



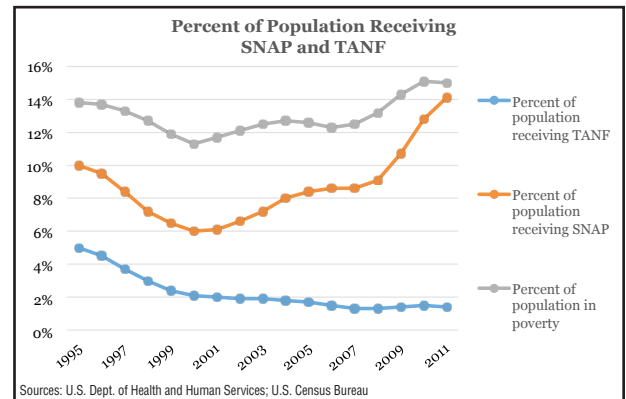
Block Grants 101

What is a block grant?

- A set amount of funding allocated by the federal government to state and local governments to address a general problem.
- Block grant funding for each state is usually distributed by a **static formula**.
- Block grant recipients have great discretion over how to spend the allocated funds, with **little oversight from the federal government**.¹

What is the impact of block grants?

- Converting social safety-net programs into block grants bypasses the federal intent of a program and **limits a program's ability to respond to increases in need**.
- For example, welfare reform in 1996 converted Aid to Families with Dependent Children, an entitlement program in place since the Great Depression, into the Temporary Assistance for Needy Families (TANF) block grant. While poverty has increased in recent years, funding and participation in the program have remained low² because states do not automatically get additional funding to cover increases in need.³
- The chart above shows the number of children in poverty compared to the number of children receiving SNAP (formerly food stamps) and TANF through 2011, the latest year for which TANF data is available. While SNAP participation has grown to meet increased need, participation in TANF has remained low due to its inability to quickly respond to need.



What if Congress decides to turn SNAP into a block grant?

- If the Supplemental Nutrition Assistance Program (SNAP) is turned into a block grant, funding will remain the same or decrease, causing states to lower enrollment and/or cut benefits. If SNAP enrollment is capped due to a block grant system, many struggling with hunger would be kicked out of the program.⁴
- To stay within the limit of the proposed block grant, states may choose to cut benefits so families would receive fewer SNAP dollars.⁵ The current average benefit is \$1.39 per person, per meal.⁶

What does this mean for hungry and poor people?

- The good news is that SNAP as a nutrition safety net is currently working exactly as intended. It expands and contracts as need changes over time. However, as a block grant, SNAP would **no longer be able to respond immediately to increases in need**.
- During the recent recession and fallout from Hurricane Katrina, SNAP's ability to bypass politics and **immediately provide assistance** has been critical. Between 2008 and 2009, poverty and unemployment in the United States reached record rates. While need for food assistance rose dramatically, SNAP participation and demand at food banks rose to meet these needs. In fact, even with higher poverty rates, the rate of food insecure households did not rise, according to the USDA.
- Congress must take a holistic approach to the federal budget that includes revenue raisers, such as closing tax loopholes and eliminating tax breaks, in addition to spending cuts. We should reduce our debt and deficit without sacrificing programs for hungry and poor people.

Programs for needy families are not the drivers of our deficits or debt. SNAP and other programs must be able to respond to increases in need. Instead of enacting restrictions through block grants, Congress must create a circle of protection around funding for programs that are vital for hungry and poor people in the United States.

Endnotes

¹ Congressional Research Service. "Block Grants: Perspectives and Controversies."

² U.S. Census Bureau. "2010 Current Population Survey." Historical Poverty Tables, Table 3: <http://www.census.gov/hhes/www/poverty/data/historical/people.html> and U.S. Department of Health and Human Services, Indicators of Welfare Dependence, Annual Report to Congress, 2008. <http://aspe.hhs.gov/hsp/indicators08/index.shtml>

³ Center on Budget and Policy Priorities. "Chairman Ryan's Proposal to Block Grant SNAP (Food Stamps) Rests on False Claims about Program Growth." <http://www.cbpp.org/files/4-5-11fa.pdf>

⁴ Center on Budget and Policy Priorities. "Ryan Budget Would Slash SNAP Funding by \$127 Billion Over Ten Years." http://www.cbpp.org/cms/index.cfm?fa=view&id=3463#_ftn1

⁵ Ibid.

⁶ Calculation based on USDA's average monthly benefit per person data for FY2014: <http://www.fns.usda.gov/pd/supplemental-nutrition-assistance-program-snap>