

# The Farm Bill "Heat and Eat" Provision: Overview, Opportunities, Risks and Recommendations

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On February 7, 2014 President Obama signed the farm bill. The nutrition title includes a number of provisions related to CalFresh, known federally as the Supplemental Nutrition Assistance Program (SNAP). Included in the new law is a provision intended to curtail the use of what has come to be known as "Heat and Eat". As one of the 17 states using Heat and Eat, this change will have significant implications for California. This document provides an overview of the farm bill Heat and Eat provision, California background information, and outlines CFPA's recommendations for action as California implements the farm bill.

#### Farm Bill Heat and Eat Provision Overview

The farm bill includes a provision that intends to limit the use of Heat and Eat across the country by increasing the minimum Low Income Home Energy Assistance Program (LIHEAP) payment required to apply the full Standard Utility Allowance (SUA) to more than \$20. The increased LIHEAP payment makes it less likely for states to continue using Heat and Eat as a strategy to streamline verifications and increase SNAP benefits.

The provision requires that

- The change take effect 30 days after the date of enactment for new recipients
- The change take effect for existing recipients at the next recertification 30 days after enactment
- States have the *option* to delay implementation for existing recipients for no more than five months after the date the change would take effect (i.e. next recertification 30 days after enactment)

#### Background

In 2011, AB 6 (Fuentes) was signed by Governor Brown. Among other CalFresh improvements, AB 6 required the implementation of Heat and Eat for all CalFresh households. Currently, California's Heat and Eat program requires that all CalFresh households receive annually a nominal (i.e. \$0.10) LIHEAP benefit. Receipt of this benefit entitles the household to claim the SUA for the purposes of calculating CalFresh benefits. Use of the SUA results in increased monthly benefits for some households. The new minimum LIHEAP payment of \$20 required by the farm bill makes it difficult for California to continue using Heat and Eat as a strategy to streamline verifications for all households and increase CalFresh benefits for a significant portion of the caseload.

#### Why This Matters

The California Department of Social Services (CDSS) estimates that in the first year of implementation, Heat and Eat resulted in 320,000 households receiving an average increase in benefits of \$62 a month. If Heat and Eat does not continue, those households will see their monthly benefit allotment decrease. CFPA is disappointed to see the work of the State Legislature, Governor Brown, CDSS, and countries to bring much needed benefits to low-income Californians negated.

#### **California Action Request**

# CFPA recommends that California maintain its Heat and Eat program by investing the state resources necessary to meet the new minimum LIHEAP payment established in the farm bill.

California should raise the minimum, annual LIHEAP payment to just over \$20 and modify the current Heat and Eat program to provide the payment only to CalFresh households that do not currently claim the SUA and/or would see an increase in CalFresh benefits due to Heat and Eat. Furthermore, the

state resources allocated for this purpose should supplement existing utility assistance benefits provided through the state's LIHEAP program. Doing so will ensure that current LIHEAP funding is protected and recipients of traditional LIHEAP benefits are not negatively impacted.

If California is unable to allocate the additional resources needed to continue Heat and Eat, CFPA strongly recommends that California take the state option to delay implementation by five months. Doing so will mitigate the effects of the provision with regards to the cut in benefits recipients will experience.

## **National Action**

As of early March, six states including New York, Connecticut, Pennsylvania, Oregon, Montana and Rhode Island, had taken action to increase the minimum LIHEAP payment to \$20 a month. Under the farm bill, these states will be able to continue their Heat and Eat programs and avoid SNAP benefit cuts.

Read more: New York, Connecticut, Pennsylvania, Oregon, Montana, and Rhode Island

### Acknowledging Risk

While many states have taken action to avoid benefit cuts and CFPA recommends that California do the same, we acknowledge that these actions come with some risk.

As media outlets are already reporting, some congressional leaders interpret states' efforts to preserve Heat and Eat as showing disregard for the intent of the farm bill provision. If Congress were to revisit the issue it could result in further negative action, such as further increasing the minimum payment or severing the tie between LIHEAP and SNAP entirely; negatively impacting households beyond those potentially affected now.

Boehner Tells House States Shouldn't Avoid Food Stamp Cuts, SF Chronicle House GOP Fights for Food Stamp Cuts, MSNBC States Finding Ways to Skirt Cuts in Food Stamps, Frustrating Congressional Goals, Washington Post

# What You Can Do

Continue expressing your support for California's Heat and Eat program and efforts to maintain the program. Build the case for Heat and Eat in the face of already inadequate CalFresh benefits. Voice this support to key decision makers, including your California Congressional representatives.

Petition: Sign-on in Support

Daily Kos Courage Campaign