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POLICIES TO ALLEVIATE FOOD INSECURITY: A CONVERSATION WITH U.S. AGRICULTURE SECRETARY TOM VILSACK

A HAMILTON PROJECT POLICY FORUM

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Welcome and Introductions:

ROBERT E. RUBIN Co-Chair, Council on Foreign Relations Former U.S. Treasury Secretary

Framing Remarks:

DIANE WHITMORE SCHANZENBACH Director, The Hamilton Project Senior Fellow, Economic Studies, The Brookings Institution

Fireside Chat: Policies to Alleviate Food Insecurity:

Discussant:

SECRETARY TOM VILSACK U.S. Department of Agriculture

Moderator:

ROBERT GREENSTEIN Founder and President Center on Budget and Policy Priorities

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P R O C E E D I N G S

MR. RUBIN: Good morning. I'm Bob Rubin and my sole assignment is to welcome all of you to today's Hamilton Project Discussion of Food Security. Having said that, let me make two comments. Number one, The Hamilton Project began about ten years ago, and our purposes, from the beginning, would support policy development around the country, and to promote seriousness of purpose in policy dialogue. I think those purposes, policy development, and most particularly, seriousness of purpose in policy dialogue have become ever more important because, third, policy dialogue in our country has descended ever more into ideology, into politics, and to partisanship. Our commitment is to try to do our little part in keeping alive that serious as a purpose.

Secondly, from the beginning our bedrock objectives with respect to economic policy have been growth, broad based participation in the benefits of growth, in economic security, and is our view that ANDERSON COURT REPORTING 706 Duke Street, Suite 100 Alexandria, VA 22314 Phone (703) 519-7180 Fax (703) 519-7190 they are interdependent, and that they can reinforce each other. In that context, food insecurity, in this, the richest country in the world, is not only morally wrong, but it is also a serious impediment to economic growth. Sufficient nutrition is a requisite for productivity and for productive engagement in the workforce. And therefore, for realizing the full productivity potential of our economy.

When food insecurity affects children which, as you'll see in the Hamilton Project's facts which we handed out as you came in, it's happening far too frequently in this country. We're reducing the prospects of our economy for decades ahead, as well, as I said earlier, being involved with a morally outrageous situation for this, the richest country in the world.

Today' discussion is about the startling number of people who are still experiencing food insecurity in America today. The Supplemental Nutrition Assistance Program, SNAP, which is designed, as you well know, to address this issue and ANDERSON COURT REPORTING 706 Duke Street, Suite 100 Alexandria, VA 22314 Phone (703) 519-7180 Fax (703) 519-7190 recommended policy changes to make that program more effective.

Let me recognize Diane Schanzenbach, the director of the Hamilton Project, on leave from Northwestern University to head our project, to direct our project. Christine McIntosh, the managing director of the Hamilton Project, and Ryan Nunn, the policy director of the Hamilton Project for the work that they have done in creating the intellectual construct for this meeting, and also in developing logistics for our meeting.

We will begin with Diane framing the discussion and also discussing the Hamilton fact sheet which I mentioned before which I think you'll find both interesting and deeply troubling in terms of the magnitude of the problem that this country is experiencing in terms of food insecurity. Then we'll turn to an exchange between our two distinguished discussants, Tom Visack, the outstanding Secretary of Agriculture through both terms of President Obama's Administration, and the former governor of the State ANDERSON COURT REPORTING 706 Duke Street, Suite 100 Alexandria, VA 22314 Phone (703) 519-7180 Fax (703) 519-7190

of Ohio -- of Iowa rather. Ohio's a nice state too, well, I used to thank so, but anyway. Iowa's a nice state too. Anyways, governor of the State of Ohio. And Bob Greenstein, founder and president of the Center on Budget and Policy Priorities. Bob is that unusual person who is both a fervent advocate for policies to help the poor, and also a very serious budget analyst.

When I first got to know Bob in the beginning of the Clinton Administration when President Clinton and Gene Sperling said this is a man who cares enormously about the poor, but also really understands the pragmatics of our budget and is serious about dealing with both. I thank them for joining us and I greatly look forward to this discussion. Diane, the program is yours.

MS. SCHANZENBACH: Thank you. I'd like to also welcome you to the Hamilton Project's conversation on food insecurity and policies to alleviate it. I'm going to set the stage right now to describe the extent of the problem, and also some ANDERSON COURT REPORTING 706 Duke Street, Suite 100 Alexandria, VA 22314 Phone (703) 519-7180 Fax (703) 519-7190

potential solutions. This comes from our document that we've released today, 12 facts about food insecurity and SNAP, released today by the Hamilton Project.

In 2014 one in seven households were food insecure. Meaning that at some point during the year they had difficulty providing enough food for all of their members due to a lack of resources. Fifteen million children, or one in five children, in the United States lived in food insecure households. Even more troubling, in 2014 one in 20 household experienced very low food security. Meaning that they suffered one or more periods during the year in which food intake of household members was reduced or normal eating patterns were disrupted because of lack of money for food.

As you can see in the chart here, the rate of food insecurity across children, adults, or the elderly, all three spiked during the Great Recession, and they remain elevated today. In every state, a higher share of children than adults live in food ANDERSON COURT REPORTING 706 Duke Street, Suite 100 Alexandria, VA 22314 Phone (703) 519-7180 Fax (703) 519-7190 insecure households. As you can see from this map, in every state, more than one in ten children lives in a food insecure household. In nine states the share is one in four children living in a food insecure household.

Let me tell you more about the characteristics of these food insecure households with children. The vast majority of food insecure households with children are working households. Eight five percent of households with children who reported food insecurity also reported at least one earner in 2014. Also note that these food insecure households are slightly more likely to be headed by a married couple than by a single mother.

Another fact about food insecure households is that households with a teenager are more likely to suffer food insecurity. What many parents know from their own experience is also true empirically. Teenagers eat more and they cost more to feed. It's true. Spending on food increases when there's a teenager in the house. Unfortunately, food assistance ANDERSON COURT REPORTING 706 Duke Street, Suite 100 Alexandria, VA 22314 Phone (703) 519-7180 Fax (703) 519-7190

benefits do not increase commensurately. SNAP benefits don't change, and, in fact, teenagers are less likely to participate in school meals' programs. This adds up to significantly higher rates of both food insecurity and very low food security status among households with teenagers.

Furthermore, the snapshot view, that annual rate of food insecurity that I started with masks the extent of the problem because many families cycle in and out of food insecurity across consecutive years. When we compare households that are food insecure this year to the share that were food insecure this year or last year the Hamilton Project calculates that about 40% more households were food insecure at one point across a two year period than were food insecure this year. Please note that even temporary periods of food insecurity may cause lasting negative impacts on children.

