

COMMONWEALTH OF PENNSYLVANIA
HOUSE OF REPRESENTATIVES

HUMAN SERVICES
COMMITTEE HEARING

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ROOM 60 EAST WING

THURSDAY, MARCH 15, 2012
9:30 A.M.

HEARING ON
SNAP ASSET TEST

BEFORE:

HONORABLE GENE DiGIROLAMO, MAJORITY CHAIRMAN

HONORABLE MARK COHEN, DEMOCRATIC CHAIRMAN

HONORABLE MICHELLE BROWNLEE

HONORABLE SHERYL DELOZIER

HONORABLE MARCIA HAHN

HONORABLE SUE HELM

HONORABLE NICK KOTIK

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CHAIRMAN DiGIROLAMO: Good morning, everyone. I'd like to call the meeting to order and get started, it's just about 9:30; if I could have everybody's attention and ask everyone to get seated, please. Okay, as is our custom, I'd like to start the meeting out with the Pledge of Allegiance if I could ask everyone to stand, please.

(Pledge of Allegiance was recited.)

CHAIRMAN DiGIROLAMO: Okay, first off I'd like to remind everyone that we are being recorded, the cameras are on live so we are being recorded, just wanted to let everyone know that. And I would also like to welcome you to the Harrisburg and the Human Services Committee Meeting, this meeting is on the new asset test DPW (Department of Public Welfare) is imposing on those who receive food stamps here in Pennsylvania. And before we begin, I'd like to give the members an opportunity to introduce themselves, Nick:

REPRESENTATIVE KOTIK: Representative Nick Kotik, Allegheny County.

REPRESENTATIVE BROWNLEE: Michelle Brownlee, Philadelphia County.

REPRESENTATIVE HAHN: Marcia Hahn, Northampton County.

REPRESENTATIVE HELM: Good morning. Sue Helm, Dauphin County.

REPRESENTATIVE DELOZIER: Sheryl Delozier, Cumberland County.

CHAIRMAN DiGIROLAMO: And I am Representative Gene DiGirolamo from Bucks County, the chairman of the committee and as I understand, Representative Mark Cohen, from Philadelphia, my democratic chairman is on his way and will be here shortly. And it is also a busy day here in Harrisburg, I know the Health Committee, which many of the members on both committees are on both committees, they're having a hearing at the same time so some of the members told me that they're going to be back and forth so hopefully as we proceed, some more

of the members will be here.

And I just have a real brief statement. Many of the groups and organizations have come to me expressing their concerns about the asset test that's being imposed by the administration, and as I understand it, Pennsylvania does a pretty good job and we hear this waste, fraud, and abuse and everybody wants to cut back on waste, fraud, and abuse, I'll be the first to say that, but I understand here in Pennsylvania we do a pretty good job of doing that with the SNAP (Supplemental Nutrition Assistance Program) program, as a matter of fact, I also understand we got a some type of national award for cutting back on the abuse in the program. And as I look at this, quite simply I mean these are federal dollars that are coming into Pennsylvania and we all want a fair return on our State tax dollars that we send down to Washington and you know, it's not required by the State to put on this asset test and there are a few other States that do, this is our federal dollars coming into Pennsylvania that people are using to buy the basic necessities with this food and in doing so, putting that money back into the economy of Pennsylvania.

Many of you have come to me to express your concerns with this, and with that, why don't we start the hearing off, and I'll call the first person up, that is Louise Hayes who's the supervising attorney with Community Legal Services and Louise before we start, the way I would like to run the agenda is that to give everybody a ample opportunity to testify that we are going to go through, let everybody testify first, and at the end of the meeting we will open it up for questions from the members. I think that's a fair way to do this since we're on a time constraint, so Louise whenever you're ready

MS. HAYES: Okay, thank you very much Senator DiGirolamo, and other representatives here. Thank you for having me, I know my testimony is kind of long, I want to respect the time constraint and so I'll summarize it for you now.

My name's Louise Hayes since 1997 I've been an attorney at Community Legal Services in Philadelphia at our public benefits unit. Over that time, in 15 years I have represented thousands of low income Philadelphians seeking benefits from the Department of Public Welfare. The SNAP program – Supplemental Nutrition Assistance Program, formerly the Food Stamp program, formerly the Food Stamp Program, is our country's principle defense against hunger. It's benefits are as you said, 100 percent federally funded, but the State shares the administration of the program, roughly 50/50. About 1.8 million Pennsylvanians now receive SNAP, that's 1 in 7 Pennsylvanians. Nearly 3 quarters of SNAP participants are in families with children, about more than one quarter are in families with senior citizens or people with disabilities.

There is an income limit for the SNAP program that the Department of Public Welfare vigorously enforces. You do not qualify if you're income is more than 160 percent of the federal poverty level, that's about \$1,500 a month for a single person, \$3,000 a month for a family of four, it's not a lot of money. The income limit for seniors and people with disabilities is a little higher, it's twice the poverty level. The amount of SNAP benefits somebody gets depends on what their income is and their expenses, so even if you're income is below that 160 or 200 percent of the poverty level, you still may not qualify for SNAP if your expenses don't make you eligible.

Until the last decade, the SNAP program had a nationwide asset test. Starting in the 2000's, the federal government made an option available to States to set their own asset rules and almost 40 States took that option by eliminating the asset test all together. Pennsylvania did this in 2008 for a number of reasons.

First of all, they wanted to expand the number of lower income Pennsylvanians who

could get SNAP. SNAP benefits are good for needy families and they are good for the economy.

Second, asset tests trap poor people in poverty. Requiring a low income senior to spend all her savings before she can get nutrition assistance may use up a nest egg that she's going to need later for medical care. In addition, asset tests discourage poor people from saving, it's not a message we want to be sending.

Finally, the asset test is a workload burden on already over burdened county assistance office workers. Since 2002, the number of staff at the county assistance offices has declined 14 percent, while the number of people receiving SNAP benefits has more than doubled, and the number of people receiving medical assistance has gone up more than 40 percent. Customer service in the offices has declined dramatically as phones aren't answered and paper work is routinely lost. The decision in 2008 to eliminate the unnecessary work of reviewing bank statements for everybody on SNAP and valuing second cars was a smart workload management move. Reinstating this SNAP asset test would just exacerbate these customer service problems which are already far worse than they were in 2008.

In my view, the worst consequence of re-imposing the asset test is that eligible seniors and family with no assets will not be able to get SNAP benefits because the new red tape will mean more errors in the Welfare Office as workers can't handle the workload properly. More red tape means more needy families without help affording food.

My written testimony has about ten different steps that case workers at the Welfare Office have to go through to implement the asset test, I'm not going to go through them all now just want to quickly hit the highlights. With an asset test every family on SNAP has to submit every one of their bank statements, current bank statements. Each of those documents has to be scanned into the computer system and attached to the case record for that family. It is that

attachment to the case record is where we think a lot of papers are lost, that they aren't properly attached to the right file. A caseworker must review the paper application, look to see what bank accounts are listed, and then look in the computer to see if there's a scanned bank statement for each bank account. If there's no bank statement, they have to tell the family, I need a bank statement for this account and then wait for it to come, if it doesn't come, send out a denial notice. The family could then appeal that denial notice it would be a hearing, it may be face to face, miles and miles away. A caseworker would have to go defend the actions at the hearing.

Likewise, if the family has more than one car there is an extremely complicated rule for valuing the second car and how its assets count toward the asset limit. I've attached that to my testimony take a look at it sometime, it's extremely archaic, byzantine even. All of these steps will increase the county assistance office workload, and either that means real money in hiring more caseworkers to do the work, or it means the same caseworkers are being asked to do more when they can't do what they've got to do already and they're going to make mistakes, you just simply can't do more and do it well.

DPW has said that reinstating the asset test will not increase the caseworker burden because people on SNAP are already on subject to an asset test in other programs, but that's only partially true. It's only about 18 percent of people who are receiving SNAP, maybe less, 12; are getting cash assistance some people on SNAP are getting medical assistance, but most people on medical assistance are in families and there is no asset test for medical assistance for families with children. That means that over half of the people on SNAP, over 450,000 people would be newly subject to the asset test and all of these steps that the caseworkers are not now doing for them would have to be done and again, more eligible families would end up losing SNAP as a result.

To quickly summarize my recommendations, I urge you to require a study of various questions like: What is the workload involved and how much will this cost? And wait for a result, for answers to that question and other questions listed in my testimony and questions that will come up today before an asset test is imposed.

If there is to be an asset test, make it a more nuanced one, for example you don't need to be valuing second cars, it's time consuming. Second cars allow second parents to look for a job or get to work.

If the concern is lottery winners, this was what caused Michigan to reinstate the asset test, was there was a sense that lottery winners should not be getting SNAP benefits, and I understand that, you could have a rule that just addresses the lottery winner problem.

Finally, I can't close without making a plea to preserve the General Assistance program. In truth, elimination of the General Assistance program will do more to increase hunger in Pennsylvania than the SNAP asset test. The General Assistance program provides very meager income support to 68,000 penniless Pennsylvanians who cannot work. The \$205 a month the GA provides is often the difference between living under a roof and living in the streets, it's the difference between staying with an abusive relationship and getting away. Eliminating this whole source of income from the 68,000 people will inevitably cause many of them to go hungry. If you want to prevent hunger in Pennsylvania, preserve the General Assistance program. Thank you.

