

Testimony for Senate Bill 17

Lisa Hamler-Fugitt, Executive Director
Ohio Association of Foodbanks
Senate Government Oversight and Reform Committee
Wednesday, February 24, 2021

Good morning Chairwoman Roegner, Vice Chair McColley, Ranking Member Craig, and Members of the Ohio Senate Government Oversight and Reform Committee. My name is Lisa Hamler-Fugitt and I serve as executive director of the Ohio Association of Foodbanks, Ohio's largest charitable response to hunger.

The association represents Ohio's 12 Feeding America foodbanks and more than 3,500 non-profit and faith-based food pantries, soup kitchens, shelters and other emergency and supplemental food providers. Food insecurity and unemployment rates are at an all-time high due to the unforeseen effects of the COVID-19 pandemic and the deep recession that created the perfect storm for millions of Ohioans and their families. Food insecurity is a symptom of larger, systemic issues: poverty, unemployment, under employment, part-time and contingent jobs, income inequality, insufficient wages, racial inequity, weakened social safety nets, rising housing costs, food access gaps, and much more.

The COVID-19 pandemic has severely exacerbated these real-world realities that now affect millions of Ohioans through no fault of their own. Nationwide, the number of households struggling to put enough food on the table spiked last spring as the pandemic's economic effects took hold. It remained nearly three times pre-pandemic levels over the summer and rose even higher in recent months.

Food hardship has disproportionately affected households with children, especially Black and Latino households. Nearly 1 in 5 (18.1 percent) of Ohioans experienced food insecurity in 2020, meaning they didn't always know how they would afford or access their next meal.¹

More than 1 in 4 Ohio kids (27.1 percent) lived in food insecure households in 2020. Most recently, the U.S. Census Bureau's Pulse Survey found that nearly 3 in 10 Ohio households with children (28.9 percent) experienced food insecurity in December 2020.² Families with children have been crippled by lost savings, increased household debt, and rising food prices.

To respond effectively, we need the public, private, and charitable sectors working together on the same team. Unfortunately, SB 17, if enacted, will severely weaken and in some cases severely restrict the publicly funded safety net that now helps protect 1 in 3 of Ohio's most vulnerable citizens during their darkest hour of need.

¹ Feeding America: The Impact of Coronavirus on Food Insecurity, <https://www.feedingamericaaction.org/the-impact-of-coronavirus-on-food-insecurity/>

² The Center for Community Solutions, https://www.communitysolutions.com/ohio-plans-extend-pandemic-ebt-program-remainder-2020-2021-school-year/?mc_cid=b144a1a284&mc_eid=f542da862b

The Supplemental Nutrition Assistance Program (SNAP) is the first line of defense against hunger, and provides basic food assistance benefits to nearly 1.5 million Ohioans, including more than 628,000 children. SNAP provides 9 meals to every 1 meal that is provided through our foodbank network. Food assistance benefits are 100% federally funded and are only available to the poorest of the poor. In order to apply, applicants are required to produce an extensive amount of information, verification, and documentation for all members of their household. Applicants must have very low-income, and in Ohio, the household's combined gross income cannot exceed 130 percent of the Federal Poverty Level. If the household's income increases above that level, all benefits are cut-off.

SB 17 is a bill that is being promoted by an out of state, conservative social welfare organization whose stated mission is to "dismantle the social safety net" by making it harder, and in some cases nearly impossible, for struggling families, working adults, and seniors to apply for and stay enrolled in basic needs assistance programs such as food assistance, health care, and unemployment insurance. The claims and assertions that have been made by proponents of SB 17 are not based in current law, fact, or reality. In fact, it is yet another in a long list of misguided and wasteful bills that would severely limit and deter participation in SNAP.

If enacted, SB 17 would add costly and unnecessary bureaucracy and prohibit the Ohio Department of Job and Family Services from exercising available federal provisions permitted and allowable as state options regarding SNAP. These provisions are LAW – not "fraud by design" as stated to this committee by a witness from Opportunity Solutions Project.

SB 17 would return to change reporting instead of simplified reporting, something no other state uses (Sec. 5101.545)

SB 17 prohibits ODJFS from implementing simplified reporting procedures for households receiving SNAP benefits and further requires any household to report a change to ODJFS within ten days of the change becoming known to the household. Meaning, low-wage workers would have to continue to provide proof of employment and income every 10 days or risk losing SNAP. Part-time and contingent workers will find this especially challenging as their employers change the number of hours available to them to work on a week-to-week basis. Many will find it impossible to jump through the bureaucratic hoops to maintain their eligibility and be removed from the program. And this bureaucracy will cost the State of Ohio more taxpayer money to implement – while decreasing the amount of federal funds coming into the State.

The last state to implement change reporting was Maine. Most recently, as anti-poverty policy experts in Maine predicted, Maine's error rate shot up following implementation of change reporting. Their payment error rate increased from 2.52 in 2014 (SNAP error rates were not calculated for all states in 2015 and 2016), to 19.12 in 2019. The new Administration in Maine has now reversed this policy and returned to simplified reporting,

but continues to suffer its consequences – they owe more than \$1.3 million in state funds due to federal penalties for this high error rate³.

