

FOOD, NUTRITION, AND CONSUMER SERVICES
Statement of Brandon Lipps, Deputy Under Secretary for
Food, Nutrition, and Consumer Services
Before the Subcommittee on Civil Rights and Human Services
House Committee on Education and Labor

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Thank you Chairwoman Bonamici, Ranking Member Comer, and members of the Subcommittee for the opportunity to discuss the Administration's fiscal year (FY) 2020 Budget request for the U.S. Department of Agriculture's (USDA's) Food, Nutrition, and Consumer Services (FNCS) as well as our priorities and recent activities. I am Brandon Lipps, the Deputy Under Secretary for Food, Nutrition, and Consumer Services. FNS is responsible for administering America's nutrition assistance programs, which leverage the nation's agricultural abundance to ensure every American has access to wholesome, nutritious food, even when they face challenging circumstances.

As you know, the Appropriations Committees in both the House and Senate have already reported out FY 2020 appropriations legislation for the Department in advance of today's hearing. Though final action by Congress is still ahead, I am in the somewhat unusual position of already being able to thank you for your support of a number of specific initiatives in our request.

Let me underscore at the outset that the President's budget request for FY 2020 fully funds the major nutrition assistance programs to support projected participation for all those who are eligible and wish to participate. This reflects average monthly participation of 36.3

million in SNAP and 6.4 million in WIC, along with average daily participation of over 30 million in the National School Lunch Program and over 15 million in the School Breakfast Program during the school year.

At the same time, the request includes proposals and initiatives that are intended to advance this Administration's nutrition assistance priorities – to improve customer service for our partners and participants, to protect and enhance integrity, and to strengthen the bonds between FNS programs and self-sufficiency.

It has been my privilege over the last two years to lead our efforts to move these priorities forward. In my view, and in the view of Secretary Sonny Perdue, all three are fundamental to the ongoing effectiveness of all nutrition assistance programs. Good customer service is essential to efficient operations that achieve the programs' missions. Strong integrity safeguards for taxpayer investments in nutrition are fundamental to earning and keeping the public confidence that make these programs possible. And every government action ought to align with and support a self-sufficient future, because long-term reliance on government assistance has never been a part of the American dream.

Customer Service

Secretary Perdue has directed a robust focus on customer service at USDA. Given the number and diversity of nutrition assistance customers – those who receive benefits, and those on the front lines of delivering them – we are appropriately at the center of that effort.

Great customer service starts with listening to customers of our programs, to understand their needs, their challenges, and the choices available to address them within the existing program authorities.

One example of improving our customer service to those we serve is through the implementation of the online purchasing pilot authorized in the Farm Bill. The Secretary articulated the core principle behind this innovative effort, noting that “ as technology advances, it is important for SNAP to advance too.” The pilot began this spring, and is already paying dividends to SNAP clients in areas where it is operating. Our budget request for FY 2020 included \$1 million to support online retailer technical readiness, and I appreciate that both this Committee and the Senate have included this funding in their legislation. These funds will help the Agency ensure that online retailers meet technical requirements regarding SNAP, such as split tenders and sales tax exemptions, just as brick-and-mortar stores do.

The budget also requests a legislative change to FNS’s Farm to School program authority – to increase the maximum amount of such a grant from \$100,000 to \$500,000 – that responds directly to customer feedback from States and other stakeholders. They have told us that \$100,000 is often not adequate to launch or expand Farm to School programming. We think this is a wise adjustment, and look forward to working with you to address this concern.

Program Integrity

Just as good customer service is critical to program effectiveness, strong integrity is essential to use taxpayer resources wisely, reach the right people with the right benefits, operate efficiently, and ensure the public's trust in our work. Without this public trust, we cannot sustain the multi-billion dollar investment in these programs for the future.

The FY 2020 budget request included a number of proposals to advance integrity. For Child Nutrition, we sought \$20 million in additional funding for technology grants to States. These grants will assist every State in developing, improving and maintaining information systems to operate and manage all these programs. Improved technologies will increase data accuracy, allow more robust performance measurement and build capacity to identify and target error prone aspects of CN operations. We are again grateful for the support of both House and Senate appropriations committees in providing funding for this initiative.

Turning to SNAP integrity, the request includes additional funds to increase the number of on-site store visits to ensure participating retailers meet eligibility requirements and to enhance FNS' ability to conduct undercover investigations. It seeks funds for grants to States to help them implement the SNAP Fraud Framework, which harnesses innovative analytics techniques and private-sector best practices to more effectively detect potential fraud and improve oversight. We request resources to evaluate available automated income data sources that may help States make rigorous SNAP eligibility determinations more efficiently. Finally, the budget requests funds for an evaluation of SNAP-authorized group homes and treatment centers to ensure that benefits are being utilized properly on behalf of the residents and that these facilities are not utilizing more than one source of Federal funding for the same

purpose. We are pleased that both the House and Senate Committee bills support each of these initiatives – clear evidence that integrity is a bipartisan and bicameral priority.

Supporting a Self-Sufficient Future

As I noted previously, this Administration’s orientation, and my approach in administering the nutrition assistance programs, is that every government action should fully align the concept that the people we serve want and deserve an independent future that does not rely on government benefits. Secretary Perdue has stated it plainly: “The dignity of work and responsibility makes lives better.” I frankly know few who would disagree. More often, differences emerge over *how* best to advance self-sufficiency.