CHAIRMAN DiGIROLAMO: Louise, thank you very much for your testimony and next up I want to bring up Dave McCorkle and Randolph St. John, Jr. Dave's the President and Randolph, Senior Vice President of the Pennsylvania Crude Merchant's Association and Pennsylvania Convenience Store Council.

I would also like to introduce Leon who's on my left, who's from Representative Cohen's staff and Melanie Brown who is on my staff and is the Executive Director of the committee. Gentlemen, you can begin when you're ready

MR. McCORKLE: Mr. Chairman, thank you very much and thank you Representatives for being here today to listen to a testimony about a very complex issue that has a number of consequences. Some may be intended, some unintended. I'm not sure. When I greeted Louise Hayes this morning, as she came in I mentioned to her that we wanted to endorse her testimony word for word. I don't know if you've read it yet or had an opportunity to but it's a very clear analysis of how the Supplemental Nutrition Assistance Program operates in Pennsylvania. How positive it is for the families that are eligible to receive those SNAP benefits, and how complicated it is to administer currently, and how carefully we must review any public policy changes in social programs in this State and in the country that affect families in Pennsylvania.

As her testimony notes, about 1.8 million individuals are benefitting from the SNAP program in the State. Eight hundred eighty thousand families, yes, that number has gone up in recent years and as was noted in the Center for Rural Pennsylvania newsletter led by several of your peers, poverty has increased in the Commonwealth and it's increased more rapidly in rural areas than it has in urban areas. It continues to be a problem as the economy is slowed to recover, I expect it will continue to be a problem in this State for a period of time going forward and the SNAP program is of great assistance to families and children across the State of Pennsylvania.

I was in Philadelphia yesterday, and asked about the job picture there, and my understanding is that in the City of Philadelphia. If you have a college degree or master's degree, there aren't jobs for you. If you have a high school degree, there aren't jobs for you in that area. We may have some Philadelphians moving to the Marcellus Shale district to find jobs. That's

certainly a possibility going forward, but it's very challenging across the State in rural and urban areas.

You might ask why the Food Merchants are here today, and part of the answer to that is that we serve customers who receive Food Stamps and all families in Pennsylvania, but most importantly, the members of our association, we have about 1,000 corporate members who operate 4,500 convenient stores and supermarkets in the State of Pennsylvania, our members are on the boards of directors of the food banks, the soup kitchens across the State, the not for profit organizations that serve those, some of whom are on the SNAP program, many of whom are not, and those not for profits are severely stressed as you know from working with your constituents with family members and friends in your own communities. And any change in the policy that affects the number of people receiving the Supplemental Nutritional Assistance Program the State is going to put more stress on those voluntary community organizations that you support and that all of our members support across the state.

Randy St. John, in addition to being the Senior Vice President for our association also serves as the Secretary-Treasurer of the Pennsylvania Hunger Action Center. We've always been involved in the food bank programs and the supplemental feeding programs across the State for needy families and when you see a report coming out of a State committee saying that in rural areas, 14.1 percent of the individuals in rural Pennsylvania are living at or below the poverty level, you know we have a significant problem in the Commonwealth.

In Philadelphia recently it was noted that in the First Congressional District in PA, we have the second highest percentage of people living below the poverty level of any congressional district in the country. It's an extraordinary statistic, the problem continues and this is not the time to be cutting back programs that assist families.

One of those programs is the SNAP program, Louise also mentioned the proposed cuts or elimination of General Assistance cash programs in the Commonwealth as part of the recent budgeted address, and there are other programs that are also being cut. As you remember, last year the General Assembly gave the Department of Public Welfare the right to publish regulations in a kind of short form fashion. As you know, that's the expedited regulatory process, and Randy can give you more details about how that's going to affect pharmaceutical services for every pharmacist in the Commonwealth based on proposed— and Randy, have those regulations been finalized now?

MR. ST. JOHN: Well, DPW is proposing to reduce pharmacy reimbursements for Medicaid, fee for service patients from \$4 dispensing fee to a \$2 dispensing fee. Again, jeopardizing the ability of Medicare recipients to receive community pharmacy care here in the Commonwealth.

MR. McCORKLE: And there are other programs, the business folks in your communities ask for understandable rules and policies that will allow them to plan for their business operations. Changes in the SNAP policies, changes in reimbursement for pharmaceutical services under Medicaid programs, removal of the vendor allowance for the collection of sales tax in the State which was proposed as part of the Governor's budget reduces revenue for the State. You know, we talk about privatizing services, we have a commission on that, when the sales tax was enacted in the State of Pennsylvania, it was decided that the private sector could efficiently collect that. And for doing that, they received 1 percent of total sales tax collected, the proposal is that that will be capped at \$250 per month for any sales tax licensed collection retailer.

I gave you some statistics in my written testimony about the size and scope of the retail

and wholesale businesses in the Commonwealth, you might look at that chart because it's kind of interesting and I'm sure you know from your communities who the big employers are, but in Pennsylvania out of the list of the top 50 employers, about 30 are private, 15 of those 30 private employers are retailers, so policies that are set by the General Assembly significantly affect the major employers in the State of Pennsylvania. They certainly greatly affect the small corner grocery stores in your communities and ultimately they affect the lives of your constituents, the customers of the grocery stores and convenient stores we represent and certainly possibly the overall jobs picture in the Commonwealth. These are terribly competitive businesses. The retail supermarket industry operates on a profit of less than a penny and a half of after tax profit per dollar of sales, pharmacies are just as competitive as are convenience stores, and consumers we think in Pennsylvania get good value for their dollar and our recommendation again parallels that given to you by Louise Hayes earlier. That is, let's take some time here and determine how these proposed policies are going to impact families, businesses in the Commonwealth, and your communities. Randy, you may have some additional comments to make that I've missed here.

MR. ST. JOHN: Just one quick thought, there's an expression that's sometimes used in Washington, sometimes here in the Capitol that we have to starve the beast and the supposition there is that government is too big, it's too generous, it takes care of too many people.

My suggestion to the legislature would be that undernourished children are not the beast, the elderly are not the beasts, the disabled are not the beasts, and that the legislature get very, very, very careful supervision to how DPW wishes to change rules that affect who qualifies for aid.

MR. McCORKLE: Yes, we need a fuller discussion of these issues and we have to determine how collectively they impact families and businesses in the commonwealth, so thank

you very much for your time, I appreciate it.

CHAIRMAN DiGIROLAMO: Gentlemen, we appreciate the testimony, thanks for being here today. A panel we have next, we have Rochelle Jackson from Just Harvest in Pittsburgh, Julie Zaebst from Coalition Against Hunger, and John Manton a Client for Coalition Against Hunger. And if I might ask Representative Delozier to come up and chair the hearing for awhile.

MS. JACKSON: Good morning, thank you for having this hearing this morning. I first want to start off with apologizing for not getting my written testimony to you before this morning, but I did bring some with me as well as Miss Linda Davis and the other testimony that I'll give today.

My name is Rochelle Jackson, and I am a Welfare Advocate from Just Harvest in Pittsburgh and my comments this morning will be brief because I'd like to allow for some time for Miss Linda Davis to share with you this morning as well. We helped her apply for the SNAP program and she's going to talk to you about that.

I've been an advocate at Just Harvest for 10-plus years and my experience with Welfare is both professional and personal. In addition to being an advocate, I am a single mother of four children and I was married at a very young age and as a result of domestic violence and divorce, I found myself alone and in need of some assistance and the Food Stamp Program was there for me and my children when we needed it most and for that, I am truly grateful.

I am an honest person and I have always utilized the program with utmost integrity and I would say that I'm not the exception, that most people – I've done this work long enough to know that most people who utilize the food stamp program are also very honest and very grateful for the help that they've received from it.

Just Harvest started a project about 5 years ago now which educates the community about

the SNAP program and we also assist people with applying for the SNAP program. In addition to submitting the applications electronically on behalf of applicants, we assist them with getting necessary verification documents to the county assistance office. We provide ongoing follow-up and advocacy to applicants because the journey from doing the application to actually receiving the benefits is a difficult one, as Louise illustrated about the process and the steps it takes to actually finalize the process.

There are many problems that the applicants encounter and the most common is the county assistance office losing documents. Another common problem is the county assistance office not getting the application processed within the 30 day time period.

Every day our phones at Just Harvest are flooded with complaints from those that we've helped apply for the SNAP program and others that we haven't helped, and they're complaining that their applications have been delayed, the applications have been rejected, and their benefits have been suspended. And most of the time this is the result of lost documents or an application that has been delayed because the caseworker wasn't able to process it in a timely fashion. Many consumers who are in the process of renewing their benefits often lose them for the same reasons.

When I think of the asset test, it literally keeps me up at night thinking of all the additional documents and work that caseworkers will have to do and how many consumers will suffer as a result of it. Just last week, I met with the Executive Director for Allegheny County's Assistance Office and her executive staff, and they're extremely anxious about this new requirement because most of their staff is new and have never been trained on how you do an asset test, so this is a new thing for them as well as the new executive director.

