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SNAP food aid stirs debate

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Larry Geller, assistant coordinator at GreenWheel Food Hub, and Nanette Geller, the Hub's coordinator, staffed their booth at the farmers market fronting the NBC Concert Hall on Wednesday.

President Donald Trump's budget proposed deep cuts to what's been popularly known for a half-century as "food stamps." When that news broke recently, a lot of people in Hawaii swallowed — hard. State Rep. Bob McDermott, however, wasn't among them.

The Ewa Beach Republican said the spending on the Supplemental Nutrition Assistance Program (SNAP) "exploded" during President Barack Obama's administration and is in need of reform. The stigma of accepting food stamps, he said,

is gone.

“Before, culturally we disciplined ourselves,” McDermott said. “We’d say, ‘If I get those, I really need them to feed my family.’ Now it’s, ‘Hey, that’s free money. If I’m not getting it, that’s money I’m leaving on the table.’”

Pankaj Bhanot occasionally will hear that argument and shake his head. The stigma still deters people from enrolling in SNAP, he said — people who would do better to accept the help.

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“I hear that, it makes me chuckle,” said Bhanot, director of the state Department of Human Services. “I wish these people would talk to some others, to get them to participate.”

DHS is the state agency that administers SNAP in Hawaii, but the program benefits are entirely federally funded — administrative costs are split between federal and state dollars.

The ultimate fate of SNAP is unknown — the reaction to the Trump budget ranged from outrage among Democrats, to mutterings of “dead on arrival” from some Republicans.

But the GOP-led U.S. House and Senate are almost certain to seek reductions in domestic spending. While Hawaii’s DHS is feeling the heat, Bhanot vigorously defends both his agency’s efforts to combat waste, fraud and abuse, and the overall benefits of a program that “lifts people out of poverty.”

USAGE TRENDS

This chart reflects the statewide monthly average by state fiscal year (July – June) of persons receiving SNAP benefits and dollar amounts of SNAP benefits that were issued.

FISCAL YEAR | PERSONS | BENEFITS ISSUED

2017*	171,637	\$40,376,245
2016	179,138	\$40,857,996
2015	191,918	\$43,147,731
2014	193,565	\$43,387,362
2013	187,062	\$40,328,238
2012	172,676	\$37,177,084

The raised profile for SNAP nationally has prompted some discussion about the

2011 | 154,496 | \$33,427,098

2010 | 133,043 | \$28,745,391

2009 | 109,268 | \$20,220,306

* State fiscal year 2017 information has two more months remaining.

Source: State Department of Human Services

program locally. Even before the budget proposal emerged from the White House, however, the concern about a program that involves roughly a half-billion annually in federal funds locally sparked the introduction of House Resolution 73.

The measure wanted DHS to examine the occurrence of fraud and implement new ways to counter it. HR 73 was not adopted — Bhanot said SNAP already comes under regular federal review — but it shone another light on the program.

Speaking for the critics, state Rep. Gene Ward, a member of the Republican National Committee, has heard some of the conversation in Washington, D.C.

Ward hears the call to help people who are really in need, but programs such as SNAP represent a Band-Aid on an economy that is hobbled by far more serious injury.

"It's a shame that so many people have to be dependent on government to put the food on the table," Ward said. "It's the sign of a weak economy. The best welfare check is a good job."

Ward, whose District 17 encompasses Hawaii Kai and Kalama Valley, said he sees SNAP and other programs fostering "almost generational dependency.

"The incentivization for self-reliance is diminishing," he said. "People think, 'I don't have to work hard because I have this.'

"I'm an old Peace Corps hand," Ward added, "and back then it was, 'What can I do for my country?' Now it's, 'What can you get out of your country; what can I get out of government?'"

Bhanot asserted instead that SNAP fortifies the general health of the household and enables individuals to fare better in efforts to gain self-sufficiency.

And the fact that SNAP benefits expenditures "exploded" under the previous administration, here and across the country, surprises nobody, he said, because Obama came into office during the economic recession.

"SNAP participation grows when the economy is weak, helping families put food on the table," he said.

"The purpose of the SNAP program is that it helps prevent food insecurity. ... If X percentage of the families are in poverty, they will also be food insecure, because a majority of the money ends up going to pay for the shelter. Food is something they will

be struggling with.”

The numbers show a steep increase in average monthly usage of SNAP benefits, spiking from \$20.2 million in 2009 to \$28.7 million in a single year.

After that the average rises steadily to its peak of \$43.4 million in 2015, then descending gradually to \$40.4 million in the current fiscal year.

The average household size, Bhanot said, is under two individuals, which counters the stereotype of large families supported by the program. And the gross monthly income for such a two-person household could not exceed \$1,997. That’s 130 percent of the federal poverty level, which is the cutoff for SNAP benefits eligibility.

The DHS director acknowledged that although waste, fraud and abuse still exist, overpayments have dropped since the federal government began rolling out Electronic Benefit Transfer (EBT) cards 25 years ago.

The physical food stamps could be sold for cash, he said, which essentially allowed beneficiaries to use the federal program to buy cigarettes, alcohol or other prohibited products. SNAP is intended to buy foods to be consumed at home, which means that in most cases, hot ready-to-eat meals are not qualified purchases.

That kind of trafficking is not as easy with the cards, electronically linked to the beneficiary’s account, he added. There are cases in which an unauthorized user gets the card, or a beneficiary buys for other people in exchange for cash, or a vendor allows illicit products to be paid by EBT.

Even so, he said, the amount of fraud, waste and abuse is far less than critics imagine, he said, citing data putting such losses at 0.1 percent.

Eligibility must be recertified annually, with the review beginning six months out, he said. The number of cases referred for prosecution by DHS investigators has ranged over the past five years from 19 to 39.

The incidence of fraud is higher, he said, but those losses may not be worth the expense of recovery: There can be problems locating a debtor, for example, or the delinquency of repayment may be several years old and the debt is written off. But debts are collected through civil suits, wage garnishment and collection of tax refunds.

There can be anecdotal reports of people shopping with SNAP showing evidence of resources pushing them well above the poverty line — jewelry, perhaps, or nice clothes or a car. But not all of them turn out to be in violation. Often on further investigation, these people may have inherited the Hawaiian bracelet or other item. And some may be authorized as agents to shop for a qualified recipient unable to shop for themselves, Bhanot said.

He did acknowledge the need for DHS to sharpen its pencil, which became easier about five years ago. Post-recession staffing cuts were offset when the Legislature

funded vacant positions. Perhaps they were prompted by a 2011 federal ruling finding the Hawaii SNAP program in violation by taking too long to review benefit applications. Now DHS is bound to meet the 30-day time limit for benefits review.

Further efficiency and oversight improvements include the following projects:

- >> A new eligibility system enabling online applications and supporting documents.
- >> Improvements in pre-screening that will verify eligibility information more quickly.
- >> Partnering with the Office of the Attorney General to coordinate investigations of SNAP retailer fraud.

However, even with all the examination of the safety net going on, Bhanot remains convinced that the program is a crucial response to those in poverty.

Meanwhile, Ward and others expressed chagrin that the economy itself is not getting the reinforcement it needs to make some of the emergency provisions unnecessary.

"We can't afford to put everyone on welfare," Ward said. "We've got to get a stronger economy, no question of it."

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