SB 17 would require SNAP photo EBT requirements (Sec. 5101.331)

Although supporters of SB 17 state this legislation will prevent fraud by requiring color photos to be placed on the front of Ohio Direction Cards, this bill merely serves to shame hungry Ohioans living on the margins further into poverty.

SNAP photo EBT is a state option that has proven to deter participation of eligible households – it does not deter fraud.

SNAP photo EBT can prevent some SNAP participants from using their benefits. While the "head of the household" is the state agency's key contact, all members of a SNAP household are entitled to purchase food with SNAP benefits. A household is defined as those who prepare meals together and may not be related to one another.

Two states that had implemented photo EBT, Maine and Massachusetts, have suspended implementation, citing it as too costly, ineffective, and unnecessary. There is no evidence that requiring photos would be responsive to the issue of stolen cards; EBT cards use a personal identification number (PIN), just like an ATM card, making it difficult for someone to steal the card and use it without permission.

Other supporters of SB 17 claim SNAP EBT cards will be an effective tool for local law enforcement, yet nothing in current law prohibits law enforcement now from reporting suspected fraud to ODJFS and local JFS fraud investigative units, to the USDA office of the Inspector General, Ohio Department of Public Safety, and the local prosecutors' offices to investigate charges for fraud.

In Ohio, the Ohio Department of Public Safety (DSP) Ohio Investigative Unit has primary areas of enforcement for investigating: (1) illegal sale of alcohol beverages, (2) illegal sale and/or trading of food stamp benefits, (3) sale of tobacco to underage persons where a liquor permit premises is involved, and (4) gambling law and narcotics trafficking related to liquor permit premises. In 2019, DSP Food Stamp Trafficking Enforcement unit received an appropriation of \$1.4 million per year from the Ohio Department of Job and Family Services' Federal Fund 3840, line item 600610, Food Stamps and State Administration, which is used to pay the state and local costs of administering food stamp trafficking enforcement operations. The cash transferred is used to cover a portion of the Investigative Unit's operating expenses related to investigating and controlling the illegal sale of food stamp benefits.

Table 4. Ohio Investigative Unit Statistics by Category, CY 2020	
SNAP Fraud (Food Stamps)	
Investigations completed	73
Investigations initiated	81
SNAP-related arrests	36
SNAP-related criminal charges	55
Administrative citations issued	38
Total seized in food stamp fraud investigations	\$10,991

³ Maine General Assembly Budget Hearing, 1/27/2021, <https://youtu.be/YlIfxfZ4Z0?t=21092>



In the 2020 Legislative Budget Office, Redbook Analysis of Executive Budget Proposal for the Ohio Department of Public Safety, page 26, table 5, reported the results of the unit's 2020 Food Stamp Fraud enforcement activities. The SNAP Fraud Unit completed 73 investigations, initiated 36 SNAP-related arrests, made 55 SNAP-related criminal charges, and issued 38 administrative citations. In total, the unit seized \$10,991.00 through SNAP fraud investigations. **These efforts cost \$127.37 in taxpayer monies for every \$1.00 recovered in food stamp fraud.**

I urge this committee to request testimony from the ODJFS and DSP investigation units so you can receive additional information about their processes and findings.

Moreover:

- Trafficking is at a record low in the program and often involves an unscrupulous retailer who is unlikely to be deterred by a photo on the EBT card.
- States have more effective options to improve program integrity, including procedures for excessive replacement EBT cards, and EBT transaction monitoring.
- A photo EBT requirement would be costly to administer. Photo equipment must be readily accessible for all participants and EBT vendor contracts must be revised. Several states considering this policy abandoned it after comparing the costs and benefits.
- Requiring Photo ID would harm seniors and persons with disabilities.

In addition, States seeking to require photos on EBT cards face extensive requirements and new responsibilities including seeking and receiving federal approval. Due, in part, to the challenges in implementing a photo EBT requirement, Food and Nutrition Services issued new regulations (7 CFR 274.8(f)) in December 2016 that impose clear and comprehensive requirements on states seeking to require photos on EBT cards. Implementation of the new requirement will involve added responsibilities for staff at state agencies and extensive oversight by FNS. For example, state agencies will be required to inform and train all retailers about the implementation of the new requirement. In addition, if a photo EBT is required, the state agency will need to ensure that children, people with disabilities, seniors, homeless households, and victims of domestic violence are all exempted from the new requirement.

The USDA SNAP Quality Control (QC) Error Rate Is Not Fraud

Information about State Quality Control Error rates are often misunderstood and vastly misrepresented. USDA evaluates each State's management of SNAP Payment Error Rate to measure how accurately states determine eligibility and benefit amounts – **it does not reflect the prevalence of fraud.**

The vast majority of improper payments are due to unintentional errors.