So, the questions that she has is how will we train them with little resources, little time,

how will we do this? When will we train them? Will the caseworkers be able to maintain their caseload with this additional responsibility? These are all the questions they're grappling with as May 1st quickly approaches.

It doesn't always seem as though the reinstatement of the asset test will bring any realized savings in term of budget. And with the rate of .1 percent in the SNAP program, it also doesn't seem as though we'll do a whole lot to cut down on fraud and abuse. That leaves me to believe that the reason for the reinstatement is truly moral and therefore, not necessary. This requirement will further penalize struggling Pennsylvania families and make it more difficult for them to get back on their feet. And I just ask you, what kind of message are we sending?

So, I thank you for an opportunity to share briefly with you, and this is Mrs. Linda Davis and as I stated, we helped her apply for the SNAP program and she is going to share with you but before she shares with you, I do have a written testimony of Miss Karen Nasser who couldn't be with us today because she had surgery, so I did promise her that I would share with you very quickly.

She says, "Hello, I am Karen Nasser, I am going on 64 years of age and I live in Richland Township, Gibsonia, Pennsylvania. Sorry I could not be here today as I just had surgery on my left foot and have an air boot on. At 7 years of age I had a stroke paralyzing the entire right side of my body. I had to learn to do everything again. With some difficulty, I learned to walk, talk, and switch to writing with my left hand because I could no longer use my right hand. Being at the age that I am now, I again am struggling with the use of my limbs.

"Originally, I attended the State rehabilitation center in Johnstown and was trained to be a receptionist. In 1970 I accepted a job at Graham's Nursing Home as a housekeeper but Graham's Nursing Home closed after I was employed there for 21 years, I then worked at another personal

care home from 1992-2011 when St. Barnabas purchased the home and put me on as temporary, and I do not expect to be called back to work.

"My husband has been deceased since 1997, he suffered from depression and committed suicide. I am alive; I live on a small social security check from him and a small check from disability from myself which I only recently started collecting when he passed away. I have never collected disability before, I've tried for over 40 years and now I have lost my part time job and I find it difficult to keep up with all my expenses. I have taxes, utilities, food, medication, and other out of pocket expenses. I have never collected Food Stamps before this past year, but due to my health and price increases on everything, I need the help.

"Originally I was receiving \$86 in food stamps monthly, now I'm receiving \$16 a month and this is the help that I find that buying food a hardship. I have what I consider to be a small savings that I reserve for emergency situations I have had to replace the roof, the furnace, the hot water tank, the refrigerator, the washer, and many more items in the past 15 years when my husband passed away. I use this money in the savings as a cushion.

"Being a handicap widow, my emergency unemployment is due to run out shortly and what will I do then? I feel that disabled people cannot make a decent wage in this world, I worked for over 40 years and I was only able to receive \$8 an hour. Social Security wages are based on hourly wages. could you please tell me what I am to do if an asset test requires me to spend down the only money I have for emergencies. Thank you."

Miss Linda Davis will speak to you.

MS. DAVIS: Hi, I'm Linda Davis. I feel that the asset test that is being proposed this year is unjust and unfair to senior citizens in the economy today. All the prices from cost of food to insurance are going up, and the monthly income stays the same. Speaking as one of the millions

of seniors in Pennsylvania, it seems to me that we just can't get ahead.

And here is the summary of my current expenses: My monthly income, which starts next month is \$1,004, that's not a lot of money. That's just Social Security. Pension is \$254.79 per month, total is \$3054.48 now that sounds like a lot, but it's not. As of April, my part B for my healthcare is \$99.90, that's my Medicare. Medications for last year was \$800, my savings account that I've been living off of for the last probably 6 months to make ends meet is only \$56.06. I do have bonds, but I was trying to hold onto them for four or five years more because they don't mature until 2016, there's \$11,000 sitting right there but I don't want to touch that.

The retirement that I have from State Farm is as of January 31 of this year is \$3,974.92. That I can't touch until I take out that other money and I don't count that as income because it's sitting there. And then I have a burial policy which is \$15,000 and I've put out \$105.78 every month. And then I have a car inspection due in June, and my car insurance is due, \$224.

I presently go to a local food bank, I also have an EBT card, but right now, I only get \$16 on that and there is nothing on that card at present. I don't get any more money on that until next month. So, if I want food I can't even use my card.

I did work at Wendy's in our local shopping center from 2001 to 2010. I feel I truly did not leave under the best of circumstances. I was told I could hand in my notice, I didn't have any proof written down, so I couldn't prove that they tried to fire for three years prior to that time and I handed in my notice and the firing threats were done over a three year period, but I turned in my notice and I lost \$600 a month. And after that, last year I ended up going to CareerLink because they said we can find you a job, I found out at the end of doing all of it from April last year till November that three companies discriminated against me because they said I was too old.

An asset test like this that is being proposed and would require me to go through a lot of additional trouble to prove to you that I am truly needy. It may also require me to cash in the savings bonds, the retirement account, and my burial policy. There are already not enough hours in the day just for me to figure out how to get by and that's time that I don't really have. What will I do if I have an emergency but don't have the savings to address it?

As a final note to this, which I feel is important, I now, as of this month, have been a widow for 8 years, I'm not really sure how I've managed to move on and get to this point in my life. Thank you.

MS. ZAEBST: Good morning representatives, members of the committee. Thank you so much for the opportunity to testify this morning. My name's Julie Zaebst, I'm with the Coalition Against Hunger. We're a nonprofit organization serving the five county region of southeastern Pennsylvania, and we work to fight hunger in the region through outreach, education, and advocacy.

Through our food resource hotline we assist about 7,000 households each year who need help putting food on the table. We submit thousands of SNAP applications every year for these households and we help hundreds of them navigate the application renewal processes each year, which as Rochelle and Louise both said can be very complex and confusing to applicants. So, this experience has given us a really clear sense of what is and is not working in the county assistance offices and helps us to think about how proposed policy changes like the SNAP asset test would really play out on the ground for the people that we serve.

I want to keep my remarks brief because one of the callers who we helped last year, John Manton, who's sitting to my left was really gracious to join me here today and I want to give him an opportunity to speak about his own experiences since he's really an expert in the program.

Like Rochelle, I also wanted to bring a message on behalf of another one of our clients who wasn't able to be here today. Her name is Miriam Boss and she is 87 years old and doesn't travel much anymore, so she was not able to make the trip. She last month began an online petition opposing the asset test and over the past month it's garnered more than 10,000 signatures from folks around the Commonwealth. So, she wanted me to make sure that the committee was aware of the petition that she started and also to deliver copies of the petition, so I have copies for every member of the committee that I brought with me this morning and attached to each copy are the names of your constituents who signed onto the petition so Miss Boss wanted me to convey that on her behalf.

So just briefly, I just want to talk about what we perceive to be the impact of the proposed asset test and what we'd like you to consider moving forward. I think for us, the bottom line is this; that an asset test is going to remove 4,000 low income families who are mostly seniors and people with disabilities from as Louise said, a federally funded food assistance program. As a result, we estimate that we'll be sending \$12.5 million each year back to D.C. that otherwise could be flowing to the commonwealth helping to put food on the table for folks like those sitting next to me and flowing into our businesses as Randy and Dave just spoke about.

There's been talk of course at this time of year in Harrisburg about the need to save State dollars, but this asset test would actually cost Pennsylvania money. As Louise said, the State bears 50 percent of the administrative cost and so adding the additional red tape to the program would in fact create additional expenses for the State.

Louise talked a little bit also about the administrative burden that this would impose on our county assistance offices, and I want to say that this is also our main concern. We estimate

that an additional 450,000 households would be required to provide information and verification of their assets under this proposal. As you've heard from the folks before me, the county assistance offices are already overwhelmed and seniors are already daunted by the application process. Only one in three eligible seniors get SNAP, so it just doesn't make sense to add further red tape to this program.

Like the speakers before me, I agree that we need to take a much closer look at both the intended and unintended effects of the proposed policy. I think today's hearing is really a first step in that process and I thank you so much for agreeing to holding the hearing and being here to hear from folks who would be impacted what this proposal may do come May 1.

I hope we can really work together to reconsider some of the aspects of this proposal that have been put forth, particularly the plan to look at the value of second vehicles and other non-liquid assets which doesn't make sense from an administrative efficiency perspective. I think we need to take a look at how this information is going to be verified and what impact this is going to have on our understaffed county assistance offices.

So, as I said I wanted to keep this brief and turn things over to John. Again, thank you for the opportunity to testify. John is going to speak a little bit about his experiences with the SNAP program over the past year. He called our hotline last May after he was laid off and our staff helped him apply for SNAP for the very first time in his life, so he's going to tell us a little bit about what the program has meant to him over the past year and also why his savings are really important to him.

MR. MANTON: Good morning, honorable ladies and gentlemen. My name is John Manton, I was born in the County of Philadelphia in the year 1948 to working class parents, a house painter and a sales lady in a department store. I had a wealthy aunt who financed my

graduate education and I had PHEAA (Pennsylvania Higher Education Assistance Agency) grants from the federal government to see me through Millersville. I got a Bachelor of Science in Education with the Instructional One for Library Science. I went to Drexel, I got an MLS (Master's of Library Science) I became a rare book cataloger for the American Philosophical Society.