Furthermore, troublingly, the rate of food insecurity extends even higher up in the income distribution than you might thing. Fully a third of ANDERSON COURT REPORTING 706 Duke Street, Suite 100 Alexandria, VA 22314 Phone (703) 519-7180 Fax (703) 519-7190

food insecure households have annual incomes that are more than twice the poverty line. That is more than \$48,000 a year for a family of four. This is generally above the reach of social safety net programs like SNAP, subsidized school meals, and the earned income tax credit. Another third of food insecure households have incomes between one and two times the poverty line. Note here in the light green that very low food security status, you know, when families experience hunger or things related to that, shown in the light green here, is much more concentrated among the very poor.

Fortunately, a robust social safety net can really help alleviate these problems. In 2012, which is the most recent year available, after adjusting for survey underreporting we find that SNAP lifts 10 million people out of poverty, including nearly 5 million children. This impact is nearly equivalent to the combined impact of the EITC and the child tax credit.

> Researchers are just starting to understand ANDERSON COURT REPORTING 706 Duke Street, Suite 100 Alexandria, VA 22314 Phone (703) 519-7180 Fax (703) 519-7190

the magnitude of the importance of these programs, especially on the long term well-being of children. In a study published this month in the American Economic Review my coauthors and I followed the cohorts that were children when SNAP, then called the Food Stamp Program, was originally introduce as part of the War on Poverty. Because the program was rolled out on a county by county basis over a relatively long period of time we can compare otherwise similar children living in neighboring countries within the same state and at different ages, who had differed in their access to the program. Then we can trace the impact of access to this program across the children's lifespan now that they're adults.

We find that children who has access to the then Food Stamp Program, today's SNAP, were 18 percentage points more likely to graduate from high school. In adulthood, those with childhood access were healthier as measured by their likelihood of being obese, having diabetes or heart disease, and related measures. Women, in particular, saw ANDERSON COURT REPORTING 706 Duke Street, Suite 100 Alexandria, VA 22314 Phone (703) 519-7180 Fax (703) 519-7190

improvements from the program with an increase in their adult economic outcomes, including employment, earnings, and related measures. As a result, we argue that SNAP should be thought of as an investment in children and not merely charity.

There are many things that we can do to improve the reach of our existing food support programs. I look forward to the conversation between Bob Greenstein and Secretary Vilsack that will explore some of these. For example, there are many children who are food insecure and are eligible for programs like school meals, WIC, and SNAP, but for some reason are not participating.

We also have evidence that increases in benefits can substantially impact food security. For example, it's long been known that children's food insecurity and very low food security status spikes when school is not in session. The Department of Agriculture recently fielded a pilot program with an exceptionally strong research design component to test how additional summer feeding benefits would impact ANDERSON COURT REPORTING 706 Duke Street, Suite 100 Alexandria, VA 22314 Phone (703) 519-7180 Fax (703) 519-7190

food insecurity. The results are important and they are large. A \$60 monthly food voucher over the summer reduced food insecurity among children by 20%, and very low food security status by 30%.

Finally, evidence also shows that SNAP improves the broader financial well-being of households. Not only reducing their food insecurity, but by shoring up their resources available for food it also helps and reduces the likelihood that a household will fall behind on major expenses like housing or utility. Households are also less likely to skip a needed trip to the doctor when they have access to SNAP.

So now that the stage is set I'm going to invite Bob Greenstein and Secretary Vilsack to the stage for their important conversations on policies to alleviate food insecurity. A quick housekeeping note is under your chairs you'll find notecards. At the end, we'll open it up to questions and answers, but the way we do questions and answers at the Hamilton Project is we'll have people walking up and down the ANDERSON COURT REPORTING 706 Duke Street, Suite 100 Alexandria, VA 22314 Phone (703) 519-7180 Fax (703) 519-7190

aisle. You can write your question down on a notecard, preferably legibly if you can swing that. Then we'll hand them to the moderator and he'll sift through and ask questions. So Secretary and Bob, welcome.

MR. GREENSTEIN: Good morning, everybody. I want to thank Hamilton for having a forum on this very important topic. There's so many interesting aspects to this that, Mr. Secretary, I want to dig right in. I would like to start by asking you a little bit about what you see is the role of the Secretary of Agriculture with respect to these programs and these issues? Let me give a little preface.

I remember when I came to Washington in the early 70s the Secretary of Agriculture was Earl Butz. Some people in the room, obviously, remember him. I had the honor of serving in the Food and Nutrition Service in the Carter Administration. The secretary was Bob Bergland, a really terrific guy. But during the 40 plus years I have followed this the pattern has been that the secretary is immersed in agriculture ANDERSON COURT REPORTING 706 Duke Street, Suite 100 Alexandria, VA 22314 Phone (703) 519-7180 Fax (703) 519-7190 policy, and for most secretaries the food assistance programs are off to the side, they're secondary or they're tertiary. Bob Bergland was different in that regard. But you, Mr. Secretary, for me you've broken the mold. I have never seen a Secretary of Agriculture for whom food assistance, hunger, food security, insecurity has been as central as it's been for you. Could you talk a little bit about how you see within the department, for you as the Secretary, the importance of these programs and the issue of food insecurity?

SECRETARY VILSACK: I think there's a personal reason for this and then there's a policy reason. The personal reason is when you start out life as I did, in an orphanage, the one thing that you know about yourself is that you were either well-fed or not well-fed, and I can tell you that I have a picture when I was adopted of a very well-fed child. So I know that in the orphanage I was taken care of. I think there are a lot of kids out there who are struggling in families, especially in rural areas. ANDERSON COURT REPORTING 706 Duke Street, Suite 100 Alexandria, VA 22314 Phone (703) 519-7180 Fax (703) 519-7190

Rural poverty among children is higher than you would expect. One out of four rural kids' lives in an impoverished home. It's part of the responsibility of the Department of Agriculture to take care of folks -of children and of folks in rural America.

It's a large part of our budget. So clearly, we want to make sure that it's operating properly and functioning the way it should. Unfortunately, in today's world these programs come under attack. They get mischaracterized. The people who are taking advantage and are benefited from these programs are often demonized. I see it as my responsibility to make sure that the American public understands precisely who it is that's getting these benefits and why, and how it benefits not just the families receiving SNAP, but all of us.

I think Bob Rubin alluded to the fact that this is about building a productive economy. Hungry kids aren't going to be learning as well as they should. They're not going to be as well-prepared for the competitive economy that they're going to grow up ANDERSON COURT REPORTING 706 Duke Street, Suite 100 Alexandria, VA 22314 Phone (703) 519-7180 Fax (703) 519-7190

in. The reality is that families that are struggling with food insecurity have to make very difficult choices, and it impacts the future of kids, and it impacts the future of this country. So when you combine that aspect with our school lunch program where we're trying to improve the quality and nutritional value of the school lunch programs so our kids actually get well-fed, not just fed, but wellfed. It's an important responsibility for the Department of Agriculture and for the person who's in charge of that department.

So from a personal reason, from a policy reason, from a budget reason it makes sense to pay attention to this. In this climate, in particular, it does require a series of champions to make sure that the American public understands precisely how they benefit and why we have these programs.