An improper payment in SNAP can occur for any of the following reasons:

- Incorrect amounts (lower or higher) paid to an eligible client
- Payments made to a client incorrectly determined as eligible

- Payments for which insufficient or no documentation was found

What Causes Improper Payments in SNAP?

60 percent of improper payments are a result of State/County Agency Errors and are caused by administrative or process errors such as failure to verify or act upon data matches. If SB 17 were to be enacted, Ohio will likely experience a significant increase in its QC error rates. Why? The more information that is collected and not acted upon, or that is acted upon incorrectly, will vastly increase the QC error rate and has been historically documented. *It is highly likely that Ohio's error rate is due to the implementation of the state's Ohio Benefits system that has been extremely problematic.* In FFY 2019, Ohio's Quality Control Error rates were 6.56% over issuance and 1.48% under issuance for a combined rate of 8.04%.

The USDA SNAP Quality Control process is a comprehensive 4 step process, including:

1. State Review: Each month state agencies randomly select a sample of households participating in SNAP in their state—a total of about 50,000 cases nationwide a year—to confirm whether the household is eligible and received the correct amount of benefits. This review includes an interview and a detailed examination of household circumstances.
2. Federal Re-Reviews: Federal SNAP staff select a sub-sample of each state's reviews—about 25,000 cases—for re-review to verify the accuracy of the states' findings.
3. Corrections: Errors are corrected—overpayments must be paid back to the state and the state must reimburse participants for underpayments—so each household gets exactly the amount for which they were eligible.
4. Analysis: Federal SNAP staff analyze the data, taking into consideration the size of a state's caseload and other variables, to establish national and state error rates.

QC errors results when the state:

- Certifies someone who is not eligible, or
- Calculates the benefit amount incorrectly such that the individual receives too much or too little benefits.

The QC system is not a measure of fraud.

We must do all we can to combat fraud of any type. However, as an advocate for Ohio's most vulnerable populations, I believe that SB 17 has room for improvement. Not only does the bill lack evidence of its effectiveness, it also lacks transparency in relation to the actual cost our state agencies will have to shoulder with its implementation. While this bill is purported to “deter and detect crime,” in all actuality, SB 17 will not be a deterrent for fraudulent activity when those who are willing to engage in trafficking are in collusion, and thus complicit, in this crime. What it will do is deter hungry low-income families from applying for and maintaining the benefits they are eligible to receive.

To that end, my question to you is, how will the state of Ohio safeguard SNAP participants from selective scrutiny and/or discrimination? From loss of benefits through deactivation? From stigma and embarrassment? From health issues brought about by hunger? And are Ohio courts prepared for an onslaught of civil rights litigation?

I ask that you reject SB 17. If this committee remains concerned about fraudulent activity, despite what I have already outlined, I recommend to this committee that you instead invest the tens of millions of dollars over the biennium, funds which SB 17 is projected to cost, to

evaluate and provide additional support, if required, to the Ohio Department of Job and Family Services, the County Department of Job and Family Services and the Ohio Investigative Unit to support additional staff who can spend time focusing on providers and retailers where the fraudulent activity is likely occurring.

I want to leave you with this: SNAP has the lowest documented fraud rate of all publicly funded programs, its benefits are well targeted, it serves the poorest of the poor, and it is the first line of defense against hunger in our great state.

Thank you, and I'll be glad to take any questions you may have.

Respectively submitted,
Lisa Hamler-Fugitt,
100 East Broad Street, Suite 501
Columbus, Ohio 43215
614/221-4336 ext. 222
614/271-4803 cell
Lisa@ohiofoodbanks.org



Inside the shadowy think tank pushing to kick 3.1 million people off food stamps

The increasingly influential Foundation for Government Accountability is mixing sketchy research with legislative leverage — and it's working.

By Jared Bennett / Center for Public Integrity | Sep 4, 2019, 8:00am EDT



An activist protests cuts to the Supplemental Nutrition Assistance Program (SNAP) proposed in the US Farm Bill on May 7, 2018. | Sarah Silbiger/CQ Roll Call

In December, the Foundation for Government Accountability hosted public officials from across the country in Orlando, Florida. The scene: **Walt Disney World's Swan and Dolphin Resort**, an ocean-themed oasis with palatial fountains next to a lake lined with palm trees.

The FGA, a right-leaning think tank based in Naples, Florida, paid travel and lodging expenses for many of the conservative leaders in attendance, including **Kentucky Gov. Matt Bevin** and **three White House aides**.

Guests heard presentations such as "Stop the Scam: The Reality of Food Stamp Fraud." Between sessions, the foundation treated attendees to catered desserts and a fireworks display from a **terrace** featuring a faux Eiffel Tower overlooking the Epcot World Showcase

Lagoon, according to **invitations** obtained by the Center for Public Integrity through open-records requests.

The FGA aimed to send decision-makers back to their respective states, or the nation's capital, with fresh zeal to restrict access to public assistance programs designed for low-income people, including Medicaid and the Supplemental Nutrition Assistance Program, or SNAP, formerly known as the Food Stamp Program. The association even provided road maps for achieving this goal in the form of model legislation — suggested wording for laws and regulations that could serve as a template for like-minded policymakers.

