



Lawmakers should reject HSB 508

Reimposing SNAP asset limits would raise costs and make it harder for Iowans to feed their families and get ahead

SNAP, called Food Assistance in Iowa, helps people put food on the table and get back on their feet after tough times. SNAP provides nutrition assistance to individuals and households who meet eligibility guidelines based on their household size and income.

Because most households redeem their SNAP benefits quickly in local stores, SNAP is one of the most effective forms of economic stimulus, with almost no administrative overhead. In December 2021 alone, SNAP pumped more than \$69 million dollars into Iowa economies.¹ This has a ripple effect — for every dollar spent on SNAP, \$1.50 is added to the economy.²

SNAP also plays a central role in fighting hunger at a time when the need is great. In fall 2021, 26 percent of Iowa households with children reported that the children sometimes or often were not eating enough because the household could not afford enough food.³

Iowa is among more than 40 states that uses a federal option called Broad-Based Categorical Eligibility (BBCE) to assure that low-income working families — who pay high shares of their incomes for basic needs like housing, child care and transportation — don't go hungry. BBCE gives states some flexibility in how they structure their SNAP programs.

Iowa uses BBCE to:

- Raise Iowa's SNAP gross income limit from 130% of the federal poverty level (\$36,075 for a family of four in 2022) to 160% of FPL (\$44,400 for that family of four).
- Ensure that Iowa children have nutritious meals during the school day by automatically qualifying children in households receiving SNAP for free school lunch.
- Lift the asset test so Iowa SNAP households can maintain modest savings and ensure that owning a vehicle does not count against their SNAP eligibility.

HSB 508 would reimpose the last item, asset testing, in Iowa. This is a costly, counterproductive move that would set back families and increase hunger. SNAP asset tests:

- **Raise state administrative costs.** Pennsylvania officials found in 2015 that reintroducing the SNAP asset test cost about \$3.5 million to administer before they repealed the test — the same year.⁴

- **Deny food assistance to eligible people who face barriers to completing paperwork.** Any SNAP applicant who has a checking or savings account must produce documentation, like a bank statement, to show the amount in the account. For lowans who do not have home offices, internet, or reliable transportation, this paperwork can prove difficult to procure. This poses additional barriers, particularly for lowans facing domestic violence or mental illness or those who speak English as a second language. During the first year the test was reinstated in Pennsylvania, nearly 4,000 households lost or were denied benefits due to their financial resources. But some 110,000 households were denied benefits simply because they failed to provide proper documentation.⁵
- **Limit a family's ability to advance economically and save for the future.** A recent brief from the Center on Budget said this: "Modest assets enable low-income families to avoid debt, weather unexpected financial disruptions, and better prepare to support themselves in retirement. Low-income households in states that have used the policy to raise asset limits are likelier to have a bank account and have at least \$500 in it, a recent Urban Institute study found."⁶

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

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¹ Iowa Department of Human Services, Supplemental Nutrition Assistance Program (SNAP) Report Series F-1 Report for December 2021. Accessed at <http://publications.iowa.gov/39832/1/SNAP-F1-2016%20-%202021-12.pdf>

² Patrick Canning and Rosanna Mentzer Morrison, "Quantifying the Impact of SNAP Benefits on the U.S. Economy and Jobs," USDA, Economic Research Service, 18 July 2019, Accessed at <https://www.ers.usda.gov/amber-waves/2019/july/quantifying-the-impact-of-snap-benefits-on-the-us-economy-and-jobs/>

³ Population Reference Bureau of the U.S. Census Bureau, Household Pulse Survey, 2020-2021, accessed via the Kids Count Data Center, <https://datacenter.kidscount.org>.

⁴ J.B. Wogan, "States Rethink Asset Tests for People on Food Stamps," Governing. 8 May 2015. Accessed at <https://www.governing.com/archive/gov-states-rethink-asset-test-people-food-stamps.html>

⁵ Alfred Lubrano, "Pa. to eliminate asset test for food stamps," The Philadelphia Inquirer. 21 April 2015. Accessed at https://www.inquirer.com/philly/news/politics/20150422_Pa_to_eliminate_asset_test_for_food_stamps.html

⁶ Dottie Rosenbaum, "SNAP's Broad-Based Categorical Eligibility Supports Working Families and Those Saving for the Future," Center on Budget and Policy Priorities, July 30, 2019. Accessed at <https://www.cbpp.org/research/food-assistance/snaps-broad-based-categorical-eligibility-supports-working-families-and>