ADVOCACY IN ACTION

CHARACTER PACKET

CHAMBER OF COMMERCE LOBBYIST

INSIDE:

- Character Info/Background
- Legislation Draft: Healthy Eating, Here at Home
- SNAP Backgrounder
- Article: Are SNAP Benefits Really Too Low?
- Blog Post: Shifting from Income to Sales Taxes Won't Boost State Economies

MAZON | A Jewish Response To Hunger

CHAMBER OF COMMERCE LOBBYIST

BACKGROUND

You represent the business lobby. You are against the bill because you are worried it will draw EBT users away from grocery stores and towards farmers markets, so you will try to convince people that it is bad for the economy in general.

POSITION ON THE BILL

You are against the bill in its current form.

- You do not support Amendment 1.
- You strongly dislike Amendment 2, and may consider pulling donations or support from Senators that vote to include this amendment.
- You do not care about Amendment 3.

RELATIONSHIP TO OTHER ACTORS

- You have relationships with senators B and C, and believe that there both relatively pro-business. You have donated some money to Senator B and are a major donor for Senator C.
- You are not particularly fond of Senator A, who you believe is anti-business.
- You also have a relationship with the Conservative Policy Center as much of their research and policy recommendations benefit you.
- You have a friendly relationship with the farmers market owner since they are a business owner, though they are not a member of the chamber of commerce.

ADDITIONAL GOALS

- Use your voice / money to fight against Amendments 1 and 2. Try to make the senators worried that they will lose the support of the business community if these amendments are included.
- Try to convince the farmer's market owner that the bill will be bad for them Chamber of Commerce Lobbyist.

STATE OF CALISSOURI SENATE

Eighty-Ninth Session **S.B. No. 47**

TITLE OF BILL:

Healthy Eating, Here at Home

BE IT ENACTED BY LEGISLATURE OF THE STATE OF CALISSOURI

SECTION 1: BILL DETAILS

SNAP recipients are able to receive dollar for dollar matching vouchers for SNAP benefits they spend at farmers markets, up to $10 per week. There is no cap on the number of vouchers farmers markets may give out.

Farmers market EBT booths will have tokens that SNAP recipients may exchange for EBT dollars.

Farmers markets will keep logs of how many people use the tokens, and will apply for reimbursement at the end of each month. They may also apply for grants to advertise the voucher program and to pay for the extra administrative cost of running the program.

Only people already on SNAP can participate in this program.

The program will be run by End Hunger Now, who will be responsible for administration, outreach, and evaluation.

SECTION 2: FUNDING

The program will receive annual funding of $500,000 from the Calissouri's budget. This funding goes to a non-profit (End Hunger Now), who will run the program. The money may be spent on:

- Directly reimbursing farmers markets for vouchers.
- Advertising/outreach and administration (additional staffing, bookkeeping, etc.) grants.

The money may NOT be spent on:

- Helping farmers markets to set up booths that except EBT cards (credit cards on which SNAP money is loaded).
- Administration of farmers market EBT booths not directly related to the vouchers program.

The funding is guaranteed for two years, after which End Hunger Now and the State legislature will evaluate the program and determine if it is successful and worth continuing to fund.

SECTION 3: POTENTIAL AMENDMENTS

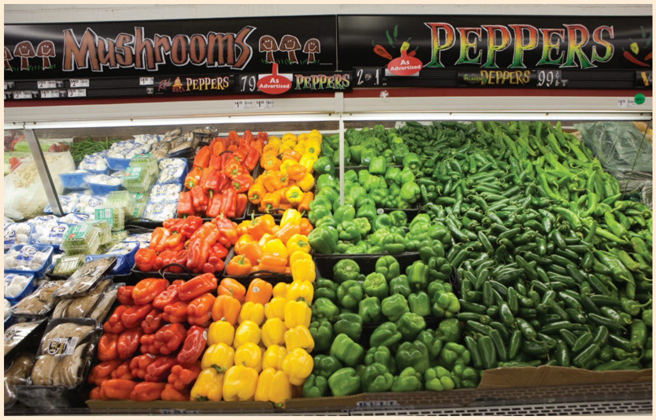
Amendment 1: Double the yearly funding, and raise the voucher amount to $25 / week.

*Amendment 2: I*nstead of a set $500,000 yearly sum, pay for the bill through 5% sales tax increase (which is calculated by the Calissouri State Budget Office to yield about the same amount of revenue).

Amendment 3: Reinstate work requirements: Unemployed adults without children may only stay on SNAP for 3 months at a time unless they find work.

SNAP BACKGROUNDER

WHAT IS SNAP?



The **Supplemental Nutrition Assistance Program** (SNAP), formerly known food stamps, is a government program that helps low income Americans to purchase healthy food. SNAP recipients receive a monthly stipend loaded onto an Electronic Benefits Transfer (EBT) card, which looks like a credit card and can be used at most grocery stores as well as some convenience stores and farmers markets.