MR. GREENSTEIN: You've particularly been a champion of improving access to the programs by poor people who are eligible for them but have been left out of them. Under your tenure as secretary, the ANDERSON COURT REPORTING 706 Duke Street, Suite 100 Alexandria, VA 22314 Phone (703) 519-7180 Fax (703) 519-7190

percentage of people eligible for SNAP who actually receive it is at its highest level in the program's history. I think over 80% now of the people eligible

SECRETARY VILSACK: Eighty five percent.

MR. GREENSTEIN: Eighty five percent. And in the child nutrition front with community eligibility. I think you're latest innovation is working with states to use Medicaid data as well as SNAP data to identify children eligible for free/reduced priced school meals who aren't getting it. Could you talk a little bit about the emphasis you have placed on improving access?

SECRETARY VILSACK: Well, when we first started this process we took a look at how the states were administering the SNAP program. The reality is this is a partnership between the federal government and state governments. The states have the responsibility to administer the program. Some states did a better job than others, and we saw some states where the participation rate was in the low 50% which ANDERSON COURT REPORTING 706 Duke Street, Suite 100 Alexandria, VA 22314 Phone (703) 519-7180 Fax (703) 519-7190

meant that nearly 50% of eligible people in a state were not getting the benefits that they were entitled to receive, and the consequences for their families were pretty dire.

So we started a concerted effort to make sure that people understood, at the state level, their responsibility to make it easy for people to apply, make it easy for people to understand their benefits. We started to provide information in Spanish, multiple languages. And we saw over time with some pressure on some individual governors that we saw a spike from 72% overall participation to 85%. The one place, Bob, where we have not yet figured out how to crack the nut is with our senior citizens. The reality is the participation rate there is only 41%. I think a lot of it has to do with how seniors perceive this program, and a lot of it has to do with how difficult we've made it for seniors.

The reality is we don't really need to be checking income levels of seniors on a regular basis because, you know, the fact is, if you're 85 years old ANDERSON COURT REPORTING 706 Duke Street, Suite 100 Alexandria, VA 22314 Phone (703) 519-7180 Fax (703) 519-7190

your income is pretty set. You're probably living on a Social Security check. Maybe you've got a small retirement income. That's not going to change. So we're looking now at ways in which we can make it a little bit easier for seniors to get into the program and stay in the program to get that number up. I think we'll have some success over the course of the next nine months, and hopefully the next administration will see the importance of this.

On the school lunch program, again, the reality is a lot of these school districts have kids who are coming from impoverished neighborhoods and we require quite an administrative burden, if you think about it, for these schools to get kids eligible for free and reduced lunch. We expect that a second grader will take an application home with them in their backpack and remember to take it out of their backpack, give it to their parents. Their parents will then disclose information that they may be -- it may be hard for them to disclose how little income they have. It has to then be returned to the second ANDERSON COURT REPORTING 706 Duke Street, Suite 100 Alexandria, VA 22314 Phone (703) 519-7180 Fax (703) 519-7190

grader. The second grader has to remember to give it to the teacher. The teacher has to give it to the administrative folks at the office so that they can determine whether or not that particular youngster is free and reduced lunch. The reality is that doesn't happen as frequently as it should and kids get left out in the process.

But if you're in a school district that has a disproportionate number of poor families then why go through that process? The reality is most kids are going to probably be free and reduced lunch. So we have this community eligibility program where we're not seeing over 18,000 schools, millions of kids who otherwise would not have received assistance are not receiving assistance, and it's not just in schools, Bob, it's also in childcare centers. Ninety thousand childcare centers are benefiting from community eligibility, so it's an important program, an important tool to make sure that kids get the food they need to be as successful as their talent can take them.

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MR. GREENSTEIN: I'd like us to get back in a few minutes to community eligibility, but turning back for a little bit to SNAP. So you and I and Bob Rubin, we were talking a little bit just a few minutes ago before the event started about the degree of cynicism in the country, among other things, government and its ability to help. So I remember back in the late 60s when teams of doctors went into Appalachia and the Deep South and found rates of child hunger, malnutrition and nutrition related conditions akin to those in some third world countries.

Then the medical researchers went back again in the late 70s, after in the intervening decade we had had a national food stamp program implemented. President Nixon helped lead the way for national benefit standards, and the researchers said something to the effect of, where before we saw large numbers of children with sunken eyes, swollen bellies, we don't see that anymore. The main reason is the food programs. I remember they had this line that said food stamps does more to lengthen and strengthen the ANDERSON COURT REPORTING 706 Duke Street, Suite 100 Alexandria, VA 22314 Phone (703) 519-7180 Fax (703) 519-7190

lives of our people than any other program.

When we look at the data today, Diane -- I think it's Fact Number 8. In your report, you talked about the long term effects, even leading among some children to improvements not just in education, but employment and earnings in adulthood. The latest data, I think, show that SNAP lifts about 10 million people out of poverty, about 5 million children each year. That's about tied with the earned income credit and the child credit. It's more than anything else except Social Security for the population in general. And more children lifted up, even non-Social Security. I think no program does as much to reduce deep poverty among children from those below half the poverty line is SNAP. So how do we -- I don't think this is widely understood.

We still hear the attacks, the program is a hammock. Whereas, Diane, your work, as reflected in Fact Number 8, indicates really the reverse. It improves kids' life chances rather than trapping them in a hammock. Not widely understood. What do we do ANDERSON COURT REPORTING 706 Duke Street, Suite 100 Alexandria, VA 22314 Phone (703) 519-7180 Fax (703) 519-7190

to better communicate these important findings?

SECRETARY VILSACK: Well, I think, first of all, it's making sure that Americans understand precisely who's receiving SNAP. I think there's this tendency to think that most of the people receiving SNAP are gaming the system. But when you explain to people, as I do often, that 85% of SNAP beneficiaries are either children, senior citizens, people with severe disability, or working men and women with children they all the sudden have a different attitude about the program. So, first, I think educating people about who actually received SNAP.

Secondly, making sure that they understand that this is a supplemental nutrition assistance program. Nobody can survive on SNAP benefits. The reality is that there is not that much in the benefit that would allow a family of four to be able to buy all of their groceries for a month. I think one of the things that we ought to be looking at is how we calculate the benefits for SNAP. We base it on a food plan. That food plan really hasn't been adjusted or ANDERSON COURT REPORTING 706 Duke Street, Suite 100 Alexandria, VA 22314 Phone (703) 519-7180 Fax (703) 519-7190

examined for quite some time. I think if we did examine it we would find that the benefit is probably inadequate for the purpose of the program.

So I think we also need to point out that the benefits that this program has to people outside of the program. So as we look at, for example, agriculture and we look at low commodity prices the reality is that if more people can go into a grocery store and buy more food that means that they're going to buy more food. Over 90% of SNAP benefits are redeemed within 30 days. So the reality is people are able to buy more which means that folks have to produce more, they have to process more, have to truck more, have to ship more, have to package more, have to shelve more, have to sell more. All of those are jobs. We need to make sure that people understand the economic benefits to the community as a whole by having these programs.

