

HF 3 would make it difficult for struggling families to learn, work and thrive

HF 3 would undermine the integrity of Iowa's SNAP and Medicaid programs and create burdens on low-income Iowans. The bill would kick eligible people off these critical supports that help them put food on the table and get the health care they need by putting up unnecessary red tape and creating more cracks for families to fall through when seeking assistance.

Iowa lawmakers should oppose HF 3.

Why cutting SNAP is such a short-sighted idea

- **SNAP plays a central role in fighting hunger.** In November 2022, 12% of Iowa households with children reported that the children sometimes or often were not eating enough because the household could not afford enough food.¹ Nearly 70% of SNAP participants live in families with children:² There's simply no way to make the kinds of SNAP cuts proposed in this bill without harming children.
- **SNAP helps families fill the gap between what they earn and what it takes to get by.** Over 100,000 Iowa families with at least one full-time worker can't meet even a bare-bones budget on wages alone. A single parent with one child, for example, needs to make \$21.16 an hour to meet their basic needs.³ The wages needed for any family to meet basic needs are far above the state's minimum wage — and for some families above the state's median wage.
- **SNAP promotes good health,** especially among children: SNAP participation is linked with better physical health, fewer missed school days, improved academic achievement and decreased developmental risk.⁴ The program works to improve child development and educational attainment and helps to prevent disease and increase lifetime earnings of recipients.⁵
- **SNAP benefits don't impact the state budget and state SNAP administrative costs have been stable.** The program is funded 100% with federal funds. The state and the federal governments split the administrative costs, which have remained largely stable over time.
- **Double Up Food Bucks supports health and nutrition in SNAP households.** The punitive language to only allow access to funding reliant upon the actions of the federal government speaks volumes. This is not about what is best to help lift people out of poverty, it is a simple game of "children in the middle." The only ones who stand to lose are hungry Iowa children.

This bill would cut people off SNAP in several ways:

- **It would implement asset testing** that penalizes Iowa households for having meager savings or more than one vehicle. Asset testing raises state administrative costs and limits a family's ability to get ahead. Policies like this don't lift people out of poverty, they keep them in it.

- **It would institute redundant eligibility verification.** There is already a process in place for identity and income verification when applying for SNAP in Iowa. New duplicative requirements would snare people who are eligible but struggle to manage required paperwork. The state would need to hire many more FTEs to administer extra eligibility verifications. This means we would be spending millions of state dollars to pull federal dollars out of local Iowa grocery stores.
- **It would require custodial parents to cooperate with child support enforcement. Such a move** would take food away from children, and potentially threaten family safety and well-being. There is also little evidence to suggest it would work. North Carolina, which implemented a similar pilot program, found it to be highly inefficient. It cost \$2 million to implement, but only led to a total of about \$7,000 in child support payments to 12 families over a year, or only about \$50 a month.⁶

It would also cut people off Medicaid

Having health insurance through Medicaid helps Iowans stay healthy so they can go to work, pay the bills and care for their families. And that helps our communities and economy thrive. HF 3 would make it harder for Iowans to get access to treatments they need to continue working and supporting their families by implementing burdensome work reporting requirements.

- **A study on work reporting requirements showed that the requirements were not effective at connecting people with living-wage work and affordable health coverage.**⁷ Another study found the main impact of work requirements is not securing better jobs, but worse health outcomes, less access to care and more financial insecurity.⁸
- **Imposing new requirements for Medicaid would complicate health-care access for low-wage workers, veterans, older Iowans and Iowans with disabilities,** including people who should be exempt from reporting, but face obstacles in documentation and verification. Workers with variable hours, particularly in food service, retail, and seasonal jobs, could face similar issues.
- **When people who lose Medicaid coverage and become uninsured do get medical care, costs are passed on to everyone** else in the form of uncompensated care and higher insurance premiums. One big win as low-income Iowa adults gained access to Medicaid thanks to our 2013 expansion was a \$142 million drop in uncompensated care by Iowa hospitals between 2013 to 2015.⁹ Taking away coverage will reverse some of those gains.
- **Many working Medicaid enrollees work full time** — often in needed fields like child care, home health care, retail and food service — but their low annual wages still qualify them for Medicaid.¹⁰ Rural communities, where wages tend to be lower, rely heavily on Medicaid; disenrollment could harm rural hospitals and restrict access to care for entire communities.

All in all, House File 3 sends a clear message to Iowans: our lawmakers don't care whether we have enough to eat or health care, and they would like to spend money to take food away from children, workers and elder Iowans.

To learn more about SNAP and food security, contact policy advocate Natalie Veldhouse at nveldhouse@commonnoodiowa.org or visit www.commongoodiowa.org.

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- ¹ Population Reference Bureau Analysis of the U.S. Census Bureau Household Pulse Survey, November 2022, accessed at the Kids Count Data Center, <https://datacenter.kidscount.org>.
 - ² CBPP fact sheet https://www.cbpp.org/sites/default/files/atoms/files/snap_factsheet_iowa.pdf
 - ³ Peter Fisher and Natalie Veldhouse, "The Cost of Living in Iowa 2022: Many households working hard, but barely scraping by." April 2022. Common Good Iowa. https://www.commongoodiowa.org/media/cms/220427_Cost_of_Living_2022_FINAL_E5F2092545A1E.pdf
 - ⁴ Center for Science in the Public Interest, "The Public Health Impact of SNAP." March 2022. https://www.cspinet.org/sites/default/files/2022-03/The_Public_Health_Impact_of_SNAP.pdf
 - ⁵ Feeding America, "Child Food Insecurity: The Economic Impact on our Nation." 2009. <https://www.nokidhungry.org/sites/default/files/child-economy-study.pdf>
 - ⁶ North Carolina Department of Human Services, "Child Care Subsidy Recipients to Cooperate with Child Support Services/Demonstration Project." 1 March 2019. Accessed at https://ncchildcare.ncdhhs.gov/Portals/0/documents/pdf/S/SL_2017-57_Section_11B_7_a_Child_Care_Subsidy_Cooperation_Final.pdf?ver=2019-03-26-161758-447
 - ⁷ LaDonna Pavetti, "Work Requirements Don't Cut Poverty, Evidence Shows." June 2016. Center on Budget and Policy Priorities. <https://www.cbpp.org/research/poverty-and-inequality/work-requirements-dont-cut-poverty-evidence-shows>
 - ⁸ Hannah Katch, "Medicaid Work Requirements Will Harm Families, Including Workers." February 2018. Center on Budget and Policy Priorities. <https://www.cbpp.org/research/health/medicaid-work-requirements-will-harm-families-including-workers>
 - ⁹ Jessica Schubel and Matt Broaddus, "Uncompensated Care Costs Fell in Nearly Every State as ACA's Major Coverage Provisions Took Effect," Center on Budget and Policy Priorities, May 2018. Accessed at <https://www.cbpp.org/research/health/uncompensated-care-costs-fell-in-nearly-every-state-as-acas-major-coverage>
 - ¹⁰ Hannah Katch, "Medicaid Work Requirements Will Harm Families, Including Workers." February 2018. Center on Budget and Policy Priorities. <https://www.cbpp.org/research/health/medicaid-work-requirements-will-harm-families-including-workers>