While the public officials were being pampered in Florida, **hundreds of thousands** of people on the SNAP rolls in West Virginia were wondering how they would feed their families. A month after the FGA's Disney gala, dozens of them gathered in a hallway at the First Presbyterian Church in Charleston, the state capital, to wait in line for their allotment at the food pantry hosted there so they could supplement their SNAP budgets — at most \$192 per month for a single person.

Some, like Kevin Bass, a 58-year-old veteran with disabilities, were at the food pantry for the first time. Bass said his SNAP payments recently had been lowered to \$34 because his wife had gotten a part-time job. Her income didn't go very far, Bass said; hence his place in the line.

"I had to humble myself and come here to the pantry to survive," he said in a voice made hoarse by years of welding.

Anxious conversation at the church that day revolved around the partial shutdown of the federal government that was entering its fourth week — and the prospect that SNAP funding would dry up within a month if the shutdown weren't resolved. Caseworkers told some of those waiting they should be prepared to make their next SNAP installment, **due at the end of January**, last through April. A woman in line offered a cheap but questionable alternative to baby formula made from powdered milk and eggs.

All of this led Bass to a difficult conclusion: Politicians in West Virginia and Washington, DC, didn't seem to care about people like him. "Everybody is just trying to get over on everybody else," he said.

The government shutdown **ended in late January**, and SNAP payments continued for most people. But thousands are still without SNAP in West Virginia and other states, in

part because of policies advocated by the FGA.



Kevin Bass at a food pantry hosted by the First Presbyterian Church in Charleston, West Virginia. Such pantries are reporting more visitors since the state installed new work requirements for food assistance. | Jared Bennett/Center for Public Integrity

The FGA has a growing influence over legislation

FGA president and CEO Tarren Bragdon said in an email to the **Center for Public Integrity** that the group is “focused on policy changes that protect resources for the truly needy and put millions of Americans on the path to achieving the American Dream.”

The FGA and its 501(c)(4) nonprofit lobbying wing, the Opportunity Solutions Project, advocate for a variety of policy proposals, from **reforming licensing requirements** for workers set by state and local governments, to installing work requirements for **Medicaid** and **blocking that program’s expansion** under the Affordable Care Act, also known as Obamacare.

Since its founding in 2011, **the FGA** has attracted a pool of benefactors — mostly wealthy people whose identities are kept secret and conservative foundations. In 2017, the most recent year for which tax records are available, its **budget exceeded \$5.9 million**. It typically spends its money on well-connected lobbyists, research of dubious quality, prewritten legislation, and trips to Florida for public officials who oversee government assistance programs for some of the nation’s most vulnerable people.

Several states — including Kansas, **Mississippi**, West Virginia, and Kentucky — have implemented one of the FGA's signature proposals: work requirements for SNAP recipients. The FGA is positioned to build on that success at the federal level: It **lobbied Congress** through the Opportunity Solutions Project to include work requirements for SNAP in the 2018 farm bill; the requirements made it into the US House of Representatives version but didn't pass the Senate.

The Trump administration's **2020 budget**, introduced in March, embraces the same concept.

Amy Jo Hutchison, an organizer for Our Children Our Future, an advocacy group fighting child poverty in West Virginia, finds it all discouraging and infuriating.

"It's easy to sit on the outside and think, 'Why don't people just get jobs?' But it's not that simple," said Hutchison, a SNAP recipient herself until last year.

She was among dozens of people who traveled from West Virginia to Washington in July 2018 to urge Congress to reject the work requirements proposed as part of that year's farm bill. The contingent met with West Virginia's congressional delegation and placed notes on the office door of the FGA's **2018 lawmaker of the year, Rep. Mike Conaway (R-TX)**. Conaway was then the chair of the House Agriculture Committee, which oversees SNAP, and is now the committee's ranking Republican member.

They were able to stave off the federal proposal. But work requirements will be in place for all of West Virginia by 2022 because of FGA-backed legislation carried by Republicans. For Hutchison, it was just one more skirmish in a larger, conservative-led crusade against poor people.

"You win in one direction," she said, "and they pull the rug out from the other side."

The US Department of Agriculture calls SNAP "the largest program in the domestic hunger safety net." In 2018, SNAP **served an average of 40 million people a month**, at an annual cost of \$64 billion.

Research by the Ohio Association of Food Banks found that many SNAP recipients have serious impediments to work, such as undiagnosed disabilities, said Lisa Hamler-Fugitt, the group's executive director. She said as much in testimony this year before the Ohio Legislature and the **US House**. But she felt some lawmakers tuned her out.

“I can’t fly them to Disney,” Hamler-Fugitt said. “All I can do is take them to a food pantry in their district so they can see who’s hungry, but they don’t seem interested.”