I seemed to pick courses in life where unforeseen conclusions happen, such as automation. Automation destroyed three of my fields or line of work. Catalogers were no longer needed in abundance because copy cataloging was now done off the internet. Reference librarians were not needed because now people Google'd everything on the internet. So, I tried to turn to the insurance industry and use my research skills and knowledge, and I turned to Land America Financial Group and I worked for a subsidiary called the Commonwealth Land Title Insurance Company. Well, they began to run in the red, automation was again creeping in, all of the court records were not put on spreadsheets anymore, but on computers. They were selling these to the law firms and the title companies so that they could do the work from their desk, making people like me redundant. So, they started waves of layoff and they laid us off in groups of five all through the year 2007. I finally lost my job in the first wave in March. I spent 11 months unemployed, I went to employment agencies, which now they cannot even guarantee you a week's work. Finally, a legal services company where I would be serving subpoenas and filing papers for the law firm's with the Philadelphia courts picked me up. But then again, automation reared its ugly head and e-filing came in and now secretaries and lawyers could file 24/7 from their desks. So, I was laid off in the last Friday in April.

I went through a very rigorous routine of proving that I had every poor income. If my hours hadn't been cut from 40-30, I would have gotten a weekly check of around \$250. What

they paid me was \$190, it went up \$5 when I went on my first tier. One hundred ninety five dollars I could not cut it so I called the Philadelphia Coalition on Hunger to see if I qualified for Food Stamps. The Food Stamps are a vital safety net for me, I'm dumped out of work at the age of 64, I'm supposed to wait till age 66 to get full benefits, I will not work in Philadelphia ever again with a Master's Degree. I'm not a minority, I'm not a woman, and I'm over the hill. I'm overqualified. So, I'm trying to hang on until January 6 of 2013 when I will turn 65. My monthly income thereafter will be \$186, which isn't much better than the \$780 that I get now. I still need Food Stamps, without Food Stamps, I don't know how I'd save for the excessive real estate tax in Philadelphia County which was raised twice on me and the house insurance which is required because if your house would burn to the ground, you'd have nothing.

I have to pay \$80 every time I go to the doctor, \$175 or more if I go to the dentist, I've reduced my dental care to once a year, I see the doctor every three months for blood pressure modification or monitoring. I get my medication under the table through the doctor giving me samples because it would cost me \$101 for a 30 day supply. And out of this \$195 without Food Stamps providing me about \$50 a week for three weeks, I have to finance saving for the taxes, the utilities, and I can't even have money to paint my house. It's something, and I've never had more than \$13,000 in the bank at any one time in my entire 44 years of working. Right now, I have about slightly in excess of \$9,000. If the asset tests kicks in, how am I supposed to save for all these extras with no health insurance or anything else? I don't know what else to tell you, that's my story.

REPRESENTATIVE DELOZIER: Thank you very much for sharing your testimony and certainly your personal stories. Obviously each and every one of you has the capability of testifying to impacts that our system has, so thank you for sharing this with us today.

Okay, we have the next panel. We have Roni Green, Eugene Quaglia from Berks County Assistance Office. Thank you for joining us today and you may start when you're ready.

MS. GREEN: Thank you chairlady, representatives. Thank you for the opportunity to speak to you today about the impact of the SNAP asset test reimplementation. As a former county assistance office worker, I know firsthand the important role of the SNAP in the lives of Pennsylvania citizens. SEIU Local 668 represents 20,000 workers who work in State, county and local government as well as in the private sector. Our members deliver human services to the most vulnerable citizens in the State. We have over 4,000 members in the Department of Public Welfare providing the front line work. I am joined today by one of our DPW caseworkers from Berks County Assistance Office, Eugene Quaglia who can provide further detail and comments after his formal testimony.

Secretary Alexander has publicly acknowledged that the food stamp asset test won't save any State dollars but rather, is a policy change to improve what he claims to be program integrity. Integrity implies that equal treatment and fairness will improve. However, we do not believe that to be true of this change.

Currently, CAO's county assistance offices lacks efficient staff and tools to adequately investigate applications. An additional process will further overburden the CAO's, which will result in the added suffering of the people who are truly in need. According to the information we've received, the number of SNAP recipients who will be impacted by the asset test is roughly 4,000. According to the DPW website, there are about 1.8 million SNAP recipients, that means the number of impacted people by this change is 0.2 percent of the SNAP population. Welfare case workers will be required to gather asset information from every SNAP applicant and recipient despite the fact that asset won't have an impact on 99.8 percent of the SNAP

population.

Although caseworkers never stop asking for SNAP for asset information and never stop recording the information, there is a difference between recording information that doesn't impact ineligibility and gathering and recording information that will determine if a family will have food to eat. It is also important to note that additional work couldn't come at a worse time. Because of the ugly turn of our economy, there are more Commonwealth citizens in need than ever before that have been dealing with unemployment, foreclosures, hunger, and lack of medical coverage. Add this to the 30 percent decrease in staff the CAO's have seen over the past several years.

Additionally, DPW's in the process of rolling out a new software package that is slower than the current system being used. CAO's already plagued by staffing issues face the possibility of becoming less productive because of computer issues. So, the impact of additional work resulting from the reinstatement of the asset test will be magnified.

Rather than looking for ways to save money, the reimplementing of the food stamp asset test will cost the State dollars because it will take away time from processing other work, including Medicaid cases. Most of the time and energy in CAO's is devoted to dealing with new applications and keeping open benefits from lapsing. If CAO's fail to close Medicaid cases on time, the Commonwealth always loses money and the federal government frequently does as well. If reinstatement of regulations results in only a 2 or 3 percent increase in the amount of time spent on food stamps, the cost to the State will likely be millions of dollars. Every extra minute a caseworker spends dealing with the asset test takes away time that can be spent on Medicaid eligibility checks and balances.

Although Welfare caseworkers lack the time and tools to adequately investigate assets,

auditors have the luxury of searching for errors. In essence, our leaders are guaranteeing the food stamp error rate will increase and will the required effort to recoup overpayments and prosecute some cases. Pennsylvania is virtually guaranteeing to incur unnecessary costs and lose food stamps adequacy bonus money as a result of this change.

SEIU 668 has offered dozens of solutions to improve the integrity of DPW programs. These solutions will yield real cost savings to the Commonwealth instead of focusing our time and energy on the problem that doesn't exist and re-implementing a policy that will kick off those in need, we should look at real solutions for tax payers of the Commonwealth. Some of these solutions include: securing asset information from the Pennsylvania Department of Revenue rather than relying on possibly outdated IRS information; prevent fraud by arming caseworkers with as much information as possible such as PENNDOT information which currently isn't available to us; enforce federal Medicare child support regulations, which would capture information on parents who have a legal obligation to provide for their own children; implement a plan to insure individuals aren't employed or receiving unemployment benefits in a neighboring State. We will gladly provide every representative with the entire list of suggestions we've made that would ensure program integrity for all programs county assistance offices administer.

Along with the food stamp asset test, Governor Corbett and his administration is proposing egregious cuts to the services the public relies on. The decreased funding to counties is not only going to negatively impact the services at the county level, but also increase the need for services at CAO's, which will continue to overflow the offices. If anyone here thinks closing over 60,000 general assistance cases will free up time to investigate assets, think again. CAO's will be dealing with people in desperate need of means to survive. Rather than just making cuts

to programs, we need to deliver critical services in the most cost effective way. That's what our members work hard to do every day and we are asking that you support us in that endeavor.

We hope our presentation will make each of you think about real ways we can improve the integrity of DPW programs and save the Commonwealth money while protecting services rather than implementing the food stamp asset test, which will hurt people in the long run.

Thank you for the opportunity to discuss these important issues. Gene, do you want to add anything?

MR. QUAGLIA: No, actually I was going to give some examples of people who would be hurt by this but the panels are doing such a great job that I don't have to do that.

MS. GREEN: Thank you.

MS. VOLLINGER: Thank you so much, I appreciate it. Thanks so much to the chairman and the members of the committee for having me, as mentioned I am Ellen Vollinger, Legal Director of the Food Research and Action Center based in Washington D.C. You have my written statement, I just want to have that for the record and I'll summarize. Certainly the witnesses who have come before me are making points that I very much associate myself with.

The Food Research and Action Center is a more than 40 year old organization based in Washington D.C., we work with a mission to reduce poverty and hunger in the country, we work through research policy, advocacy, outreach, public education, and training. We very much appreciate your holding the hearing today because we're deeply concerned that the proposal to re-impose an asset test will have negative impacts. We think those would be for needy Pennsylvanians access to federally funded food assistance, impacts on local businesses and economic activity needed for Pennsylvania communities to rebound from the recession, on the Commonwealth's administrative cost for SNAP, and on the Commonwealth's fight against

hunger.

