

SF 494 would undermine the integrity of SNAP and Medicaid and put new burdens on low-income Iowans. The bill will erect additional administrative hurdles that will remove people from SNAP, Medicaid and Hawki – even when they’re eligible to receive benefits – and make it harder for Iowans, including children, to get enough food to eat and the health care they need.

SF 494 won’t lift people out of poverty; rather it will make it harder for them to get ahead

- There is already a robust process in place for identity and income verification when applying for assistance in Iowa. By instituting redundant eligibility verification requirements, it would snare people who are eligible but struggle to manage required paperwork because of frequent moves, limited internet access or language barriers.
- By implementing asset testing in SNAP it would penalize Iowa households for having meager savings or more than one reliable vehicle. Policies like this don’t lift people out of poverty, they keep them in it. And by increasing the paperwork burden, the asset test will kick Iowans off programs even though their assets are below the limits and create churn for Iowa HHS.
- Nearly 70% of SNAP participants live in families with children¹ and 37% of percent of Iowa children are covered by Medicaid or CHIP.² There’s simply no way to make the kinds of cuts proposed in this bill without harming children.

SF 494 makes a poor use of state resources, ramping up administrative costs in order to take federal resources out of Iowa’s economy

- The fiscal note for SF 494 found Iowa HHS would need to hire over 200 people to process extra eligibility paperwork. In the first two fiscal years following passage of SF 494, there would be no state cost savings, only expenses – to the tune of \$7.5 million – as the state hires new staff and retools IT systems.
 - In the third year, the state would save only \$200,000 – while giving up over \$23 million in federal dollars that provide benefits, overwhelmingly for Medicaid, to do so.
 - In year 4, Iowa will see net savings of about \$8 million, but will forgo almost \$47 million in federal dollars for benefits, again, overwhelmingly for Medicaid.
 - There is little state cost saving from cutting people off SNAP because SNAP benefits are funded solely with federal funds; there are only increased administrative costs.

- It will strain our state eligibility systems at a time when the state faces an enormous administrative workload “unwinding” the pandemic-era Medicaid continuous eligibility provision – a process that could lead to significant numbers of eligible lowans, especially children, losing coverage and access to care without concerted effort and attention.

SF 494 ignores the economic realities in our state: good jobs with benefits are hard to find

- Cutting people off assistance does nothing to address the real causes of hunger and poor health: low wages, wealth inequality, discrimination, a weakened safety net and attacks on worker’s rights.
 - 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, full time, to meet their basic needs.³ And we know many lower-wage jobs in our state are part time and don’t offer benefits, including health insurance.
 - 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.⁴

All in all, Senate File 494 sends a clear message to lowans: our lawmakers are willing to spend money to take food and health care away from children, workers and elder lowans.

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

¹ Center on Budget and Policy Priorities fact sheet. Accessed at https://www.cbpp.org/sites/default/files/atoms/files/snap_factsheet_iowa.pdf

² Kaiser Family Foundation, Health Insurance Coverage of Children 0-18, 2021. Accessed at <https://www.kff.org/other/state-indicator/children-0-18/?currentTimeframe=0&sortModel=%7B%22colId%22:%22Location%22,%22sort%22:%22asc%22%7D>

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 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>.