On July 23, the Trump administration **announced** it was pursuing another FGA-backed proposal, closing what an **FGA policy report** calls an administrative “loophole” that allows states to enroll people in SNAP if they make use of another public assistance program.

The Obama administration had encouraged states to use this arrangement to reduce duplicative paperwork and extend SNAP to people who would otherwise be ineligible due to the program’s strict income limits. Ending this policy, as the FGA suggests, would kick an estimated **3.1 million people** off SNAP. The Department of Agriculture is accepting public comments on the proposed rule until **September 23**.



Maine Gov. Paul LePage speaks at a press conference to introduce The Welfare Reform for Increased Security and Employment (RISE) Act. | Brianna Soukup/Portland Press Herald via Getty Images

Must work for food

FGA president Tarren Bragdon was the CEO of the Maine Heritage Policy Center, a free market think tank, and a former state legislator when Republican Paul LePage was elected governor of Maine in 2010.

Bragdon served as chair of LePage’s **gubernatorial transition** and helped LePage build a team that remade the state’s welfare system by installing work requirements and

otherwise restricting access to SNAP and other programs.

Soon, Bragdon decamped to warmer climes. He **told reporters** he moved to Florida in 2011 to be close to wealthy denizens of Naples, a city on Florida's west coast with reliably conservative residents, like former Florida governor and current US Sen. Rick Scott.

As a 501(c)(3) charitable nonprofit, the FGA is not required to disclose the identities of its donors. However, tax documents for 2011 from the State Policy Network, a group of conservative nonprofits, show that the network provided \$60,000 in seed money to the FGA. The network has received financial support from the Charles Koch Foundation, the Charles Koch Institute, and the DeVos family, whose fortune came from the Amway multilevel marketing company and whose most prominent member is US Secretary of Education Betsy DeVos.

The State Policy Network gave the FGA \$160,000 total from 2012 to 2013, according to tax records. States began reinstating SNAP work requirements around the same time.

Ever since Congress passed welfare reform in 1996, people who can't qualify for federal disability benefits and have no young children at home are limited to three months of SNAP benefits — if they don't report working an average of 20 hours per week.

The requirements proved contentious from the start. President Bill Clinton **objected to their inclusion** even as he signed the welfare legislation into law. Clinton said at the time that the three-month limit “fails to provide Food Stamp support to childless adults who want to work but cannot find a job or are not given the opportunity to participate in a work program.” The Department of Agriculture did allow states to request waivers exempting areas with unemployment rates above 10 percent or a **“lack of sufficient jobs.”**

Every state but Delaware took advantage of the waivers after the 2008 financial crisis, and SNAP enrollment climbed until 2013. But many of those waivers **expired in 2016**, and SNAP enrollment has declined ever since.

The FGA argues that eliminating the waivers and requiring SNAP recipients to work will help get people off welfare and back into the workforce. But the effectiveness of work requirements is fiercely debated. Evan Weissman, an assistant professor of food studies at Syracuse University, calls them “draconian policies that have never been proven to be an effective strategy to encourage people to get jobs.”

Weissman said the economic recovery has been uneven, and while national unemployment numbers are low, some local economies are still floundering. Many of the people impacted by SNAP work requirements are working already, he said, but in unstable jobs that don't guarantee the 20 hours a week needed to comply with the law.

States began experimenting with SNAP work requirements after a conservative wave hit state capitals in 2010; Maine and Kansas were among the first. Kansas's Republican Gov. Sam Brownback installed the requirements in **2013**. Two years later, legislators codified them and other Brownback-endorsed welfare reforms with the passage of the Kansas **Hope, Opportunity, and Prosperity for Everyone (HOPE) Act** and later, the **HOPE Act 2.0**.

The FGA offered written testimony in support of the legislation. It then began pushing its own version of the act as model legislation nationwide. **Among the main planks:**

- Restricting states' ability to seek waivers from SNAP work rules
- Requiring more stringent screening of SNAP applicants and closer scrutiny of eligibility for Medicaid and SNAP recipients
- Empowering states to hire third-party contractors to help ferret out fraud in those programs

To support the proposal, the FGA produced research from states such as Kansas that had implemented SNAP work requirements. The research materials, illustrated with stock images and generalized accounts of people who left SNAP for gainful employment, assert that such requirements are good for both state welfare budgets and SNAP recipients. They cite a 75 percent drop in the number of able-bodied adults on SNAP in Kansas, and say people who found jobs after being removed from the rolls **reported average income growth of 127 percent**.

But those findings have been challenged by conservative and liberal policy experts alike.

The Center on Budget and Policy Priorities, a left-of-center group, **said** the FGA reports "misrepresent or omit data" and that people were leaving SNAP on their own, thanks to an improving economy. The center's analysis of the same Kansas data parsed by the FGA concluded that most who are jettisoned from SNAP remain low-income.

Peter Germanis, a conservative welfare reform expert who worked for the Ronald Reagan and George H.W. Bush administrations, calls the FGA's work "dangerous."

