



DEPARTMENT OF SOCIAL
AND REHABILITATION SERVICES

Don Jordan, Secretary

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Food Assistance Overview

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Chairwoman Landwehr and members of the committee, thank you for the opportunity to brief you on the Food Assistance Program. My name is Laura Howard, Deputy Secretary for the Department of Social and Rehabilitation Services. The Food Assistance program is a federal program administered by SRS which provides a monthly benefit to eligible low-income households to assist them in purchasing food for home consumption. The program is administered at the federal level by the United States Department of Agriculture (USDA). At the federal level, the Food Stamp Program was changed to State Nutrition Assistance Program or SNAP. In Kansas, we call this program the Food Assistance Program.

Eligibility for the Food Assistance Program is based on financial and non-financial factors. With certain exceptions, a household that meets the eligibility requirements is qualified to receive benefits. Generally, households with income below 130% of federal poverty and with no more than \$2000 in countable assets can qualify for the program. Households with at least one member who is 60 or older can have up to \$3000 in assets. A household is defined as a single individual or group of individuals who live and eat together.

In Kansas, the program currently serves 277,579 persons, of which 46% are children. This is a 20% increase over in the total number of persons served from FY 2009. The average monthly benefit per person is \$126.66, and the average benefit per household is \$277.35. In FY 2010, Kansas issued a total of \$383,275,641, compared to \$263,141,527 in SFY 2009. These benefits are spent at local grocery stores, farmers' markets and other stores in Kansas to purchase food for home consumption. Only food and plants/seeds to grow food can be purchased with food assistance benefits.

There are many benefits to increasing participation in the Food Assistance Program including helping more low income families with their food and nutrition needs as well as transition to self sufficiency. In addition, the increased food buying power generated by the program generates economic activity, supports the local and state economy, and supports farming in Kansas. Every \$5 in food assistance generates \$9.20 in economic activity.

The Food Assistance Program supports nutrition education, which is designed to help food assistance participants choose healthy foods and active lifestyles. The State of Kansas contracts with Kansas State University Extension Service to provide nutrition education. In Kansas, the nutrition education program (SNAP-Ed) is known as the Family Nutrition Program.



The objectives of the Family Nutrition Program (FNP) are:

- Improve dietary quality by providing information on dietary guidelines and My Pyramid
- Increase fruit and vegetable consumption - a fruit and vegetable newsletter is mailed with each food assistance review
- Increase food resource management skills - “food shopping on a budget”
- Increase participation in physical activity

Food Assistance benefits are issued electronically on the Vision card. The Kansas Vision card – an electronic benefits transfer (EBT) card – acts similarly to a debit card in that it can be used at a point-of-service machine or ATM to pull funds out of an account, if there are funds in the account. The Vision card cannot be used to pull funds from a person's personal bank account – only benefits from an EBT account. The federal Food and Nutrition Service (FNS) enrolls grocery stores for program participation, and cardholders can access SNAP benefits to purchase food at authorized retailers. By using bar code technology, scanners are able to determine food vs. non-food items. Only eligible food items can be purchased with SNAP benefits. FNS mandates SNAP benefits to be on EBT but states do utilize the technology for other programs as well. Current programs on EBT include Food Assistance, all cash programs and child care. Each program’s benefits are on the card in separate accounts with separate spending rules.

Food items eligible for SNAP are determined by FNS. Households can use SNAP benefits to buy foods for the household to eat, such as breads and cereals; fruits and vegetables; meats, fish and poultry; and dairy products. Seeds and plants which produce food for the household to eat may also be purchased. Households cannot use SNAP benefits to buy beer, wine, liquor, cigarettes or tobacco; non food items such as pet foods, soaps, paper products and household supplies; vitamins and medicines; foods that are to be eaten in the store; or hot foods.

FNS also establishes the standards for stores to meet to be eligible to accept SNAP benefits. Stores who desire to accept SNAP benefits must sell food for home preparation and consumption and meet at least one of the following two criteria. 1) The store must offer for sale at least three different varieties of food in each of the following four staple food groups, with perishable foods in at least two categories, on a daily basis. These items include: bread and grain, dairy, fruits and vegetables, and meat, poultry or fish. 2) The store must have at least 50 percent of their total sales (e.g., food, non-food, services, etc.) be from the sale of eligible staple foods. Staple foods are defined as a basic dietary item (e.g., bread, flour, fruits, vegetables, beef, chicken, fish, etc.). Snack or accessory foods; such as chips, soda, coffee, condiments, and spices, are not staple foods. In addition, ready to eat, prepared foods cannot be counted as staple foods.

In 2010, 14 Farmers’ Markets in Kansas had the ability to accept the Vision card for fresh, local, fruit and vegetable purchases. Funding to support the start up costs of each market was provided by USDA High Performance Bonus Money awarded for improved food assistance error rates in FFY 2008. Organizations continue to expand this capacity with federal or other grants and funding sources. The Kansas Rural Center was recently approved for a USDA Specialty Crop Block Grant to add at least 6 new markets to the program in 2011. Attached is a current listing of Farmer’s Markets that accept EBT.



SNAP program integrity is maintained through Quality Control activities performed by both state and federal agency staff. Food and Nutrition Services (FNS) has the primary responsibility for monitoring any fraudulent activity by retailers and the individual states for recipients. While traditional methods of fraud, (identified under the coupon distribution/redemption system) are reduced through the use of Electronic Benefit Transfer (EBT), the nature of electronic transactions also introduces previously unknown approaches to committing fraud. Methods of detecting (and ultimately preventing) food stamp fraud by EBT-enabled retailers are essential to the successful management of the benefit redemption process.

The ALERT system receives daily transaction records from EBT processors and conducts analysis of patterns in the data, which indicate potential fraudulent activity by stores. FNS investigators and compliance offices use these reports to support case management. Other users include USDA Office of the Inspector General (OIG) investigators and the staff members of regional and field offices. ALERT system managers and developers continually review data and develop new detection patterns for their use.

The Food Stamp Act mandates that each state operate a Quality Control (QC) System to monitor and improve the administration of Supplemental Nutrition Assistance Program (SNAP). The state is required to review a randomly selected statewide sample of active (open) SNAP cases and negative cases (those that have been denied, closed, or suspended). A subset of each monthly sample is re-reviewed by USDA to assure the state's QC reviewers are following federal guidelines. The purpose of the QC reviews is to determine the state's payment error rate and liability for payment errors, eligibility for enhanced funding, and adherence to timeliness standards in application processing. Kansas QC annually reviews approximately 1200 open SNAP cases and 800 negative cases for errors.

Other SNAP Fraud Initiatives within the state include the review and analysis of the following EBT reports: EBT Report of Excess Vision Card Replacements, EBT Report of Benefits Spent Out of State, and EBT Report of Excessive Large Dollar Purchases. Cases identified within these reports result in further inquiry and investigation as warranted. A Single State Audit is performed every three years on the SNAP program. These best practices provide for early detection and prevention of fraud and follow up on allegations of fraud determined to be verified.

Overall, the Food Assistance Program is an effective and critical support for low income Kansans. I will be happy to stand for questions.