A "loophole" that helps hungry Americans buy food

By <u>Steve Thorngate</u> August 26, 2014

On Friday, President Obama signed <u>the 2014 farm bill</u> into law, complete with a change to the food stamps program intended to save the federal government \$8.7 billion. Republicans wanted much deeper cuts, and some of us liberals thought it was unwise to make *any* cuts to a vital, extremely effective antipoverty program (crazy bleeding hearts). So, yay compromise. If that's your thing, you can join the president in praising Congress for being bipartisan, solving problems, etc.

To mark the signing, <u>both Obama's agriculture secretary and the Democratic chair</u> of the Senate ag committee echoed <u>the moderate consensus</u>: this reform closes a loophole that was allowing states to game the system on behalf of their people. Now the food stamps program is less loophole-y, *and* we saved taxpayers some money. Win/win.

Except that the food stamps provision in question isn't really a loophole—not in the sense that it somehow channels food stamps to people who aren't actually at risk of hunger. What's been happening is that states have been giving people small bits of aid for heating bills—sometimes as small as \$1—to help them qualify for larger food stamp benefits. According to the federal rules, if you get heating assistance from a federal block grant—money administered by the states—you get more food stamps, too.

No, using a single dollar of block grant money to increase someone's eligibility for a different federal program isn't exactly within the spirit of the rules. But calling it a loophole or scam suggests something a bit more scandalous than **cash-starved states trying to take care of people's most basic needs in whatever way the letter of the rules will allow.** This "heat and eat" program was designed to help low-income Americans avoid having to choose between keeping their families warm and keeping them fed. And that's exactly what it's doing, however convoluted the policy details—because even those who aren't getting significant heating subsidies really do need that extra food stamps money.

The U.S. safety net, of course, involves a complex mix of federal, state, and joint programs, many of them overlapping and most of them built by committee. All this doesn't look as clean and rational as it might if someone built a single, well-funded antipoverty program from scratch. But American politics places a high value on decentralization, so, fine—this assortment of things is our safety net, such as it is.

It can lead, however, to situations where states are doing whatever they can do to help their residents, but whatever they can do looks kind of fishy. Not that this fishy appearance means the people don't need the help, or that the states are up to something other than trying to help them. But in a political culture that tends to view both poor people and government programs with deep suspicion, a provision to give people "extra" food stamps for odd reasons makes an easy target.

When Congress passed the farm bill that "closed this loophole," it did so by raising the minimum threshold at which heating assistance triggers more food stamps. While the bill awaited Obama's signature, states did an interesting thing: <u>they</u> <u>started increasing heating assistance to protect the food stamps</u>, digging deeper in order to prevent these cuts from taking effect.

Apparently the states think this program is important and are willing to put up some capital to protect it. Too bad Democratic leaders in Washington are dismissing it as just so much waste and fraud.