You know, one of the things I often say to people in this country is that we take our stability for granted in this country. Yes, we have partisan ANDERSON COURT REPORTING 706 Duke Street, Suite 100 Alexandria, VA 22314 Phone (703) 519-7180 Fax (703) 519-7190

differences and they sometimes get pretty passionate, but the reality is we're a relatively stable nation. One of the reasons we are is because we don't have many, many, many hungry people. We have food insecure folks which means that at some point in time in that month they may be hungry, but we don't have anywhere near the level of deep hunger that you see in countries that have great dissatisfaction. So this provides, I think, stability in our society. So marketing this program, talking about it, not being defensive about it, and basically going into Farm Bureau meetings, into business meetings and explain to business leaders, agricultural leaders the benefits of these programs to the country and to themselves as a way of making sure that they understand that there is a significant benefit.

Now, recent research also shows that kinds on SNAP have better health outcomes. So all of us are concerned about healthcare costs. All of us want to see a transition from a sick care system to a wellness system. Well, you can't get to a wellness system ANDERSON COURT REPORTING 706 Duke Street, Suite 100 Alexandria, VA 22314 Phone (703) 519-7180 Fax (703) 519-7190

unless you have adequate nutrition. So there's an opportunity there also to talk about the impact that SNAP has on improved health outcomes, reducing healthcare costs overall.

So, I mean, there are multiple ways of marketing this program and making sure that people understand that it's not really a welfare program, per say. It's really a program that makes sure that every one of our kids, every one of our seniors, every one of our folks who are working hard, but just having a hard time making it have enough to basically keep themselves going.

You know, this issue of senior citizens, I want to make sure everyone understands this. Look, it's in our best interest for that senior to be wellfed because if they are they're going to go to the doctor fewer times. They're not going to have the healthcare consequences either. So all of us benefit from this program, and I think it's important for progressives to be, perhaps, a bit more vocal about this, and a bit more willing to inform people about ANDERSON COURT REPORTING 706 Duke Street, Suite 100 Alexandria, VA 22314 Phone (703) 519-7180 Fax (703) 519-7190

what this program is and what it isn't.

There's also this issue of fraud. It just drives me crazy. People say, oh, there's a lot of fraud in this program. The fraud rate in this program is 1.3%. It's one of the lowest of any Federal program. The fraud and error rate combined is less than 5% which is the lowest it's ever been. Ever. So this is not a situation where this program is being taken advantage of. There are, from time to time, situations, but most often those situations are dealt with. So, you know, it's a good program and we need to be proud of it. We ought not to be defensive about it.

MR. GREENSTEIN: A much dramatically smaller rate of error and fraud than the statistic show we have in the tax code with respect to, particularly, people don't like to talk about this, but business incomes. The degree of business income that's never reported. You compare it to the degree of income that's missed in the SNAP program this is a night and day comparison.

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SECRETARY VILSACK: Well, I'd like to talk to our farm friends about the fact that the SNAP error rate is lower than the crop insurance fraud rate. The fraud rate is lower from SNAP than crop insurance.

MR. GREENSTEIN: I'm sure that's popular when you say that.

SECRETARY VILSACK: It makes a point which is that I think we have to be careful about generalizing about a program based on one or two news broadcasts about an egregious situation because there are egregious situations in a lot of programs. But we have a lot of hard working folks at the state and federal level that are keeping those rates lower than they have been.

MR. GREENSTEIN: I want to pick up on something you just said a minute ago. You were talking about how the benefit level was really based on a formula set many years ago. As I recall, it goes all the way back to the '60s. We had something called the Economy Food Plan, then it was renamed the Thrifty Food Plan, but for people who don't know, the maximum ANDERSON COURT REPORTING 706 Duke Street, Suite 100 Alexandria, VA 22314 Phone (703) 519-7180 Fax (703) 519-7190

food stamp benefit level for people with no other disposable income equals the cost of that Thrifty Food Plan in the previous June, I think it is. Then if you have some income, the benefit's reduced.

So that food plan was designed many decades ago when the norm was that mothers stayed at home, and it's based on buying a lot of raw ingredients and cooking food from scratch. Today, we expect mothers, poor mothers with children, we expect them to work, but we still have a food plan in place that assumes they don't. Diane, correct me if I'm wrong, I think you have a paper Hamilton has commissioned looking at this that you'll be releasing at an event on, is it May 23rd?

MS. SCHANZENBACH: That's exactly right.

MR. GREENSTEIN: Okay, so I'm putting in a little plug for this event on May 23rd. Hamilton's going to come back to this issue and look at it. When we look at the SNAP program, I think you and I and many others were struck at how enormously responsive it was in the Great Recession. I was startled when I ANDERSON COURT REPORTING 706 Duke Street, Suite 100 Alexandria, VA 22314 Phone (703) 519-7180 Fax (703) 519-7190

looked at the figures on how much less poverty broadly measured the measures that count SNAP, how much less it rose in the deepest recession since the Great Depression than one would have otherwise realized.

When you dig into the numbers, the enormous responsiveness of SNAP had a lot to do with that, and of course, as we mentioned earlier, we have national benefit standards before they came into effect around 1971. We had some states that were cutting people off the program, people who worked, when their incomes reached 50 percent of the poverty line, if you were above that, so this is a lead-in to something I want to ask you about.

We're in an increasing debate on poverty. The Speaker of the House, Paul Ryan, is elevating poverty, which I think is really welcome, we ought to have a vigorous debate, but in the summer of 2014, he rolled out a plan called an opportunity grant that would take about 11 programs, including SNAP, and allow states to merge them into one big funding stream. We used to call this a mega block grant, I ANDERSON COURT REPORTING 706 Duke Street, Suite 100 Alexandria, VA 22314 Phone (703) 519-7180 Fax (703) 519-7190

think the Speaker calls it a merged funding stream; it's largely the same thing as far as I can see, but a state gets a fixed dollar amount and money wouldn't have to be used on food assistance, it could be, it would be up to the state. It could be used for any of a very broad array of purposes. There would no longer be a national benefit standard or structure. There wouldn't be automatic responsiveness in recession.

You were a governor for two terms. I'd be interested in your sense. Would this be a good move for the SNAP program, and in particular, for its purposes helping all income families thrive? Or is it a step backwards and in the wrong direction?

MR. VILSACK: Well, with due respect to the Speaker, he has never been a governor, so he doesn't know how governors think. The reality is that when you have a block grant, it basically will fund your priorities, not necessarily the nation's needs. Part of my skepticism about this is it emanates from the program that we have with employment and training in SNAP. That's another thing that people don't realize ANDERSON COURT REPORTING 706 Duke Street, Suite 100 Alexandria, VA 22314 Phone (703) 519-7180 Fax (703) 519-7190

that there are limitations on how long people can receive SNAP if they're able-bodied without dependents, and these limitations are quite severe. In other words, if you're able-bodied, you have to be working or receiving training or education for a certain period of time each month or you're limited to 3 months of benefits every 36 months.