“Nobody who’s serious about public policy really takes them seriously,” Germanis told Public Integrity in a phone interview. “But politicians seem to love them because [the FGA] tells them what they want to hear.”

A **recent working paper** from the USDA’s Economic Research Service found evidence that work requirements in states like Kansas reduce participation in SNAP but don’t seem to lead people toward employment. The unpublished paper, not yet peer-reviewed, found evidence that the policy is especially hard on people who live in areas of high unemployment or lack a high school diploma.

In Kansas, provisions of the HOPE Act have been especially hard on children. **New research** by Donna Ginther of University of Kansas and Michelle Johnson-Motoyama of Ohio State University found, for example, that the law’s limitations on cash payments through the Temporary Assistance for Needy Families program led to thousands of children becoming wards of the state. A **legislative task force** in 2017 investigated Kansas’s foster care system after several children under the program’s supervision died. The task force’s final report, released this year, recommended that the state “fully fund, strengthen and expand safety net” programs.

Kansas’s new governor, Democrat Laura Kelly, sat on the task force as a legislator and is **working to undo** much of the HOPE Act. “The governor has promised Kansans she’ll work with the Legislature to reform the destructive Brownback-Colyer HOPE Act to remove the parts that damage our communities,” Kelly’s press secretary, Lauren Fitzgerald, said in an emailed statement to Public Integrity.

At the same time, donations to the FGA are climbing. Tax documents show the FGA in recent years has received contributions from **Donors Trust**, described by Mother Jones as the “**the dark-money ATM of the conservative movement**”; the **Donors Capital Fund**; and the Wisconsin-based Lynde and Harry Bradley Foundation, which **advocates for limited government**.

Tax documents from the Virginia-based Wellspring Committee, a nonprofit that donates heavily to conservative causes, show **\$350,000 in grants** to FGA Action — parent of the Opportunity Solutions Project — in 2017. All told, the FGA took in \$6.6 million that year, **records show**.

Grinding from the ground up

The FGA's influence appears to be growing. The **FGA** and the Opportunity Solutions Project **hired lobbyists in 13 states** in 2017, according to data gathered by the National Institute on Money in Politics. Among them: Florida, Kentucky, and Wisconsin.

The FGA's 2017 **annual report** says more than 85 legislators and 15 state executive branch officials attended the group's Solutions Summit that year at the Hyatt Regency Coconut Point Resort and Spa in Naples, Florida.

Ed Gaunch attended one such conference when he was a state senator in West Virginia, he said in an FGA promotional video. Gaunch later introduced **legislation** modeled on the HOPE Act that included work requirements for SNAP.

"Working with FGA is really very easy," Gaunch, now West Virginia's commerce secretary, said in the **video**. "I just wish they could handle every aspect of what I do in state government."

Gaunch, who declined through a spokesperson to comment, said his bill would preserve resources for the truly needy. But a **coalition of grassroots groups disagreed**, arguing the measure would harm West Virginians by taking already meager nutrition assistance away from them without offering meaningful help finding jobs.

Before Gaunch's 2017 bill could become law, it had to get through Betty Rivard, a bespectacled 74-year-old who knows her way around West Virginia's capital thanks to a career with the state's Department of Health and Human Resources, which administers SNAP.

Rivard retired in 1999 but was "freaked out" by Gaunch's bill when she read about it in the Charleston Gazette-Mail. Gaunch and West Virginia's Republican leadership were selling the bill as a mere tweak to the state's welfare system, but Rivard believed the consequences would be devastating.

She sat down with Gaunch in his office at the state Capitol. Gaunch, she said, showed her policy statements in support of his bill — on FGA letterhead.

The state already had begun implementing some of the FGA's policies in a nine-county pilot program to test SNAP reform in places that appeared to be economically stable. The **Department of Health and Human Resources said in written testimony** in 2017 that the

program removed more than 5,000 people from the SNAP rolls but had a negligible effect on their finding employment.

Cabell County, with an unemployment rate of 4.6 percent, is one of West Virginia's pilot locations. Employment numbers in the county are propped up by the presence of Marshall University in Huntington, the second-largest city in West Virginia. But some residents are struggling.

The Facing Hunger Food Bank in Cabell saw a 30 percent increase in visitors after the SNAP reform experiment began. Cynthia Kirkhart, the food bank's executive director, said many politicians who are in favor of work requirements misunderstand the nature of poverty. Many of her clients live in isolated pockets of Appalachia without reliable transportation, Kirkhart said. Some may be functionally illiterate or have no access to job retraining programs.

"There's always an assumption that people are making bad choices or just don't want to work," Kirkhart said. "I just don't see that." In fact, state hearing records show that some West Virginians were kicked off SNAP — accused of not meeting work requirements — for spurious reasons. Some **misunderstood the forms**, for example; in other cases, required notices were **sent to the wrong addresses**.

SNAP helps low-income West Virginians buy groceries on their own instead of relying on food banks or going hungry. While helpful, the benefits are modest. The CBPP calculates that the average West Virginian in the program gets **\$1.29 in aid per meal**.

