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Amid Controversy, Farm Bill Set for a House Vote Today

Austin, TX—Today, the U.S. House of Representatives will vote on the 2007 Farm Bill (H.R. 2419), which includes \$4 billion over five years in improvements in the Food Stamp and The Emergency Food Assistance Program (TEFAP). Texas would receive an additional \$278 million dollars over the next five years. However, controversy over how to pay for the new investments may delay passage of the bill.

In Texas, 2.3 million people—over 10% of the state’s population—rely on Food Stamps to afford an adequate diet. More than half of these recipients would see an increase in their Food Stamp benefits as a result of the farm bill’s increased investment in the program. Texas receives almost \$2.5 billion per year in federal funding for Food Stamps, providing a significant boost to the state’s economy.

“For 30 years, the Food Stamp Program has prevented hunger and helped low-income families make ends meet,” said Celia Hagert, senior policy analyst at the Center for Public Policy Priorities. “But the benefits have not kept pace with inflation. The farm bill represents real progress in strengthening the nation’s most important nutrition program.”

The purchasing power of Food Stamps has eroded due to cuts to the program 10 years ago. Food Stamps are now worth only about \$1.00 per meal for the average recipient, and a typical family has \$37 less a month to spend on food than it did a decade ago. As a result, Food Stamps often run out before the need of the month, which makes it harder for low-income families to meet their basic needs.

The nutrition provisions in the farm bill would:

- Increase the standard deduction—the amount of money that is deducted for household expenses when calculating a family’s benefit—and index it for inflation.
- Increase the minimum benefit from \$10 to \$16 and adjust it for increase in the cost of food prices in later years. The minimum benefit goes overwhelming to seniors and persons with disabilities and has not been adjusted for inflation in 30 years.
- Allow working families to deduct all of their child care expenses when calculating the amount of their benefits. This would increase the Food Stamp allotment for families who must pay for child care in order to work.
- Encourage savings by excluding tax-preferred education and retirement savings from the “resource test” and indexing the resource limits for inflation. Under present law, a family may have no more than \$2,000 (\$3,000 if the household includes an elderly or disabled

member) in liquid resources in order to qualify for benefits. This limit has not been increased since 1986.

- Increase the mandatory funding for TEFAP from \$140 million per year to \$250 per year and adjust it for inflation in subsequent years. TEFAP helps Texas' 19 food banks distribute food to needy families.

Earlier this year the *National Journal* called the Food Stamp Program a “case study in effective government aid.” It listed the Food Stamp Program as one of government’s top-10 successes, citing its high efficiency, low rate of fraud and error, and ability to help the victims of the 2005 hurricanes.

The Center for Public Policy Priorities is a nonprofit, nonpartisan research organization committed to improving conditions for low- and moderate-income Texans.