Now, we give states 100 percent Federal money. Last year, it was \$320 million. We say to states, here's \$320 million, and your job is to take that money and connect the work opportunities that are being created in an improved economy, as unemployment's coming down, jobs are being created, you link the jobs that you know are being created in your state with the SNAP beneficiaries that you also know who they are and where they are, and give them an opportunity to work their way out of SNAP.

Now, you would think that every governor, every conservative governor, would say, this is great. Last year, \$92 million was unspent by governors. Now, this is 100 percent money. This is not requiring a ANDERSON COURT REPORTING 706 Duke Street, Suite 100 Alexandria, VA 22314 Phone (703) 519-7180 Fax (703) 519-7190

match on the part of states, this is 100 percent money, and \$92 million of it was unspent. Yet you have governors at the same time saying, we need to reduce SNAP, we need to get these people working, so when I hear people talk about block grants, I have deep concerns about precisely what's going to happen with those resources, how they're going to be utilized and what the oversight is going to be.

I honestly will tell you, that if you were to block grant this program, you would have nowhere near the satisfaction in terms of the ability to get money to people quickly, the ability to administer this program fairly easily, and 85 percent participation rate, I would guarantee you that you would not have an 85 percent participation rate, and you would have some serious consequences from a block grant, because it would not be used for the purposes for which it was intended. It would be used for the pet project, the pet idea.

I'm all for innovation, I'm all for trying new things. That's why we put \$200 million in the ANDERSON COURT REPORTING 706 Duke Street, Suite 100 Alexandria, VA 22314 Phone (703) 519-7180 Fax (703) 519-7190

farm bill to say to governors, hey, if you want to be innovative about connecting people with employment and training opportunities, here's an opportunity. Apply for this money, let's see what you can come up with, and if you come up with a great idea, we'll be happy to put more money behind it. We'll see. We have 10 states that are participating in this effort. We'll see what they come up with, but I will tell you that I think block granting these programs -- and my governor colleagues would probably not be happy with this answer -- but do not tell me that states are going to use every dime of that appropriately.

People talk about states being the laboratories of democracy. They're the laboratories of democracy with Federal money. People often forget that. It's not state money that goes into these great experiments, it's Federal dollars. There's often not the credit that the Federal government should get for investing in these innovations. So I'm leery about block grants, just simply because I haven't seen governors step up.

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I alluded earlier, when we came in in 2009, there were states where a little over 50 percent of eligible people were actually receiving SNAP because that particular governor, that particular administration, did not care enough to make sure that people knew about these benefits, did not care enough to make sure that their bureaucracy was getting information out in languages that people could understand, did not care enough to simplify the process, so I'm skeptical.

MR. GREENSTEIN: One little fact that's consistent with your observations, if you take the Temporary Assistance for Needy Families block grant that was established in 1996 under the Welfare Law, in the law, its core purposes are employment, child care, and cash assistance for poor families. If you look at the latest data the states themselves have provided to HHS, only 50 percent of TANF dollars go for those three core purposes. The other 50 percent have been dissipated all over state budgets. It's sometimes hard to find where they're all going, and in some ANDERSON COURT REPORTING 706 Duke Street, Suite 100 Alexandria, VA 22314 Phone (703) 519-7180 Fax (703) 519-7190
cases, states were able to take the Federal dollars and substitute them for state dollars previously being spent on a low-income service, and then the freed-up dollars can go wherever you want if you're a governor.

MR. VILSACK: That's the game that's played. Or you disproportionately provide administrative expenses out of these programs. There are a multitude of budget games that you can play, and that's why it's important, I think, for there to be this partnership between the Federal government and the states, because very, very frequently, we come in and we review what the states are doing, and if they're not actually doing what they're supposed to be doing, we make them pay the money back. We make them adjust and change their programs. If you block-grant this money, you're going to lose control of it, and you're not going to see the benefits from it.

MR. GREENSTEIN: A minute ago, you actually anticipated my next question. Could we talk for just a moment about the work demonstrations, and in particular, the requirement that you mentioned for ANDERSON COURT REPORTING 706 Duke Street, Suite 100 Alexandria, VA 22314 Phone (703) 519-7180 Fax (703) 519-7190

people aged 18 to 50 who aren't disabled and who aren't raising dependents? So there's an interesting history here that I find most people don't remember.

When the '96 Welfare Law -- which is where this requirement comes from -- was being written, and the final bill had been put together by the Republican Congress at the time, and it was going through the final time. When it got to the House floor, all of a sudden, an amendment was offered that had not been anticipated by the bill's authors. The amendment was one to say that, for these people aged 18 to 50, they could only get SNAP for three months while unemployed out of every three years, and the amendment's lead sponsor got up on the floor and said, this is not a harsh provision. Every one of these people will be offered a work slot, a place in a work program or an actual job, and only those who don't take it will be limited to three months out of every three years.

Now, I was watching this occur and scratching my head. You looked at the amendment, there were no work slots in it. I think he sincerely ANDERSON COURT REPORTING 706 Duke Street, Suite 100 Alexandria, VA 22314 Phone (703) 519-7180 Fax (703) 519-7190 thought that somehow the program already had all these work slots; it never did. Bob may remember that when the bill got downtown, I remember Leon Panetta, President Clinton's Chief of Staff, saying to me, "Bob, I think this three month," -- and Leon had been Mr. Food Stamps in the House as on the Ag Committee and the Budget Committee -- I remember Leon saying, "I think this is the most troubling provision in the entire Welfare Law, because it means that people who want to work, search for a job and can't find one, are cut off after three months." And we see, the people who are cut off, their average income is only about 20 percent of the poverty line.

So I guess our task is, how do we actually have work opportunities for people, not just cut-offs, and that's what you're trying to find, working in partnership with the states, in these demonstration projects. So I guess there are just 10 states recently on the way.

MR. VILSACK: Ten states, and it reflects the fact that it's all well and good to suggest that ANDERSON COURT REPORTING 706 Duke Street, Suite 100 Alexandria, VA 22314 Phone (703) 519-7180 Fax (703) 519-7190

you're going to find work slots for folks and you're going to find work, but if you live in a rural community that's isolated, that you don't have any public transportation system to larger communities, and you don't have a functioning automobile or vehicle, and there are no jobs being created in your small town, they may be being created 50 miles away from where you are. How do you help that person out? Or you're a returning veteran and you're dealing with the consequences of having experienced the horrors of war, and you're having a hard time adjusting, how do you work through that and still be able to be employed? Or you're a single mom, and you've got child care issues, and you can't find decent child care. You want to work, you'd love to work, you want to be self-dependent, but the reality is, you can't find decent child care and you can't afford it for a multitude of reasons.

So what we're trying to do with this project is to try to figure out what the barriers are, and how we can creatively work around them or work through ANDERSON COURT REPORTING 706 Duke Street, Suite 100 Alexandria, VA 22314 Phone (703) 519-7180 Fax (703) 519-7190

them so that we actually do what we all want done, which is to link people with jobs that are being created in an improved economy with people that can and should be working, providing them with skills, making sure that they actually have skills that are marketable, which is a training and education component.