There's evidence that SNAP is a net positive for West Virginia's economy. Economists at Moody's Analytics estimated that every \$1 in SNAP payments generates **\$1.70 in economic activity** by putting money into the hands of local businesses.

In **testimony**, the Department of Health and Human Resources estimated that Gaunch's FGA-backed bill in 2017 would have resulted in about \$17 million "fewer federal SNAP dollars circulating through the West Virginia economy."

When a new version of the legislation **resurfaced in 2018**, this time sponsored by Republican state Del. Tom Fast, it was met with furious grassroots resistance. Betty Rivard hand-delivered the health department's testimony to lawmakers under the Capitol's golden dome. Dozens of West Virginians voiced their opposition at a public hearing.

Only two people spoke in favor of the bill: lobbyist Juliet Terry, who represents the Opportunity Solutions Project as well as the Coal Association of West Virginia and other business interests — and a representative of the West Virginia Chamber of Commerce.

Still, modified versions of the bill passed by a **three-to-one** margin in the West Virginia House and a **two-to-one** margin in the Senate. West Virginia's Republican Gov. Jim Justice, a billionaire developer and the state's wealthiest individual, signed it into law in March 2018 **without issuing a press release.**

The state is implementing SNAP work requirements county by county until October 2022. As of the end of 2018, at least 8,300 people in 18 counties had lost access to the program, according to the Department of Health and Human Resources. The state did not provide 2019 data.



The Capitol building in Charleston, West Virginia. | Michael S. Williamson/Washington Post via Getty Images

“The right thing to do” in Kentucky

Kentucky has removed more than 21,400 people from SNAP for failing to meet work requirements — the product of executive action by Republican Gov. Matt Bevin's administration in 2018 — according to state data.

For this initiative and others, Bevin was named the FGA's 2018 **Governor of the Year**. The group flew Bevin to Orlando to accept the award at its annual conference in December,

reimbursing the state of Kentucky more than **\$5,300 for the trip**.

Woody Maglinger, a deputy communications director for Bevin, said the FGA provides “useful technical assistance on a wide array of policy matters” but that changes to SNAP work requirements were “driven by the administration” Bevin leads.

The requirements are now enforced for all but **eight** of Kentucky’s counties, which were exempted because they are involved in a federal job-training initiative.

Jason Dunn, Kentucky’s SNAP director until 2017, felt much of the state was not ready for the work rules and was reluctant to subject parts of Kentucky to them. There are 120 counties in the state, and more than half still have unemployment rates high enough to qualify for exemptions from SNAP work requirements under federal rules.

“It was clear that enforcing a work reporting requirement in counties with high unemployment and limited job opportunities, with no real supports, would lead to thousands without SNAP benefits,” said Dunn, now a policy analyst for Kentucky Voices for Health, an advocacy group focused on poverty and other underlying detriments to health. “These reporting requirements further fray the social safety net and lead to increased hunger and food insecurity.”

Doug Hogan, a spokesperson for Kentucky’s Cabinet for Health and Family Services, said in an emailed statement that the work requirements simply reflect “congressional intent of the mid-’90s welfare reform.” It’s “the right thing to do” at a time of low unemployment and labor shortages, Hogan said.

The Bevin administration consults the FGA on personnel as well as policy. The FGA maintains a “talent bank” to connect governors and federal agencies with like-minded staff **the group describes** as “passionate about ending the cycle of government dependency.”

According to emails obtained by Public Integrity through records requests, Bevin staffers tapped into the FGA’s candidate pool for potential hires in 2018, eventually naming **David Wu**, a former high-ranking Illinois state official, as director of business innovations and process improvements at the Kentucky **Cabinet for Health and Family Services**.

“We reach out to a variety of sources to identify talent for consideration for appointed positions, and the FGA’s talent bank has been one such source,” Maglinger, Bevins’s spokesperson, said.

The people on the receiving end of the new SNAP policies rarely have advocates at the statehouse. Work requirements tend to disproportionately affect people grappling with addiction or undiagnosed mental illness, who don't necessarily elicit sympathy from lawmakers.

They are people such as Machel Thornton of Lexington, Kentucky, who lost her SNAP benefits earlier this year for failing to meet work requirements.

Thornton, 45, is still struggling with the trauma of a beating — delivered by a man with whom she was living, according to **court records** — that she says crushed the roof of her mouth and knocked out all her top front teeth. She said her assailant choked her into unconsciousness.

"I have PTSD and social anxiety," Thornton said. "And because I've had issues with that and cannot work, they kicked me off [SNAP]."

Another FGA initiative adopted in Kentucky requiring SNAP recipients to work with child support services if they owe or are owed money in child support payments "can reduce childhood poverty and make it more likely that families will leave welfare," the group says. In Kentucky, that means denying SNAP assistance to those who owe more than \$500 in child support.

The policy doesn't seem fair to Jennifer Wallace, who lives in Pendleton County, Kentucky. After a long battle with addiction and recovery, Wallace, 32, and her husband are on installment plans to pay more than \$20,000 in back child support to her mother-in-law, with whom the Wallaces' children live.