As you've heard, SNAP is important to struggling households. We know that there are more and more people struggling in the country against hunger and food hardship. Our own organization FRAC has data from Gallop. Gallop surveys the public and asks them the degree to which they have had difficulty affording food in the past 12 months. That number in 2011 is 15 percent in Pennsylvania, 15 percent of Pennsylvania households told Gallop that they have trouble affording food. And that food hardship is found in every congressional district in the country and it's found in every congressional district and part of Pennsylvania, part of the Commonwealth, and I've given you in my testimony a link to that report so that you can see where it is, but I know that all of you and the witnesses that have come before understand what you're seeing in your communities, but that survey data documents it and puts a number on it.

Is the SNAP program growing in ways that are out of whack with what is going on with the economy? We think not. SNAP has helped Pennsylvania in cushioning the recession's impact on the residents. We know that food hardship would be much worse if SNAP were not doing the job that it is. When you look at the percentage of Pennsylvania residents who are participating in SNAP, that's 13.8 percent, that is quite in line with the percentage of the Commonwealth's workforce that's affected by unemployment or under employment. The numbers that I'm citing are put together by the Bureau of Labor Statistics for the Department of Labor. And they report the national unemployment rate every month, but they also estimate in addition to the number of people who are actively looking for work the people who are also economically disadvantaged because they are discouraged, they've given up, or they're stuck working part time jobs or with their hours cut back even though they want full time work. So you see that the SNAP program participation is I think a good indicator of what's going on with the economy and there is a

reason why it's at the levels that it is.

I'd suggest Pennsylvania's elimination of the SNAP asset test in 2008 has been an important ingredient in serving those adversely affected by the recession including what people sometimes call the "new faces of SNAP." These are often people who have years of work history but they've lost jobs so they've lost work hours. They never thought they'd be in a situation that would cause them to turn to food pantries and apply for food aid. We hear routinely from emergency food providers that numbers of the people coming to them used to be their donors, and they've having to turn to them for help.

We know from U.S. Census Bureau Data that SNAP has been helping to lift those in need above the poverty line and in 2010 SNAP lifted 13.1 percent of the Pennsylvania SNAP households above the poverty line. That put the Commonwealth 18th among all States and D.C. for the greatest percentage point impact that SNAP had in lifting households above the poverty line.

There has been a clear national trend for the federal government to allow more asset accumulation by SNAP households and for States to eliminate or otherwise ameliorate the federal asset test in SNAP. That trend, really, is in part to encourage American families to save for the future and better position them on a path to financial independence. I give you that context because I believe the proposal that is before you from the Governor is contra that trend. In recent years, congress has rejected proposals to limit State options to use so called "categorical eligibility rules" to conform asset policies between SNAP and Temporary Assistance for Needy Families Program. In the 2008 farm bill congress exempted more household assets from counting against SNAP eligibility and for the first time included an inflation index for asset limits. Nonetheless, the most important amelioration of the asset test

comes through the State exercising its option to eliminate that test. Between fiscal year 2008 and fiscal year 2012, 34 States implemented broad-based categorical eligibility option to eliminate or ameliorate the SNAP asset test. Currently in addition to Pennsylvania, 42 other jurisdictions – 38 other States, the District of Columbia, and two territories have ameliorated the federal SNAP test. All but four of those eliminate the asset test entirely, and one of those four has an asset test that sets it at \$25,000, considerably higher than the proposal that's pending in Pennsylvania.

I would point out that the State executive branch can ameliorate the SNAP asset test without legislative action. And that's how the asset test has been changed in many States, but some State legislatures have used their authority to intervene and required their States to exercise that State option to ameliorate that asset test, for example: statutes ameliorating the asset test have been inactive by legislatures in Colorado, the District of Columbia, and Nebraska; and I point that out because the role that the State legislatures can play with respect to this policy in SNAP should not be ignored and it's one of the reasons that we're so pleased that you're having the meeting to think about what you might want to do on it.

Finally, I'll cite research from GAO, GAO at congress's request did a study of what the impact of the elimination of the asset test and other sort of categorical eligibility options was having in States. They published their results in 2007. According to GAO, "most States believe eliminating non-cash categorical eligibility would increase food stamp administrative workload. Most States that responded at that time conferred non-cash categorical eligibility and they said eliminating that option would increase their caseworker workload"

Some common reasons State officials told GAO for the increase in food stamp administration workload would be: increase in verifications needed, increase in error rate as required verifications increased, changes to data systems, increase in time to process

applications, and changes to policies and related materials. You can see some other examples, I won't read them all, they're from the GAO report, but States that were interviewed by GAO were very specific. As you've heard here from earlier witnesses, these are practical operational consequences to going backward in time on this policy, and most other States saw those as problematic. They were not telling GAO for the most part, not a problem, won't cost money. That's quite the contrary in terms of what GAO reported. So in sum, I would say that re-imposing an asset test in Pennsylvania would be a step backward in the fight against hunger. As you've heard before, SNAP dollars matter to the State. USDA research suggests that for every dollar in federally funded – and it's 100 percent federally funded – benefits that comes in, there's a \$1.79 in economic activity. We appreciate your review of the policy proposal; we urge your rejection of the policy proposal and recommend at a minimum that further study be done of the ramifications before Pennsylvania goes backward against the trend that we've seen occurring elsewhere in the country. Thank you.

REPRESENTATIVE DELOZIER: Thank you very much for your testimony. The next panel that we have is Rich Gitlen, Executive Director, Family Services. We have Bill Jamison and Rabbi Eric Cytryn.

MS. RUMAN: And I'll just give a brief introduction to the panel; I'm the Reverend Amy Ruman, Director of Lutheran Advocacy Ministry in Pennsylvania. When Faith communities across the Commonwealth heard about the reinstatement of the SNAP asset test, there was widespread concern, and there were quite a few who could have been here today, but in interest of time we were asked to put together a panel of different voices from around the State, so as you hear and read their testimony I just want to remind you that this is the tip of the iceberg or what is being said here today represents some broad consensus among denominations and faith

traditions around the implications of this.

Faith communities know about the importance of SNAP because we are on the ground serving through food pantries, meal programs, after school meals for kids, summer meals, growing community gardens, and operating soup kitchens. And we look to government as a partner in this endeavor, and we're extremely concerned about not just what will happen to those who are knocked off by an asset test, but the ability and our capacity. Although our will to serve is there, it is to our agencies and institutions and congregations that people will turn in an already stressed system; and so we'll go on order in which we are listed here.

MR. GITLEN: Good morning, my name is Rich Gitlen and I am the Vice President for Community Services of Liberty Lutheran and the Executive Director of Lutheran Children and Family service, Philadelphia. I would like to take this opportunity to thank the committee for the opportunity to testify concerning asset testing for the SNAP program. By providing this testimony I hope I can convey to you how important the SNAP program is to our clients and how asset testing may adversely affect them.

Last year, Liberty served over 49,000 children, families, and seniors through its array of community-based residential and in-home medical and nonmedical services. As Vice President for community service, I maintain responsibility for both Lutheran children family service and Lutheran Congregational services, which has served more than 43,000 families here in the eastern part of the State.

Lutheran Children and Family Service serving Philadelphia and the surrounding counties provides services to newly arrived immigrants and refugees, foster children and their families, adoptive parents, first time mothers needing nursing care, out of school, unemployed youth, families with abuse/neglect issues, truant children, and seniors using our community based senior

citizen services.

Lutheran Congregational Services located in Allentown serves thousands throughout the year through its warehousing distribution ministry to low income families, disaster response work, and a full array of services to over 400 congregations in northeast Pennsylvania.

Many of our clients in eastern Pennsylvania experience the impact of intergenerational poverty, they often live at the poverty level or barely above it and struggle to survive in neighborhoods that are riddled with violence, limited healthcare options, underachieving schools, and poor housing conditions. They are the working poor that struggle from paycheck to paycheck, they are the newly arrived refugees and immigrants that are struggling to make a new life here in the US, and they are seniors with limited resources, fixed incomes, and mounting expenses. Like many other members of our community, they often rely on governmental programs like food stamps that allow them to stay afloat and like many of our fellow citizens, they try to put away some money for a rainy day.

Consequently, asset testing can be detrimental as they try to stretch minimal assets to meet their family needs. Let me give you three examples of the potential impact of the proposed asset testing for the SNAP program and what I believe may be unintended adverse consequences. Our refugee programs assist persons who have fled persecution in their home countries and who arrive in this country as refugees eager to start their lives in a new country. Over 70 percent become employed within the first 180 days of arrival. Early employment however, does not mean early family self sufficiency. Food stamps are a crucial support for family survival. Through diligent labor and family and community supports, refugee families are at times able to build-up assets and help them get through significant obstacles in their new country while helping them to move up the economic ladder. The proposed SNAP asset testing would be a

tremendous disincentive for newly arrived families eager to work towards their hope for a piece of the American dream. It would punish families who are eager and able to scrimp to improve their lives and it would increase hunger in our State which is benefitted tremendously through the hope and hard work that these persons who are starting over.