So we're looking at ways in which states want to be thoughtful, innovative, they want to try something different, we're willing to let them try something different. Maybe it's cash assistance, maybe it's paying for child care, maybe it's providing transportation voucher, whatever. It's some process by which we are helping them overcome the barrier, then we'll determine what is a very serious component, evaluation component, of this, which will then be used for informing the future direction of that E & T program.

MR. GREENSTEIN: I think there's a really bright note here. The \$200 million you're mentioning came out of the farm bill that was developed in the ANDERSON COURT REPORTING 706 Duke Street, Suite 100 Alexandria, VA 22314 Phone (703) 519-7180 Fax (703) 519-7190 2013, finally signed into law early 2014. In the House, there was a very intense, and at times, partisan, debate over these work issues in the SNAP program. But the bright note was that, ultimately, in conference, there was bi-partisan agreement and support for the \$200 million demonstration project. Then after it was enacted, before the demo started, Mr. Secretary, I remember a conversation you and I had, and you said, "Bob, we're going to let flowers bloom. We're going to let conservative states test conservation solutions, progressive states test progressive solutions. The issue isn't the ideology, the issue is what works, and we want to find out what works and have it inform future policy."

MR. VILSACK: We took an additional step after that, which was to establish a Center of Excellence in Washington. The State of Washington does a particularly good job on linking these folks with employment opportunities, and we took another 9 states and linked them up with the Center of Excellence, we actually have 19 states that are ANDERSON COURT REPORTING 706 Duke Street, Suite 100 Alexandria, VA 22314 Phone (703) 519-7180 Fax (703) 519-7190

working collaboratively on trying to figure out innovative and creative ways to do this better so that we can give states direction. Then my belief is that we should then say, we're happy to continue to give you this 100 percent money, we're happy to continue to give you the 50/50 money, but we want you to utilize these resources in the most effective and efficient way to connect people with job opportunities.

That's the right way to deal with reducing SNAP numbers. Seriously, if people were genuinely interested in reducing SNAP numbers, the simplest and easiest way would be to increase the minimum wage. We know that if you increase the minimum wage, you're going to take millions of people who are currently in SNAP, and you're going to put them in a different category. They're going to need less SNAP, or in some cases, no SNAP at all. I always say, if you're really truly interested in reducing the SNAP numbers, why aren't we debating in the halls of Congress an increase in the minimum wage? Why are we depending on individual cities, counties, and states to have that ANDERSON COURT REPORTING 706 Duke Street, Suite 100 Alexandria, VA 22314 Phone (703) 519-7180 Fax (703) 519-7190

conversation?

MR. GREENSTEIN: This isn't the SNAP issue, but it relates. I would love to see us at some point looking more at subsidized jobs. We had a subsidized jobs program -- they're mostly in the private sector -- as part of the Recovery Act, and within a year, there were 250,000 job slots for people who otherwise couldn't get hired. Republican governors were as enthusiastic as Democratic ones; Haley Barbour of Mississippi supported it. In the AEI Brookings report on poverty that came out in December, there was a bipartisan recommendation to look at a subsidized jobs program. As you say, jobs and wages are the way to --

MR. VILSACK: Well, and we should be looking at the unemployment compensation system to ask ourselves, is that the right model for the 21st century? Are there ways in which that could be modernized, ways in which we could try something different, but at the end of the day, just summarily reducing SNAP numbers by creating standards in terms of people's access to jobs when you aren't providing ANDERSON COURT REPORTING 706 Duke Street, Suite 100 Alexandria, VA 22314 Phone (703) 519-7180 Fax (703) 519-7190 or taking full advantage of the resources as states are. States, on another nutrition issue, when we set up the school lunch program, we also provided states with resources to administer that program, the new standards, and many states left money on the table in terms of that program as well, so it goes back to the block grant issue. If they're not utilizing the resources that are available to them because they don't like a program or they don't philosophically agree with the program, how can you trust them with a block grant?

MR. GREENSTEIN: Let's indeed turn briefly to child nutrition. A disappointing development this morning: Yesterday, the chair of the subcommittee in the House that has jurisdiction over the child nutrition programs release the draft child nutrition bill. In the Senate, the Senate Ag committee negotiated a bill on a bi-partisan basis; it's not a perfect bill, it's a bi-partisan compromise, but I think, overall, it's a step forward, and it's bipartisan. We're not yet at the bi-partisan stage in ANDERSON COURT REPORTING 706 Duke Street, Suite 100 Alexandria, VA 22314 Phone (703) 519-7190

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the House, I hope we get there, but the bill that was released yesterday -- I was just looking at it this morning. You talked earlier a few minutes ago about community eligibility.

People on my staff who really know these numbers have looked at it and tell me that the draft bill, or the bill just introduced, would take community eligibility, this is a program under which schools in high-poverty areas, can serve breakfast and lunches free, save the money on all the paperwork of the applications, and reach all the kids where we always miss some kids when you have to do all the paperwork, that this bill would reduce from 18,000 to 11,000. It would take 7,000 schools that are already doing community eligibility and bar them from doing it in the future; there are more than 3 million kids in those schools. So I was disappointed to see that provision, but I don't know if you've had a chance to look at the bill yet or if you've thought about it.

MR. VILSACK: Well, you should feel better about the fact that virtually everyone that is paying ANDERSON COURT REPORTING 706 Duke Street, Suite 100 Alexandria, VA 22314 Phone (703) 519-7180 Fax (703) 519-7190

attention to this issue does not like that provision, from the School Nutrition Association to the folks at USDA to advocates for better child nutrition. No one likes that provision, because everyone sees the wisdom of having a community eligibility program that reduces the administrative burden of schools at a time when they would like to redirect those resources into improving the quality of the meals or expanding a school breakfast program that didn't exist before or figuring out ways in which they can provide healthier snacks. At the end of the day, that's not a very good provision, and I can't imagine that, at the end of the day, it will be ultimately part of a final bill, and if it were, I would strongly encourage the President to take a very, very serious look at the bill. I don't think the President's interested in having hundreds, thousands, tens of thousands of kids disenfranchised from a program that is designed to help them make sure that they have adequate nutrition during the day.

> MR. GREENSTEIN: I think we all hope that ANDERSON COURT REPORTING 706 Duke Street, Suite 100 Alexandria, VA 22314 Phone (703) 519-7180 Fax (703) 519-7190

ultimately we get a bipartisan bill that you look at and you say I can recommend a signature on but we have a process to go through to get there.

MR. VILSACK: We're not there yet, that's for sure on the House side. The Senate they've worked hard, they did listen to one another, they did find a way to increase our summer feeding program, we haven't had a chance to talk about that, but that's a program I think that's equally important and there needs to be focus on it, because the reality is kids are in school for 180 days. They are out of school for the rest of the year and the reality is during that period of time unless we have more aggressive program there are many, many kids who are very food insecure during the summer months, during weekends and during vacations.