Since January, the Wallaces have gone without \$353 a month in SNAP benefits. Jennifer Wallace had to turn to a local charity to pay a \$44 electric bill. A \$3 Tony's frozen pizza qualifies as a weekend treat for the kids. Most of the time, "my refrigerator is completely empty," she said. "My cabinets are almost there."

Meanwhile, the movement to restrict government benefits such as SNAP continues to gain steam.

In May, for example, the US Department of Agriculture **published a memorandum** to state agencies that oversee SNAP, encouraging more states to adopt the child support policy.

“Increasing the number of states that implement child support cooperation requirements will benefit families, help non-custodial parents assume responsibility for the well-being and stability of their children, and provide more children with the support they deserve,” Secretary of Agriculture Sonny Perdue said in a statement.

The FGA was ready that same day to **issue a press release** with praise for the Trump administration’s “bold steps,” complete with links to the group’s research.

The Center for Public Integrity is a nonprofit investigative news organization in Washington, DC. Marisa Kwiatkowski of USA Today contributed to this report.

FACT SHEET: SNAP PAYMENT ERROR RATE

The Supplemental Nutrition Assistance Program (SNAP) quality control (QC) system measures payment error, or improper payments. Improper payments are overpayments and underpayments to SNAP participants that occur when the state:

- Certifies someone who is not eligible, or
- Calculates the benefit amount incorrectly such that the individual receives too much or too little benefits.

The QC system is **not** a measure of fraud.

THE SNAP QC PROCESS CONSISTS OF FOUR STEPS:

- 1 State Review:** Each month state agencies randomly select a sample of households participating in SNAP in their state—a total of about 50,000 cases nationwide a year—to confirm whether the household is eligible and received the correct amount of benefits. This review includes an interview and a detailed examination of household circumstances.
- 2 Federal Re-Reviews:** Federal SNAP staff select a sub-sample of each state’s reviews—about 25,000 cases—for re-review to verify the accuracy of the states’ findings.
- 3 Corrections:** Errors are corrected—overpayments must be paid back to the state and the state must reimburse participants for underpayments—so each household gets exactly the amount for which they were eligible.
- 4 Analysis:** Federal SNAP staff analyze the data, taking into consideration the size of a state’s caseload and other variables, to establish national and state error rates.

DATA INTEGRITY

In 2014, USDA identified concerns with the quality of the data. USDA suspended error rate reporting for fiscal years (FY) 2015 and 2016 to complete a thorough review of quality control systems in all 50 states, D.C., Virgin Islands and Guam. Through that review, USDA found data integrity issues that required corrective action in 42 states.

USDA has developed new controls to prevent any recurrence of statistical bias in the QC system, including a new management evaluation process to examine state quality control procedures on a regular basis. USDA also required states to take corrective actions to address the root cause of their improper payment issues.

The FY2017 SNAP payment error rate of 6.3% percent, announced in June 2018, is the result of this improved reporting process. It is higher than the previous rate announced in 2015, but it is more accurate and will ensure decisions can be made based on sound data and taxpayer dollars are invested wisely.

USDA is committed to accuracy and transparency. We will continue to collaborate with our state and Congressional partners to identify ways to expand and improve integrity in the delivery of this and other critical nutrition assistance benefits.

<https://www.newscentermaine.com/article/news/local/maine-ends-use-of-photos-on-ebt-cards-effective-immediately/97-2d70d60f-c62e-46b3-92b6-c70cc36a7050>

LOCAL

Maine ends use of photos on EBT cards, effective immediately

Through a program adopted by the state in 2014, Mainers under the Supplemental Nutrition Assistance Program (SNAP) could choose to have their picture placed on their EBT card.



Credit: NCM

FILE

Author: Chloe Teboe (NEWS CENTER Maine)

Published: 8:32 PM EDT April 26, 2019

Updated: 8:32 PM EDT April 26, 2019

AUGUSTA, Maine — Mainers will no longer have the option of including a picture on their Electronic Benefit Transfer cards.

The Maine Department of Health and Human Services announced on Friday, April 26 that it has discontinued the photo EBT program, effective immediately.

Through a program adopted by the state in 2014, Mainers under the Supplemental Nutrition Assistance Program (SNAP) could choose to have their picture placed on their EBT card.

RELATED: [DHHS will put photos on EBT cards throughout the state](#)

RELATED: [State health officials begin taking photos for EBT cards](#)

But the DHHS says that the policy sometimes led to children and seniors being wrongly denied grocery purchases, since they were not pictured on the cards, which are issued to households -- not just individuals.

The DHHS said that there is "no conclusive evidence" that the use of photo EBT cards decreases fraud, citing this as a reason for the discontinuation of the program.

As of December 2018, about 20 percent of current Mainers on the SNAP program, or 19,140 people, had photo EBT cards.

People will still be able to use their photo EBT cards, but there will no longer be an option to request a photo EBT card moving forward.