In addition to newcomers, we provide extensive services to seniors in our community based programs. These older adults have worked a lifetime to build our communities, raise families, and look forward to retirement. Unfortunately, retirement has not been easy for many; trying to manage rising costs like house repairs, healthcare, and food living on social security, limited pensions is difficult. We see them daily at our senior centers or our food banks looking for food or hot meals to stretch their limited resources. Some need to access our emergency funds which is supported by private foundations to make repairs to their houses, pay for prescriptions, or buy food. Some tell us stories about skipping or diluting medications to make ends stretch. Asset testing will potentially devastate their modest savings and force them into a more vulnerable situation as they grow older and more infirmed.

Finally, we work with many young parents trying to take care of their families and stretch limited dollars. Many are the working poor and because of limited or developing job skills, they move in and out of employment. Food stamps offer them the opportunity to supplement their diet while continuing to work and save to escape the strangle hold of poverty. Families save money to pay for essentials such as clothing for their children, groceries above what is supported by food stamps, medical care, and a variety of daily living needs. Knowing how volatile the job market is, our social workers encourage them to do what we are all instructed to do by economic advisors, and that is to save money. Unfortunately, asset testing is a detriment to this and in fact, counter intuitive of what we expect of everyone to do to survive in difficult times. By asset

testing food stamps, we will discourage savings and maintain people in a perpetual cycle of poverty while certainly increasing pressures on the food bank system which is already badly strained. Again, I want to thank the committee to testify, and hopefully you'll consider my remarks in your deliberations.

MR. JAMISON: Good morning, my name is Bill Jamison. I am the Director of the Allison Hill Community Ministry, which is here in Harrisburg on South Allison Hill. South Allison Hill is often referred as "Harrisburg's pocket of poverty," although I'm certain that poverty is not so geographically limited in these days and times. One of our ministries is a food pantry. Obviously the South Allison Hill Community Ministry is a faith-based agency. In that light, I gave some reflection that in these chambers there often rises a loud voice, this year indicated by action, that this Commonwealth is grounded in the Christian Bible. In that context, I call your attention to the admonishment given us through the Sermon on the Mound that we should feed the hungry.

Three years ago, our food pantry was providing supplemental food assistance to some 60 families each month, this year that number has risen to 135-140 families each and every month. Our emergency food program – and understand that emergency means that there is no food in the house, the kids will not have breakfast in the morning – in our emergency food program we used to deal with maybe four emergencies over a month; now we deal with at least eight sometimes ten. Our food emergencies come from communities other than South Allison Hill, by the way. Actually, they call from places as far away as Enola and Mechanicsburg, places where hunger still remains a hidden mystery.

The notion of the asset test is to feed as few people as we can; not to deal with the issue of hunger as it is in reality. Secretary Alexander stated, "The asset test ensures every public

dollar goes directly to those who need it most... an important reform that ensures individuals use the personal resources available to them..." And I say yes, exactly, we're proposing that a Commonwealth, that as a Commonwealth we assure that families and individuals are absolutely reduced to humble folks with nothing before we address their hunger issues and we call that concern about the welfare for our citizens.

Listed in the assets are the home, the car, the shelter the family needs, absolutely needs in the car if you're ever to find work again. Assets? These are necessities in today's world. The education fund should absolutely be last thing we would ever consider, unless it is our intention to ensure generational poverty. Pension funds? After we have contributed and worked and achieved an older age? What exactly are we asking? If we need food stamps, the stories are cruel enough when you think of some of the choices our older citizens are forced to make today much less in the tomorrow that this proposes.

Most of the people coming into our food pantry are from working families, they work. Many of the people who come to our food pantry are recently unemployed. Often there is a SNAP representative who sets up a table and explains to our hungry the qualifications to access the food stamp program. Currently, some of our families are able to obtain something akin to food security – here, living in America, the richest country that ever was. This asset test is an instrument that will disqualify most until they have absolutely nothing but hard times in this Commonwealth where the intention would most obviously be that wealth would be anything but common. And the admonition or the admonishment, excuse me, of feed the hungry in this Year of the Bible, or not, is not being heard because the idea is to feed all of the hungry. Thank you.

MR. CYTRYN: My name is Rabbi Eric Cytryn, I am the Rabbi at Beth El Temple here in Harrisburg and I want to thank the committee for inviting us and empowering us to testify. I also

want to say what a humbling experience this has been to hear not only colleagues but also people who are personally affected, people who work in the SNAP program in trying to make sure that people have the opportunity to feed themselves and care for themselves within our Commonwealth.

Jewish tradition demands strong communal support for the poor and needy. Our traditions seek to guard against poor and needy people becoming marginalized by the majority who are able to care for themselves without civic aid. In the five books of Moses, God commands us to give back to the community. In Hebrew, this act is called "Tzedakah" which is often translated as "charity," but rather means "just righteous giving," doing justice by those who are without. When Jews read the Bible's commandment "Justice, justice shall you pursue" we understand that we are being commanded to give financially to the community so that those less fortunate than we do not suffer from or God forbid die of neglect.

Human dignity is a paramount virtue in our tradition. 850 years ago, a sage who codified rulings for this justice giving prioritized eight ways we could fulfill this commandment. The highest level of giving is to give someone a gift or a loan, or perhaps enter into a partnership with them, or even find them a job so that he or she will never have to beg again. With the imposition of an asset test, part of this potential for getting people back on their feet again so that they don't have to beg will be destroyed.

In Harrisburg, in Pittsburgh, and Philadelphia, and in many other cities where Jews live, there are Jewish family and children services that not only direct giving to Jewish and non-Jewish clients, here in Harrisburg they also manage a food bank which supplies observant Jews with kosher ritually ok food and nonobservant people including non-Jews with general nourishment. In addition, each of our congregations has an annual food drive for the Central

Pennsylvania Food Bank.

Each of my colleagues in the general area of Harrisburg, four other Rabbis, each who serves a congregation can attest to the increase request for gifts of money, rent, electric, gas, medical and other bills that need to be paid because people simply don't have the money. There's been a downturn in the economy, the significant number of people out of work has called people to our ministry, to our offices, to our synagogues, our temples, and we respond. Would that any of us could find jobs or give significant loans or enter into partnerships with those in need. Alas, we have only limited funds, all donated at our disposal and so this triage of need and response speaks directly to this committee's task at hand and the House's responsibility, because bringing back the asset test to SNAP will hurt families and seniors who are striving to better their lives and become more self sufficient.

The asset test does not take into account, as we've heard before, the issues of catastrophic health insurance and issues that take huge sums of money to correct and respond. Nor does it take into the account the idea that families might be able to save a little money on food purchases so they can place some money into savings accounts and have a firmer grounding regarding monthly and annual bills and crisis that appear.

In addition, Jewish tradition commands the giver not to question the veracity of the request; we understand that human dignity for most will demand that people don't reach out and seek help. It's embarrassing, it's humiliating to admit that you need help from the government or from your synagogue or church. And so, Judaism urges us not to question in a way that might be embarrassing or humiliating, our tradition teaches us that humiliating someone can be compared to murdering them and therefore, you dare not do such a thing.

And thus, I would urge the community not to support the reinstatement of the asset test

because this will in addition to all the other issues raised, further embarrass, humiliate and hurt the poor and needy in our Commonwealth who are most in need of our compassion. Thank you.

REPRESENTATIVE DELOZIER: Thank you very much for sharing your comments. Next we have on the next panel, Laura Tobin Goddard, the Interim Executive Director of the Pennsylvania Hunger Action Center. Thank you for joining us, you can start when you're ready.

MS. GODDARD: Good morning chairman and committee members. Thank you for this opportunity to speak today regarding the SNAP asset test being reinstated in Pennsylvania. My name is Laura Tobin Goddard, I'm the Interim Executive Director for the Pennsylvania Hunger Action Center. Pennsylvania Hunger Action Center is a non-profit, it's a Statewide anti hunger advocacy organization that's been around now for over 30 years. Our mission is to eliminate the causes of hunger in order to ensure food security for all people in Pennsylvania.

Toward that end, staff promotes food and nutrition assistance programs such as SNAP, WIC, school meals, and emergency food programs. We also monitor the operation of these programs and support administrative policies and procedures that render those programs more effective in achieving legislative purposes.

Between 1998 and 2010, the number of Pennsylvania households at risk for hunger rose from 1 in 14, which it was in 1998, to 1 in 8 in 2010. And of those Pennsylvania households with children, more than 1 in 5 of them struggle to afford enough food. These figures are staggering and the common misconception is that it's limited to our two urban centers in the State in Pittsburgh and Philadelphia, but I can guarantee you that hunger is in every corner of this Commonwealth, and it is not a problem unfortunately that is going away. And as you've heard today already, the largest and most affective food and nutrition program for combating hunger and food and security in the nation is SNAP. It's crucial to the nation's safety net and it allows

households that would otherwise go hungry or have to choose between food and other necessities such as prescriptions or heat to purchase nutritious food for their families and themselves.

As you've already heard today as well, nearly 1.8 million Pennsylvanians depend on SNAP benefits every month. Over 40 percent of those recipients are children and the number of seniors participating in the program has nearly doubled in just the last five years.