SNAP is a federal program, but it is run by states. It is an entitlement program, meaning that any household that is eligible for the program is entitled to receive benefits, and states are not allowed to turn anybody away because they run out of money. Anybody who meets the eligibility requirements is able to access SNAP.

SNAP participants do not fit one single profile, but many of the people who benefit from SNAP are

- Working part-time or low wage jobs
- Unemployed
- Receiving welfare or other public assistance
- Elderly or disabled
- homeless

The size of the benefit depends on each family's income as well as other factors. In 2016 the average monthly benefit for a family of four was $471, which translates to $1.31 per meal per person. SNAP benefits are meant to supplement, rather than replace families' meal budgets.

ELIGIBILITY

Eligibility requirements vary by state, but in general households below 130% the federal poverty line ($31,980 per year for a family of four in 2016) are eligible to receive SNAP based on their income. Certain expenses, such as childcare payments and medical expenses, are subtracted when determining income. Households must also pass a resource test, meaning that the value of their eligible assets must be below a certain amount, which in most states is around $2250, or $3250 for households with a disabled or elderly family member. Home lot values, SSI and TANF (cash based government assistance programs) benefits, and most pension plans do not count as eligible assets.

Certain SNAP users must comply with work requirements in order to continue to receive benefits. Childless, able-bodied adults who are able to work receive SNAP for a maximum of 3 months in a 36 month period unless they (1) are working at least 20 hours a week, (2) are at least a half-time student, or (3) are enrolled in a job training program. During the Great Recession, when unemployment was high, many states obtained waivers to get rid of the work requirement. In recent years many of those states are deciding to reinstate work requirements.

Are SNAP benefits really too low?

Angela Rachidi
January 20, 2016 9:55 am | *The Hill*

Benefits are too low. At least, that's the narrative circulating in Washington when it comes to the Supplemental Nutrition Assistance Program (SNAP)—formerly known as Food Stamps. A new report (https://www.whitehouse.gov/sites/whitehouse.gov/files/documents/SNAP_report_final_nonembargo.pdf) from the President's Council of Economic Advisers at the White House incorrectly argues as much, and suggests that benefits should be increased. But before acting on this recommendation, Congress might want to take a closer look at the data that show that SNAP eliminates hunger for the overwhelming majority of American children, and leaves most recipient households with adequate food. Congress should reform SNAP, but a costly benefit increase is not the right answer.

(https://www.aei.org/wp-content/uploads/2016/01/SNAP_benefits_too_low_grocery_children_food_stamps_2020_500x293.jpg)

Twenty20 License ("https://www.twenty20.com/)

According to a US Department of Agriculture survey (http://www.ers.usda.gov/publications/err-economic-research-report/err194.aspx) on food security, only 1.1 percent of American households with children had a child who experienced hunger in 2014. Yet, the CEA report mistakenly claims that "the current level of [SNAP] benefits often cannot sustain families through the end of the month—causing children to go hungry and endangering their health, educational performance, and life chances." Little evidence suggests that low SNAP benefits contribute to child hunger. In fact, SNAP is a major reason child hunger is not a larger problem.

The CEA's claim that SNAP cannot sustain families through the end of the month also overstates the evidence. It is true that food purchases for SNAP households have been found to decline over the course of the month. But researchers Justine Hastings and Ebonya Washington suggest in their 2010 *American Economic Journal* article (https://www.aeaweb.org/articles.php?doi=10.1257/pol.2.2.142) that this is due to "short-term impatience." In other words, households respond to a large influx of cash-equivalent at the beginning of the month by spending it up-front. The authors recommend solving this problem by giving out SNAP benefits more frequently.

A study (http://aepp.oxfordjournals.org/content/early/2014/11/26/aepp.ppu039.full.pdf+html) by Jessica Todd published in 2014 in *Applied Economic Perspectives and Policy* found that a temporary increase in SNAP benefits resulting from the 2009 stimulus package increased SNAP spending later in the month. It's been suggested that this means that SNAP benefit levels were too low prior to the increase. It's possible. But it is also possible that households responded to an increase in benefits by spending more, which still doesn't tell us much about the adequacy of SNAP benefits.

The CEA report's statement that "a majority of SNAP households still reported experiencing low or very low food security in 2014" also misrepresents SNAP. Low food security (meaning an adequate, nutritious diet is not provided) could have easily occurred *before* the household started receiving SNAP benefits. Examining food security data while households were participating in the program, reveals that 66.5 percent (http://www.ers.usda.gov/media/1896824/ap069.pdf) were in fact *food secure*.