MR. GREENSTEIN: We should note fact number 11 in the Hamilton document sites really if you look at this fact the results are dramatic on the degree to which what's called summer EBT which is enhanced nutrition benefits for children in the summer months when they don't get free or reduced price meals the ANDERSON COURT REPORTING 706 Duke Street, Suite 100 Alexandria, VA 22314 Phone (703) 519-7180 Fax (703) 519-7190

data on the degree to which it helps on the food security front is quite dramatic and Mr. Secretary maybe you could say a word. You have a terrific provision in my view on the President's budget on Summer EBT, could you talk about it?

MR. VILSACK: We do and I think first of all given the current state of that program I'm proud of the fact that we've improved the number of meals served from the summer of 2009 to last summer by 26 million additional meals. We're serving another half a million more kids than we did in 2009, that's the good news. The difficult news is that roughly 20 to 21 million kids currently participate in free and reduced lunch. During our summer feeding programs we are probably feeding about four million people -- four million children. So the reality is there is a significant delta between what we are doing during the school day and what we are doing during the summer months. One way to address that delta would be to provide parents and children this EBT card just similar to a SNAP card that they could use to regain ... ANDERSON COURT REPORTING 706 Duke Street, Suite 100 Alexandria, VA 22314 Phone (703) 519-7180 Fax (703) 519-7190

MR. GREENSTEIN: It's kind of a debit card.

MR. VILSACK: ...a debit card which they could use to purchase additional food. Now why is it important to have this program? It's important because there are many people who don't live near a summer feeding site. These are congregant sites, they may be living in a remote rural area, they may be living in the inner city where it's difficult to get to where the summer feeding program is operating. This would give families the ability to purchase additional food during that summer month so that their kids would be better fed. That would allow us with the president's proposal over the next 10 years to gradually increase the number of children that we would be covering to ultimately get to the entire 20 to 21 million kids having access to food throughout the entire year. The President's budget proposes this 10 year ramp up. Were it to be passed by the Congress we would see an additional million kids next summer receiving the benefits of the President's program.

> MR. GREENSTEIN: I just want to note ANDERSON COURT REPORTING 706 Duke Street, Suite 100 Alexandria, VA 22314 Phone (703) 519-7180 Fax (703) 519-7190

something I've also said on other occasions, yes, this is the final budget of President Obama, and a proposal like your summary (inaudible) proposal it isn't going to happy this year, but I can't remember -- it's been a long time since I've seen a budget from a President that has as many interesting, innovative I think, important, new proposal to deal with poverty as this budget does and from a poverty standpoint I'm hoping people see it as a vision for the future and whoever the next President is that they look at a number of your proposals including a summary EBT proposal as starting points for when they think about developing the first budget for the next administration.

MR. VILSACK: This is a President who grew up relying in part on some of these very same programs. The question you would have to have to Congress is what future President are you going to limit today? A kid who is living in a rural area today could be President 25 - 30 years from now, needs the benefit of these programs. So the reality is that there are millions of kids and we know that if they ANDERSON COURT REPORTING 706 Duke Street, Suite 100 Alexandria, VA 22314 Phone (703) 519-7180 Fax (703) 519-7190

don't eat right during the summer they are not as well prepared to begin school in August and September. So that means that they'll be a step or two behind. Ιf they are a step or two behind at the beginning of the year maybe they won't do very well. Maybe if they don't do very well maybe they get disinterested in school, eventually they drop out and you know what? We end up in many cases unfortunately then feeding these people three meals a day in a confined facility called a prison. I mean it makes no sense for us to shortchange our kids. It is in our long term best interest and including theirs to invest in them. То make sure that they are well fed and well educated and well prepared. If they are more times than not they are going to succeed. And so the fact that we have 16, 17 million kids today who in the summer struggle to find adequate nutrition is as Bob Rubin suggested in the richest country in the world, morally unacceptable.

MR. GREENSTEIN: We are going to go in just a second to questions and answer from the audience. ANDERSON COURT REPORTING 706 Duke Street, Suite 100 Alexandria, VA 22314 Phone (703) 519-7180 Fax (703) 519-7190 Before we do one more question, so clearly these programs are critically important and by the same token not only can we not totally eliminate poverty, we are not going to totally eliminate food insecurity just through the food assistance programs. You've mentioned employment, you mentioned the minimum wage, which I think you referred to childcare, you are the chair of the White House rural council, you look at issues affecting particularly low income families in rural areas across the country. Could you talk to us a little bit about hunger food insecurity poverty from a larger rural perspective and how you think about that and the kinds of things you would like to see the nation and policymakers move towards from that perspective.

MR. VILSACK: Eighty-five percent of the persistently poor counties in this country where poverty rates were in excess of 25, 30 percent are rural. When you add that to the fact that one out of every four rural kids' lives in poverty, it is a compelling case for the federal government and for all ANDERSON COURT REPORTING 706 Duke Street, Suite 100 Alexandria, VA 22314 Phone (703) 519-7180 Fax (703) 519-7190

governments to be focused on trying to make those numbers improve. I advised the President of these numbers and he suggested that the rural counsel would be an appropriate place for us to look at innovative, creative ways to deal with this. So we have now a rural impact effort which is focused on child poverty and we have identified 10 communities in the country that are looking at what is referred to as a two generational approach to poverty. Not just focusing employment and training programs in one place and childcare, early childhood, preschool opportunities for poor kids in another place but actually taking all of the programs and focusing them on the family. Dealing simultaneously with mom and dad and child. And we are doing this in 10 different communities in 10 different ways to see how we might learn better how to utilize programs. This program is also designed to make sure that we do a better job of educating people about the availability of programs. We find in rural communities in particular they may not be fully aware of the programs that are in fact in place, nor do they ANDERSON COURT REPORTING 706 Duke Street, Suite 100 Alexandria, VA 22314 Phone (703) 519-7180 Fax (703) 519-7190

have necessarily the sophistication and working through the federal maze to be able to take advantage of those programs. So we are really focusing on a series of place based initiatives -- the Department of Agriculture started a strike force where we are taking all of our mission areas. We put a team together, we qo down in these persistently poor areas where we link up with a community building organization, we have over 1,500 partners now and we say how can we help. We've made over 190,000 investments in those communities over 26 billion dollars and we are beginning to see and understand how to play the game, how to access these programs. Bob I think one thing this country needs to do is it has to have a separate strategy for rebuilding and revitalizing the rural economy. Production agriculture has been incredibly effective and innovative. When I was born in 1950 there were 25 million farmers, today there are less than 3 million and in fact if you look at the folks who produce 85 percent of our food it's probably 250,000 to 300,000 people. The reality is we didn't ANDERSON COURT REPORTING 706 Duke Street, Suite 100 Alexandria, VA 22314 Phone (703) 519-7180 Fax (703) 519-7190

complement that production, agricultural economy with other natural resource based economies that would allow for opportunities for people to do well in rural areas. We are doing this now. We have the local and regional food system, we have conservation and ecosystem markets, we've got the bio-based manufacturing economy. We are trying to rebuild the economy in rural areas and if you rebuild it, create better paying jobs, more market opportunities for farm families, more opportunities for small and midsized operations you'll see a decline in poverty in those rural areas, you'll see more opportunity, you'll see less pressure on cities because won't feel compelled to move to cities and I think you'll see less need for the very programs you are talking about here. But you have to build the economy. You have to have a strategy and you have to direct the resources in support of that strategy and frankly until this administration I'm not sure that we had a defined, focused, comprehensive strategy, focused on a very important place called rural America. ANDERSON COURT REPORTING 706 Duke Street, Suite 100 Alexandria, VA 22314 Phone (703) 519-7180 Fax (703) 519-7190