For over a decade, Hunger Action has also operated a Statewide toll free SNAP hotline on which staff screens callers for the program and applies for those who appear to be eligible. We receive calls from across the State from seniors, individuals with disabilities, recently unemployed, low wage earners, working college students struggling to put themselves through school, and victims of domestic violence. We hear about children going to school hungry, about their parents trying to work on empty stomachs, and diabetic seniors unable to afford the food that won't make them sick. Their stories are different, but their need is the same. In just the past two years the number of seniors we assist on our hotline and at our community sites has skyrocketed. More and more the response we hear from seniors when we ask them if they would like to apply for SNAP, even though they would most likely be eligible for the minimal benefit of \$16 a month is yes, every bit helps. That modest benefit allows them to buy more nutritious food or to be able to afford much needed prescriptions.

And of those income eligible households we assist, lack of verification is the number one reason for denial. Many of them contend that they submit the verifications, while others found that it took them more than a couple weeks to gather all of the needed documentation. While most of them reapply, they're faced with the same obstacles as they faced the time they first applied. Thankfully, our staff and staff of other organizations across the State who do similar work work as liaisons between county assistance offices and our clients, and so we're able to

help them enroll in the program in that way. Unfortunately though, this is not always the case that they're able to successfully enroll. Many applicants come frustrated with the process or try to struggle awhile longer before reapplying. Reinstatement of the asset test would not only make a certain number of current income eligible recipients ineligible for benefits – that number is estimated only 4,000 – but could also very easily create enrollment barriers to both participants at that time of renewal and to eligible households to the time of that application. In my written testimony I provide the different reasons why I believe this to be the case. Specifically, I'd like to focus on the not what we consider to be nontraditional retirement accounts, because this is what we're most concerned with, in that we have a lot of seniors who have CD's or bonds or savings accounts, we've spoken to many elderly women who had been homemakers for a good part of their working years and they don't have what are considered traditional pension retirement funds which are excluded but have, as I said, saved up money through bank accounts and in bonds and in CD's and unfortunately these will be counted as assets the way the new policy is being proposed and so then they'd be ineligible for SNAP.

And as I said, many of them only receive \$16, but they find that \$16 to be very beneficial in helping them be able to afford either nutritious food, especially many who are diabetic, or to pay for a couple prescriptions that they need.

The other thing is that many of the seniors we deal with, the idea of having to submit copies of your bank accounts is very intrusive. Many of them are educated and rightly so to hold onto that material and not to share it with many people. A lot of them resist sharing too much information, personal and private information. But bank statements I'm afraid would discourage many seniors from applying just because, as I said, they've been educated to hold that information close and we just feel like it'd be a very intrusive policy.

When households are denied for SNAP because of their assets or failure to submit verifications for their assets, if this policy was reinstated, their need for food obviously does not disappear. As you've already heard from some of the speakers today and those testifying who operate food pantries, many people in the community turn to their local food pantry even when they do receive SNAP. Studies have shown that by the last week of the month they're out of their benefits and need to turn to the local pantry for food to get them through to the end of the month and the demand on food banks and pantries and soup kitchens remains very high while the resources available such as donated product and federal commodities are severely constrained. We partner a lot with food banks across the State and they believe that anything including the SNAP asset test that removes food assistance from Pennsylvanians will only increase the demand and exasperate the challenges faced by Pennsylvania's charitable food assistance providers. Basically, they don't have the ability to pick up those who are kicked off of SNAP for either their assets being too high or because they were denied because they didn't submit verifications or it wasn't processed timely.

I would like to echo the recommendations given by Louise Hayes of Communities Legal Services, I do believe that before DPW moves forward on this we really need to take a good serious look at this and to do a study addressing some of the questions, the big questions that remain as far as the human impact and also the monetary impact on this Commonwealth if this SNAP asset test were reinstated. Also, if there was to be an asset test that the limit be increased to a more reasonable limit, and I believe Louise recommended the \$25,000 limit that's imposed in Nebraska, something along those lines so that those people saving for property taxes, medical care, and the retirement, in essence would be protected under that and that anyone with assets below that not have to provide verification because that's really going to be where people get

dropped off that would otherwise be eligible.

In Pennsylvania, SNAP is means tested, it's based on income so really it is only going to those truly in need and in Pennsylvania as it's been said before has a very low fraud rate lower than 1 percent so DPW's already been doing a very good job in this way in guaranteeing that those in need are already receiving the program, the benefits and I would also echo that preserving general assistance program is definitely needed in this upcoming budget. It will lead to more hunger, actual hunger in this State if that program is eliminated, and I would also propose that the General Assembly also preserve the school nutrition incentive which was proposed for elimination in the Governor's budget which gives school a very meager incentive to participate in the school breakfast program. Created 5 years ago, the incentive program has made it financially possible for more than 1,950 school buildings in Pennsylvania to offer breakfast to their students. Currently more than 40 percent of students in Pennsylvania are eligible for free or reduced price school meals, which means that their families income is less than 185 percent of the federal poverty level. With the increased cost of child nutrition guidelines, the loss of this incentive programs would force many schools to stop their breakfast programs which feed more than a quarter of a million Pennsylvania children every school day.

Thank you, again, I just hope that this can maybe— I appreciate this committee looking at this very serious matter that could potentially harm many Pennsylvanians. Thank you.

REPRESENTATIVE DELOZIER: Thank you very much for your testimony. We have one last testimonial panel. Crystal Lowe and Jason Kleinman. Crystal is the Executive Director of the Pennsylvania Association of Area Agencies on Aging and Jason Kleinman is the United Way of Southeastern Pennsylvania. Thank you for joining us.

MS. LOWE: Good morning, thank you very much representatives for holding this

hearing. As said, I am the Executive Director of the Pennsylvania Association of Area Agencies on Aging and I'm here to talk to you about the proposed reinstatement of the asset test for food stamps. As the Executive Director, I am speaking on behalf of the perspectives of the 52 Area Agencies on Aging across Pennsylvania that serve all 67 counties. These agencies serve as community focal points to coordinate services for older adults and to responsibly represent the issues and concerns of our senior population.

Our agencies provide information and assistances as well as a wide array of home and community based services funded through the Older Americans Act and the Pennsylvania Lottery as well as through a variety of other funding streams. Our intake staff and our care managers work with consumers and their families to identify the benefits for which they may be eligible. As I was looking at the utilization statistics of the food stamps since 2008, when the asset test was eliminated, I noted that there was an increase in the number of participants as well as the number of households that had been added to the rolls and I reflect back that prior to my taking this current position, I was the Executive Director in York County and as I worked with our staff, one of the things that I did not do was strongly advocate on behalf of the outreach on food stamps. At that time, the asset test was still in place and it was a benefit that often people felt was extremely burdensome because of the documentation that needed to be submitted. So after the asset test was eliminated, we did a lot of outreach to help seniors identify that this was a resource that was available to them, something that they could use that was not terribly intrusive. I want to echo the comments that many of our senior population really finds some of the documentation difficult to obtain and also very intrusive, so they may prefer not to do so and not have that particularly important benefit to them. But we have done a good job in outreaching since 2008 in getting more seniors on the rolls of food stamps and I think that demonstration

would show you that.

We recognize that we want to be able to preserve scarce resources for those most in need, but frankly I think there could be a better way than reinstating the asset test. We've heard that the asset test will weed out fraud, waste, and abuse in the Department of Welfare. However, Pennsylvania has such a low fraud rate we have to kind of question that. That means for every \$10 in federal SNAP benefits issued in Pennsylvania, only one penny is lost in fraud. If this is to identify that rare lottery winner as occurred in other States, there already are banking requirements that any deposits over \$10,000 need to be reported, isn't there a way that we can report that on the back end, catch that on the back end rather than on the front end?

The planned asset test would place further strain on our already understaffed county assistance offices increasing opportunities for errors in processing applications, but the burden doesn't only fall on the county assistance staff. Many seniors, and I would presume other vulnerable populations will have great difficulty pulling together all of that information and documentation needed to apply. Bank statements, the insurance property titles, evaluation of that second car, all require legwork to obtain. That support is often provided by community agencies such as ours and that does take away other resources, I mean it really is the Commonwealth resources.

We greatly appreciate the administration has reconsidered its asset threshold, but we do not believe that it has gone far enough. As we learn about the impact on seniors, I had a daughter recently write me and she indicated "seniors living in their own homes on limited income are already barely scraping by, I know firsthand from my mom. She needed to be able to have a savings account to rely on to pay her ever increasing property taxes and unplanned repairs to her home. If she still had a car rather than two daughters to drive her around, she would need some

money to pay for insurance and repairs. I know many people who are managing day to day with what incomes they have but without some savings, have no means for the extra expenses that come along which normally aren't small expenses. I certainly don't advocate for people with a lot of money collecting benefits, but I also know how hard it is to maintain let alone to add to a savings account. A \$10,000 account that has a \$2,000 withdrawal for taxes with some miscellaneous things here and there is gone in 5 years. If suddenly a new roof is needed it's gone even sooner. My point is that I hope there is serious consideration for ongoing needs of people trying to manage and maintain their homes."

It is a fact that seniors on average are more likely to be homeowners. Property taxes, even with the assistance of the tax and rent rebate program, are skyrocketing out of control. As the State shifts funding to make up funding to local communities, county and school district taxes increase. Cities where most of our seniors live are most adversely impacted with disproportionate taxes. A new roof costs between \$4 and \$6,000, I am sure that many of them cost even more than that. Medicare by no means covers all expenses related to healthcare, and as we look at bankruptcies in older adults, the single most important factor is medical care. It's hard to believe, but that's where we are right now.

