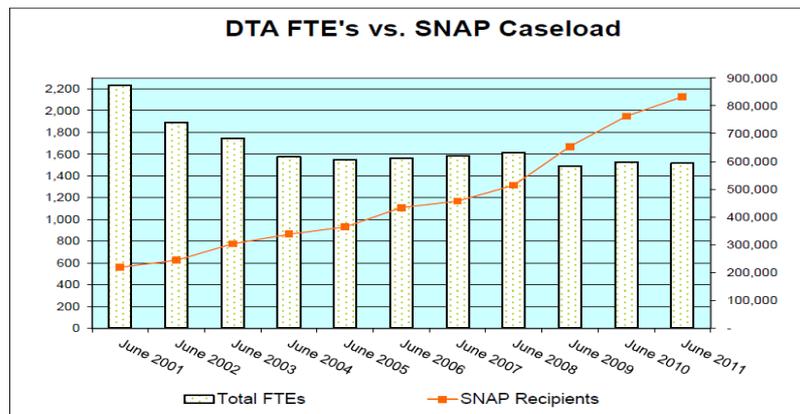


Rebuttal to Recent Press Reports of SNAP/Food Stamp Waste: No Recipient Fraud or Fault in SNAP Overpayment

Recent news reports suggest ongoing waste of taxpayer dollars and mismanagement by DTA of the SNAP (food stamps) program, including a recent \$27M overpayment of federal funds. Here's what you need to know.

- There was **NO fraud and NO fault** on the part of SNAP recipients involved. All of the Massachusetts SNAP households played by the rules. They *timely reported* changes in advance of their next recertification period. The feds (USDA) have found NO fault on the part of Massachusetts SNAP recipients in determining this overpayment.
- At the height of the Great Recession in 2009, unemployment hit **double digit figures** - the highest since 1964 according to the Department of Labor.ⁱ The SNAP caseload surged around the nation. President Obama signed the American Recovery and Reinvestment Act (ARRA), increasing SNAP benefits by 13.6% in April of 2009 and suspended onerous work-for-food rules due to the lack of employment options.
- Between January 2009 and January 2011 alone, the Massachusetts SNAP caseload grew from **318,286 SNAP households to over 439,836 - a 72.3% increase in SNAP households.**ⁱⁱ
- Since 2005, the **average** SNAP caseload has climbed **from 500 to over 900 per DTA caseworker** in local DTA offices (see chart below). Despite repeated requests by the DTA union, SIEU and the Food SNAP Coalition, state appropriations were not available to increase DTA resources to manage this burgeoning caseload.
- The \$27M of SNAP dollars that USDA claims Massachusetts owes for continuing SNAP benefits to families not fully recertified represents **1.3% of the total SNAP benefits received** by eligible SNAP recipients during this time period. Massachusetts eligible SNAP households received roughly **\$2.1B** in federal nutrition dollars during the 18 months in question - April 2009 through December 2010.ⁱⁱⁱ
- USDA may well be in error here. USDA has **narrowly interpreted federal rules** and, we believe, erroneously directed states to suspend issuing SNAP benefits until a state agency can complete their side of the review of the SNAP case - despite the timely actions and cooperation of the SNAP household.
- DTA did the right thing during the Recession. The majority of SNAP cases were in-fact correctly recertified with no overpayment. **An "auto-closure policy" is wrong!** NO FAMILY that has played by the rules should be forced to go hungry while overburdened state agencies struggle with huge caseloads, limited staffing and technology.



What caused this SNAP “overpayment” in the first place?

- Federal SNAP rules require households to reapply or “recertify” every 12 months (or 24 months if members are elderly or disabled). 7 CFR 273.10(f). To avoid any interruption in SNAP, the household must return a completed SNAP recertification form before the end of their current certification period, comply with an interview scheduled by DTA and provide any missing proofs identified after the interview.
- In May of 2009, DTA Central Office instructed SNAP case workers *to not terminate any SNAP household that timely returned a completed SNAP recertification form.*^{iv} DTA clerical staff reviewed the paperwork and coded BEACON (the computerized eligibility system) to not proceed with auto-closure of cases.
- SNAP benefits were indeed terminated for SNAP households that failed to return the recertification form before the deadline. DTA’s suspension of the prior “auto closure” policy only applied to SNAP households that timely returned completed SNAP re-certifications then reviewed by DTA clerical staff.
- USDA took the position that if the state does not timely recertify SNAP cases under the rigid 12/24 month recertification cycle - including completing the interview and “determining eligibility” - SNAP benefits should stop until the state agency finishes the determination. Hence, USDA found DTA in “non-compliance” with their interpretation of the federal statute and instructed DTA to reinstate the “auto closure” policy on SNAP cases where households timely sent in their SNAP recertification forms. They claimed that SNAP payments made after the date of delayed recertification were overpayments if the SNAP household was determined ineligible for some or all of the benefits in the month of recertification – a determination made on now out-of-date information.
- Prominent legal scholars interpret the federal statute to say that if individual SNAP households that do their part – households that cooperate with the recertification process – the SNAP benefits should not be terminated from benefits until the SNAP state agency makes an *affirmative determination* of either eligibility or ineligibility.^v In other words, USDA was legally incorrect. *Congress never intended SNAP recipients who comply to go hungry if the state agency inability to meet deadlines.*
- Without state resources to hire full-time staff, DTA used “one-time” monies to pay experienced SNAP workers to work overtime to manage the backlog in re-certifications^{vi} - much like local cities and towns do with their firefighters and police officers when local demands strain regular staffing.
- The state and feds agree that the \$27M SNAP overpayment is a “worst case scenario” because the time lag in processing has made it impossible to confirm if, in fact, the SNAP households would have been eligible for SNAP benefits, or higher SNAP benefits, in the subsequent months^{vii}. For example, families who recertified during seasonal temporary employment may have been SNAP eligible in a few months –but it is impossible to know.

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ⁱ Bureau of Labor Statistics blog spot: http://www.bls.gov/spotlight/2012/recession/pdf/recession_bls_spotlight.pdf

ⁱⁱ DTA SNAP Caseload data: <http://www.mass.gov/eohhs/researcher/basic-needs/food/snap-formerly-the-food-stamp-program.html>

ⁱⁱⁱ USDA SNAP State Activity Report, FFY 2011 Table 1, http://www.fns.usda.gov/snap/qc/pdfs/2011_state_activity.pdf Average federal SNAP issuance to MA during FFY2011, \$107M/mo x 14 months; FY2010, \$97M/mo x 6 months.

^{iv} DTA memo to field instructing no-auto closure of SNAP benefits for households that timely file SNAP re-certifications due to caseload surge, DTA Field Operations 2009-29 (May 20, 2009). DTA memo to field announcing resumption of auto-closing of SNAP cases, DTA Field Operations Memo 2011-8A, (March 21, 2011.)

^v Super, D. Professor of Law, Georgetown University Law Center, *Preventing Terminations of SNAP when States Fail to Recertify Households on Time*. Clearinghouse Review Journal of Poverty Law and Policy, September-October 2012.

^{vi} DTA Transitions Newsletter, December 2010, Commissioner’s Letter.

^{vii} Correspondence of DTA to USDA on SNAP overpayment calculations and “worst case scenario”, May 2011.