At USDA, we view nutrition assistance programs as springboards for those facing difficult times to get back on their feet. Just recently the Department of Labor announced that the unemployment rate had reached a new 50 year low, and the number of job openings has exceeded the number of job seekers for 18 consecutive months. There is no time better than now to focus on the opportunities our families have to improve their lives and those of their children.

That is why Secretary Perdue has made SNAP Employment and Training (E&T) – perhaps our most direct effort to connect participants to work opportunities – an important USDA priority.

Expanding the reach and effectiveness of SNAP E&T has long been a focus of effort at USDA. In FY 2015, USDA launched the SNAP to Skills Project to bring new tools, resources and capacity to States to build stronger E&T programs. We have continued to build and enhance

this project. To date, USDA has provided enhanced technical assistance to over 21 State agencies to build employer-driven E&T programs and to develop tools and resources that are available to all States and stakeholders to support their efforts.

The FY 2020 Budget requests funds to improve SNAP E&T programs through national leadership activities that would take our efforts to the next level by providing States technical assistance and professional development in E&T. This in turn would ensure that they are using the most effective strategies to help SNAP participants achieve economic self-sufficiency. The request also proposes grant funds for States to strengthen their SNAP E&T data collection — which is so important when making policy decisions. We are grateful that both the House and Senate committees support these two initiatives, which will help SNAP E&T better meet the needs of participants, employers, and the community.

Achieving a Modern, Equitable SNAP Program

This Subcommittee has expressed interest in USDA's recent regulatory actions related to SNAP. While I cannot discuss the content of the final rules in development or the comments we have received on them before they are published, I would like to take a moment to talk about the Department's intended objectives in this area.

The first “food stamp” program was launched in the 1930's, and today's nationwide program was created in the 1970's. While it has a long record of effectiveness, even the most effective programs can benefit from reforms to correct problems or adapt to changing times. In SNAP, the law that authorizes the program provides USDA discretion to allow state agencies —

SNAP's front-line customer service organizations – flexibility in certain aspects of administration. While this continues to work well in many areas, in some it has compromised the consistency of operations over time, and even led to disparities in benefits for individuals and households simply because of the state where they live.

For this reason, and in recognition of our responsibility to ensure the program operates consistent with the law, a major portion of the Administration's SNAP agenda seeks is to strike a better balance between practical operational flexibility and the national standards that define the program's purpose and support its effectiveness. We have focused in three key areas.

First, the SNAP law sets a reasonable expectation for able-bodied adults without dependents – “ABAWDs” –to work, look for work, train for work, or volunteer to continue to receive benefits for more than three months over a 36-month period. States may waive these limits in areas with an unemployment rate above 10 percent or where there are “not sufficient jobs”. However, current rules are defined so loosely that time limits are waived for 40 percent of ABAWDs, in the midst of the strongest economy in a generation. This is unacceptable to most Americans and belies common sense. Earlier this year, we proposed a rule to limit the ability of states to waive these time limits, and to ensure that those that do so use a clear and consistent data-driven approach. We are working to finalize that rule now.

More recently, we proposed to eliminate a loophole called “broad-based categorical eligibility” that has been used to provide SNAP benefits to households who otherwise might not meet SNAP eligibility criteria. This would end the practice of allowing households to be eligible

for SNAP by simply being handed a brochure from another federal program. Limiting this eligibility rule to those receiving specific, concrete, and work-supporting benefits would retain categorical eligibility's advantage of streamlining program administration, but in a fiscally prudent way.

Earlier this month, we proposed changes to truly *standardize* state SNAP utility allowances across the country. For many years, SNAP rules have allowed states to establish a self-defined standard utility allowance (SUA) in lieu of documenting actual utility costs. It has been so long since state SUA methodologies were developed that some states cannot explain their original SUA or even provide the year it was set. USDA recently proposed a reform to replace the patchwork of outdated and inconsistent state allowances with a modernized, uniform approach based on up-to-date data on actual household utility costs in each state. The proposal would also replace an antiquated "telephone allowance" with a telecommunications allowance that includes the cost of basic internet service – no longer a luxury, but often a necessity for school, work, and job search.

Secretary Perdue and I see these changes as fully in line with USDA's discretion under the law, and our responsibility to work within that law to use modern and consistent standards that manage resources prudently. That said, the Department wants to hear from all those who care about SNAP about the changes we have proposed. USDA presented each proposal for public comment, and thousands have responded with their ideas. We remain committed to listening to and collaborating with all of our stakeholders, including this committee, to manage this critical program responsibly.

Let me turn finally to the forthcoming reauthorization of the Child Nutrition Programs and the Women, Infants and Children Program, which were last reauthorized over eight years ago. Reflecting the scope and significance of these programs to families and local communities across America, there is a long history of constructive bipartisan action to support and strengthen them. I am pleased to offer to you, as I have to the authorizing committees, our willingness to join the Congress in that spirit to contribute to a reauthorization process that builds on the programs' history of success, while also advancing the Administration's nutrition assistance priorities. We have been providing technical assistance to staff on request, and we will continue to do so in whatever way may be helpful.

In closing, I would like to thank the Committee for your continued support for the nutrition assistance programs. We at the Department stand ready to provide any technical assistance that you need in completing your appropriations deliberations. I am happy to answer any questions you may have.