The revised threshold of the asset test is still too low. We also feel that non-liquid resources should be excluded from the asset test. Between the burden of applying for benefits as well as the outstanding processes and understaffing of the County Assistance Office, there will be significant disincentives for people to access this benefit. For seniors, \$10-\$20 a week can make a difference in the quality of their nutrition and their overall health. Forcing the senior to drain their savings before receiving help is not only cruel, but counterproductive in helping them move off government assistance. We see that for seniors it actually more quickly puts them in

the path of dependency and public support for long term care.

We would ask for your reconsideration of implementing the asset test until a true analysis can be done. Thank you for allowing me to testify today.

MR. KLEINMAN: Good morning members of the committee, thank you for hosting this hearing today and for providing me the opportunity to speak with you today. Looks like I'm the last one up on today's agenda so I will keep it brief. My name is Jason Kleinman and I represent United Way of Southeastern Pennsylvania.

At United Way, we bring together diverse stakeholders and funders to drive systematic change and address our communities most pressing needs. One of our biggest areas of focus is to increase financial stability for working individuals and families in our region. We are workers with the financial knowledge and opportunities that they need to help build assets and savings that will provide long-term support to help for their family's future. We know that saving money and building assets lead to self sufficiency and we believe that asset tests discourage these activities. This is why we oppose any asset test from food stamp recipients.

United Way supports successful programs like the Earned Income Tax credit known as EITC and Individual Development Accounts program known as IDA's to help people in our community build their savings and grow their assets. EITC as you probably know is a tax benefit for low income working individuals and families that reduces their annual tax burden. It's also recognized as one of the nation's largest and most effective antipoverty programs.

Last year United Way and our partners helped over 17,000 individuals in southeastern Pennsylvania access pretax preparation services, through these services over \$10 million in EITC was returned back to the hands of hardworking families and individuals. We encourage these people to put their tax credits into savings accounts or buy bonds so that they can grow their

assets. We also promote our IDA program; IDA's are match savings accounts that help people with modest savings save towards the purchase of lifelong assets like a first home or tuition at a post secondary education institution. We run these programs because we want to encourage savings and we know that these assets have many positive benefits. Research continually shows that higher education offers a wide range of benefits including higher earnings, a lower likelihood of unemployment, improvements in health, and greater civic engagement. Studies have shown that in the next few years over 60 percent of jobs will require some sort of post secondary education.

Similarly, homeownership is linked to an array of benefits in health, employment stability, and children's educational performance. It's also viewed as the primary means through which low income households build wealth. Since 2002, United Way's IDA program has helped over 280 individuals save more than \$300,000 for tuition or the purchase of their first home, but our asset building programs aren't just about helping people save money towards the purchase of a lifelong asset, rather we're creating a shift in attitude and behavior to promote and reward savings because we know that this is what ultimately leads to self sufficiency. We also know that those people who don't have savings are ill-equipped to handle emergencies whether they're large ones like a sickness or an injury or something smaller like the need to replace a broken refrigerator.

We're concerned that asset test will force families to save their savings before receiving the help they need right now to keep their family safe. It also discourages future savings which is counterproductive in helping them move off government assistance and towards self sufficiency.

While United Way remains opposed to any asset test on food stamps, if an asset test must be implemented, we strongly recommend that at least 5 years worth of the EITC savings be

excluded from counting towards a person's total assets, regardless of whether or not they are receiving food stamps when they filed their return.

The current language which only excludes one year worth of EITC savings has the unintended consequence of discouraging asset building and encouraging people to use their savings on smaller items instead of saving for larger, more meaningful ones that will help them in the long run like an education or a home.

I encourage you to carefully review this proposal for all of the reasons that my fellow panelists spoke about today before it goes into effect to make sure that it doesn't discourage or even punish low income working people from saving money. Thank you again for having this hearing, and thank you for your time.

REPRESENTATIVE DELOZIER: Thank you very much, thank you for sharing your ideas as well as the fact of everyone on the panels for bringing in the input from all different perspectives and certainly different regions of our State. At this point, I know a couple of the members do have questions I turn it over to Representative Cohen.

REPRESENTATIVE COHEN: Thank you very much; I deeply appreciate everybody's testifying, I regret that I was called away from some of the testimonies. Somebody here recently mentioned that Nebraska has a \$25,000 asset cap, is Nebraska the only State with the asset cap? What other States have it? Do people know that?

MS. VOLLINGER: Of the states that have chosen to exercise the option to eliminate and obliterate the asset test, all but four of the 42 eliminated the asset test, States or territories. Of the four that have an asset test different from the federal level, Nebraska's the one with \$25,000; Michigan has the test that they have been changing in the last year that's closer I believe to \$5,000 and for the record I could get it for you, Texas has been at \$5,000, and Idaho is around

that. So of the four that have done something different with the test, those are the ones that do have a limit, but Nebraska which is more recent and was done through the legislature is at \$25,000

REPRESENTATIVE COHEN: So some States don't have the food stamp program?

MS. VOLLINGER: All States have the food stamp or SNAP program, they may call it by a different name, of course it was named at the federal level in 2008, all States and the territories, most territories in D.C. have such programs and of all of those jurisdictions, 42 have changed the federal asset test and of the 42, all but four have eliminated it as Pennsylvania has done. They've been very much a part of the trend that Pennsylvania became when Pennsylvania acted in 2008.

REPRESENTATIVE COHEN: And what is the federal asset test?

MS. VOLLINGER: The federal asset test is \$2,000 per household without elderly and disabled, now it's \$3,250 I believe for households with elderly or disabled. Those limits were set in the 1980's at \$2,000 and \$3,000 and in 2008 they began to index into the future for inflation. A very modest recognition, but a recognition nonetheless that those asset test whether they made sense in the 1980's were very updated. So the elderly one has moved up just a little bit from the \$3,000.

REPRESENTATIVE COHEN: Is there benefits of Pennsylvania? If we cut eligibility for the SNAP Program do we get to spend the money – the federal money – for some other purpose?

MS. VOLLINGER: No.

REPRESENTATIVE COHEN: So, we just turn the money back over to the federal government? And Pennsylvanians don't use it for any other purpose?

MS. VOLLINGER: That's correct. The money will not come in to Pennsylvania, it won't go to the families to spend at the grocery stores, it will not come in.

REPRESENTATIVE COHEN: Is Dave McCorkle still here? Dave, I saw worried about the effect on grocery stores around the Commonwealth, I know varying profit margins. I know in Philadelphia and in Harrisburg there have been shortages of grocery stores and supermarkets and this would seem to further create shortages here and there, a low margin business may go out of business and others might be more reluctant to come in. I can't see any good that comes of these cuts and I am glad to see so many people here opposing them. I think Governor Corbett has already heard when he raised the asset test and hopefully he and his staff and others will be listening to this testimony and other similar public discussion there will be further positive changes that will benefit the people of Pennsylvania, thank you.

REPRESENTATIVE DELOZIER: Thank you, one comment that I did want to make, Miss Green, you had mentioned providing the examples that you had when you testified on the examples that SEIU has for and the capability of making sure that we get those examples out, I would really appreciate your willingness to provide those just so that we can also kind of take a look at other options that might be out there. That, I think would be very helpful to the members to have a better understanding what you suggested as well as like I said, just some things that the employees are thinking of because they're the ones that are doing the job every day. So certainly we'd be interested in their input.

MS. GREEN: Yes, we will provide those.

REPRESENTATIVE DELOZIER: Thank you very much. And I know Representative Helm, you had some questions.

REPRESENTATIVE HELM: Thank you, I just wanted to thank everyone for testimony today, I think you gave us a lot to think about and as State representatives, we work in their districts and a lot of what you said I think we've realized what's happening. One of the most

disturbing things I heard though was the fact that the counties lose the paperwork in light of this gentlemen who lost his job because of automation. I'm thinking you know, why don't we have this all automated so we don't lose paperwork today? But I also have a question since we have we're live today and people are watching us. Laura, you stated there's a Statewide toll free SNAP hotline, do you have that number?

MS. TOBIN: Yes, that number is 1-800-634-2033 and there are other organizations that operate similar hotlines in different parts of the State and we refer to them if there's a local organization if they're calling from areas of the State that have local organizations that do it. But we can help anyone across the State, either connect them directly or refer them to their local organization.

REPRESENTATIVE HELM: And that's 1-800-634-2033.

MS. TOBIN: Yes.

REPRESENTATIVE HELM: Thank you, I just think that I know people watch this all the time and I think there's somebody there would like to know how to contact you, I want them to know how to do that. Thank you

REPRESENTATIVE COHEN: I would like to thank on behalf of my democrats and chairman, I would like to thank everybody for coming. I think that this testimony was each individually impressive and cumulatively overwhelming. There's obviously a major concern here, and I am deeply grateful that all of you have taken time from your busy schedules to help document the reasons for the widespread concern that exists.

REPRESENTATIVE DELOZIER: Thank you, and the meeting's adjourned.

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