funds to purchase nutritious food from local vendors and employ staff to operate the program. We have been encouraging Representative Norton to work to include this provision in the final legislation.

All federal nutrition programs (school lunch and breakfast; afterschool, summer, and child care nutrition programs; SNAP/food stamps; and WIC) are crucial in “normal” economic times, but they are even more essential in this period of deep economic pain when rising food prices and the growing recession are forcing Washington, D.C. families to make tough choices about meeting their basic needs. The District should examine how other stimulus provisions can support the expansion of the federal nutrition programs. For instance, the District should use school infrastructure improvement funding to renovate dreary school cafeterias and outdated kitchens, thereby fueling participation in the school meal programs. Job creation funding could be used to support the establishment of a D.C. Nutrition Center (more details on this project are available from the Mayor’s Commission on Food and Nutrition) or to support jobs promoting access to healthy, affordable food in the District’s food deserts.

Millions of low-income people are seeing their already difficult circumstances worsen; and millions of other moderate and middle-income people are losing jobs or hours of work, or seeing wage declines, and are falling into near-poverty or poverty or food insecurity. They also face housing, health care and other fundamental problems. The nation’s nutrition programs are not a panacea for this. But their benefits are such, and their strengths are so substantial, that they can quickly play a huge role in ameliorating the damage of the recession. The District must act to bring these benefits to every eligible man, woman, and child in our nation’s capital.

Respectfully submitted,

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SIDE-BY-SIDE COMPARISON

PROGRAM	HOUSE	SENATE
SNAP/Food Stamps	<p>\$20 billion: approximately \$19 billion goes to increase the monthly allotment by 13.6% initially, before phasing down over time.</p> <p>Suspension of three-month time limits on eligibility for certain jobless adults through FY2010.</p> <p>\$296 million in administrative funds to states.</p>	<p>\$16.6 billion: approximately \$15 billion goes to increase the monthly allotment by 85% in the first month and by 12% thereafter through FY2011.</p> <p>Suspension of three-month time limits on eligibility for certain jobless adults through FY2011.</p> <p>\$296 million in administrative funds to states.</p>
Afterschool Supper Program	\$726 million to expand supper program for afterschool programs in low-income areas nationwide (only in 8 states now).	Not in Senate bill.
School Food Service Equipment Assistance	Not in House Bill.	\$98 million.
WIC	\$100 million to upgrade Management Information Systems (MIS).	<p>\$120 million to upgrade Management Information Systems (MIS).</p> <p>\$380 million for contingency fund to meet rising caseload.</p>
Senior Meals	\$200 million, for 50 million additional meals.	\$100 million, for 30 million additional meals.
The Emergency Food Assistance Program (TEFAP)	\$150 million for two years.	\$150 million for two years, of which up to \$50 million can be used for administrative funding.
Child Tax Credit (under current law, CTC phases in starting at \$8,500 of earnings)	\$18.3 billion over 2 years. Credit phase-in starts with first dollar of earnings.	\$7.5 billion over 2 years. Credit phase-in starts at \$8,100 in earnings (families with lower earnings are denied Credit).

Compared with the Senate: the House bill has more money for SNAP/Food Stamps (\$20 billion); contains \$726 million for afterschool snack and supper improvements (which is not in the Senate package at all); and has considerably greater improvements in the Child Tax Credit (CTC).

The Senate bill, however, has some preferable nutrition provisions: a longer duration for suspension of SNAP/Food Stamp time limits on jobless adults and additional SNAP/Food Stamp quality control rules for states; funding for growing WIC caseloads (the House says it will deal with that in an upcoming appropriations bill); and funding for school lunch equipment assistance (albeit under Nelson/Collins at \$100 million, \$98 million lower than in the version reported earlier by the Senate Appropriations Committee).

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