Another way to assess SNAP adequacy is to compare benefit levels to the cost of food in the thrifty food plan (USDA's assessment of an adequate diet that is used to set SNAP benefit levels). A recent study (https://appam.confex.com/appam/2015/webprogram/Paper13245.html) found "that for roughly 30 percent of households, the average cost of the [thrifty food plan] exceeds the maximum SNAP benefit." This means that 70 percent of SNAP households receive sufficient benefits to provide a diet determined adequate by USDA, which provides further evidence that SNAP is sufficient for most households.

All of this is to suggest that costly across-the-board increases in SNAP benefit levels are not needed. According to the Congressional Budget Office (https://www.cbo.gov/publication/43175) (CBO), the SNAP increase in the 2009 stimulus cost approximately $8.4 billion per year (accounting for about one-fifth of the growth in SNAP expenditures from 2009 to 2011). A 3 percent benefit increase, per the CBO, would cost an additional $2.3 billion per year.

A less costly option may be to provide different benefit levels based on local food costs, as has been suggested in a 2013 Institute of Medicine report (http://www.ncbi.nlm.nih.gov/books/NBK206903/). Allowing for larger housing cost deductions when calculating SNAP amounts should also be considered. This would increase SNAP amounts for those living in high housing costs areas, such as New York City, Boston, and Washington, D.C. Both would better target those most at risk of being 'food insecure,' without raising benefit levels for many of those who do not need it.

Pilot programs to test these theories are also worth considering, as was recommended in a new report (http://cybercemetery.unt.edu/archive/hungercommission/20151216222324/https:/hungercommission.rti.org/Portals/0/SiteHtml/Act from the National Commission on Hunger. And more research is definitely needed on the relationship between SNAP and hunger, especially among children. Adding a question to the USDA's food security survey to better assess whether households were receiving SNAP at the time of the reported incidence of hunger would be a good first step.

SNAP has been described (http://www.sup.org/books/title/?id=24621) as "one of the most effective antipoverty programs in the safety net." If this is to remain true, we need an open and transparent dialogue about what the data really show. Large-scale policy changes based on false impressions are not the answer.

Rachidi is a research fellow in poverty studies at the American Enterprise Institute. Previously, she served as deputy commissioner for policy research and evaluation for the Department of Social Services in New York City.

This article was found online at:
https://www.aei.org/publication/are-snap-benefits-really-too-low/

Shifting from Income to Sales Taxes Won't Boost State Economies

BLOG POST | APRIL 29, 2015 AT 11:30 AM | BY MICHAEL MAZEROV

Governors in Maine and Ohio want to shift their states' revenue mix away from income taxes and toward sales taxes by cutting the former and raising the latter, arguing that will boost economic growth. But these proposals would do more harm than good.

In the short run, raising sales taxes would likely hurt in-state businesses by discouraging consumer purchases. And because sales tax revenue tends to grow more slowly than income tax revenue over the long run, relying more on sales taxes would impair a state's ability to finance critical building blocks of a strong economy, like good schools, roads, and health care.

Shifting from income taxes to sales taxes can harm in-state businesses in several ways:

- In most cases, the shift will *raise* overall taxes on low- and middle-income households, leaving them with less to spend locally.
- A higher sales tax encourages people to buy more from out-of-state Internet merchants who don't charge sales tax, and to take other steps like eating out less often and washing their own cars.
- Regardless of whether the sales tax increase takes the form of a rate increase or broader taxing of services, businesses would make a large share of the purchases — of computers, shipping supplies, and payroll services, for example — that would now be taxed more heavily. Those extra costs would at least partly offset the income tax cut that some small business owners would receive.
- Businesses also would likely pay higher *property* taxes. Few recent tax-shift proposals would raise sales taxes enough to fully pay for the income tax cuts. As a result, states very likely would have to cut funding for schools and other services that local governments provide. This could force cities, towns, and counties to raise property taxes for businesses and homeowners, which generally fund education, to try to make up the difference.

These tax-shift proposals could prove even more economically damaging in the *long run*. Cuts in critical services are almost inevitable because sales tax revenues don't keep pace with economic growth as income tax revenues do. One reason is that sales taxes generally don't apply to many of the fastest growing sectors of the economy, like health care and many Internet-related services. Also, a growing share of the benefits of economic growth is going to wealthy people, who spend a much smaller share of their income on in-state products and services than less-affluent people do.

States with insufficient long-run revenue growth will have trouble investing in public goods that businesses need to create good jobs — an educated workforce, well-maintained roads, and effective police and fire protection.

Partially offsetting income tax cuts with sales tax increases is less fiscally irresponsible than simply cutting income taxes, as Kansas and a few other states have done in recent years. But both policies are based on the same false premise: that state taxes have a major effect on job creation and economic growth. Instead of looking for a magic tax-policy change that will spark an economic boom, policymakers should invest in the economy by providing high-quality education, health care, public safety, and transportation as cost effectively as possible. That's the best recipe for healthy economic growth.

TOPICS: State Budget and Tax