I'll just give you one statistic about rural American, I want you to all think about this, it's 15 percent of America's population but it's nearly 35 to 40 percent of America's military. So if you want young men and women being willing to serve their country then you better be paying attention to this part of the country because a disproportionate number of those young men and women come from rural American and if there is no economic opportunity, if there's no hope, if there's no brighter tomorrow these kids are going to move and they may or may not be willing to serve their country and to defend us. It's a value system that I think is important and frankly I will say people in my party have not spoken as effectively as I think they need to to folks in those rural areas.

MR. GREENSTEIN: We are going to go now to questions. We have a number of interesting questions from the audience. First, how have you worked to reduce the historic stigma associated with SNAP participation?

> MR. VILSACK: A couple of ways. One I ANDERSON COURT REPORTING 706 Duke Street, Suite 100 Alexandria, VA 22314 Phone (703) 519-7180 Fax (703) 519-7190

mentioned earlier advising people and educating people through a variety of methods, who actually is receiving SNAP and talking about the economic benefits in a recessionary time, talking about the jobs that are connected. The second thing we've done is we've tried to integrate the SNAP families into the general flow of the economy. The EBT card that we've talked about before has allowed us to move away from the food stamp notion. It allows folks to be in that grocery line and you may or may not be aware that you are in line with somebody who is a SNAP beneficiary. We've also tried to create opportunities for those folks to participate in other venues. We've expanded the EBT access n farmer's markets now, over 6,400 farmer's markets can take the EBT card. We work with foundations to increase the availability of healthy fruits and vegetables for SNAP families. And so part of it is better integration and better education about who is receiving SNAP.

MR. GREENSTEIN: I must say I think the EBT card is really important. For decades and decades ANDERSON COURT REPORTING 706 Duke Street, Suite 100 Alexandria, VA 22314 Phone (703) 519-7180 Fax (703) 519-7190

when you went through the checkout line you had to pull out your coupon book and rip out your food stamp coupons. Everybody could see you doing it. The EBT card looks like any other debit card than anybody else has in line and it's hard for me to imagine that if the level of stigma had stayed the same as it was, particularly back when we had food stamp coupons, if that were the case we wouldn't have an 85 percent participation rate today, with 45 million people benefiting. I think that's prima facie evidence not that we are all the way there, but that there has been a significant reduce in in stigma.

MR. VILSACK: I think so and I think again if we do a better job with our senior citizens I think we'll see a better understanding of precisely who is benefiting from this program and I think that also will help reduce it a bit.

MR. GREENSTEIN: The next question is really interesting. Do you think that SNAP results in low income wage suppression, that it leads to employers paying workers lower wages? ANDERSON COURT REPORTING 706 Duke Street, Suite 100

Alexandria, VA 22314 Phone (703) 519-7180 Fax (703) 519-7190 MR. VILSACK: I'm not willing to believe that there are a significant number of people who sit in the back room of their operation and who sort of do a calculation. I think if there is any wage suppression it is primarily unintentional, not an intentional decision making process. I can't imagine -- I would hope that that's not how people think.

MR. GREENSTEIN: This is something I've been quite interested in. To the best of my knowledge, Diane can correct me if I'm wrong, I'm not aware of a single peer reviewed academic study that finds such an effect and there are some reasons for this. If you're an employer and you have a worker, you know the wage you are paying that worker, but you don't necessarily know is there a spouse or a cohabitant in the household who has a well-paying job. You don't know which of your employees are receiving SNAP and which are not and no employer could run an operation where they pay two employees doing the exact same job a different wage level because one is getting SNAP and one isn't. It doesn't work that way. The only ANDERSON COURT REPORTING 706 Duke Street, Suite 100 Alexandria, VA 22314 Phone (703) 519-7180 Fax (703) 519-7190

evidence I'm aware of is not in the SNAP program. There's one or two studies that find that because the earned income tax credit has a really positive effect we all liked of inducing more people to enter the labor market, that by increasing the supply of workers looking for jobs it may have some modest moderating effect on wages, the overall effect of the EITC on worker's incomes is a huge positive, but to me this is also one of the reasons that the minimum wage and the EITC complement each other. The EITC brings more people into the labor market, an adequate minimum wage puts a floor below which the wages can't go but I have never seen any evidence, Diane's agreeing that the SNAP program, unlike the EITC it doesn't have particular effects on the supply of labor.

Here's an interesting question: Is SNAP being ignored in the Presidential election and if so why?

MR. VILSACK: I don't think it's being ignored in the sense that I think there has been a good deal of conversation about poverty, about income ANDERSON COURT REPORTING 706 Duke Street, Suite 100 Alexandria, VA 22314 Phone (703) 519-7180 Fax (703) 519-7190

inequality, I know that coming from Iowa I obviously watched the Presidential being and I know that there was a great deal of conversation about economic opportunity, support for programs that would provide people a chance to make it. I'm not sure it's being ignored by the candidates. It may very well be not something that the media is focused on because they are more interested in the theatrics of the campaign. I guess that's a polite way of referring to what's going on. It maybe doesn't sell as much advertising as some of the stuff that is being reported. Honestly, I think we really should demand more from our presidential campaigns. Not from candidates but from campaigns and the coverage of the campaigns. Because there are a lot of issues that aren't necessarily being discussed as they ought to be or in a serious manner like the conversation we are having today. I think of rural poverty. There are a couple of candidates who have fairly detailed plans about rural poverty, but there hasn't been a conversation about it and it frankly is a fairly important topic ANDERSON COURT REPORTING 706 Duke Street, Suite 100 Alexandria, VA 22314 Phone (703) 519-7180 Fax (703) 519-7190

that needs to be discussed.

MR. GREENSTEIN: I also suspect, it wouldn't surprise me if we see a little more focus on SNAP in the general election, but we are now in the primary stage. It's not as though there is a burning issue about SNAP that divides Donald Trump and Ted Cruise, nor similarly Hillary Clinton or Bernie Sanders. It could be that when we get to the general election, there are bigger differences and that one or the other parties candidate elevates.

MR. VILSACK: There will be an effort as there was in 2012 when references were made to President Obama as the food stamp president, there will be references to do it in a way that isn't informative, it's not a discussion, it is an effort to demonize not just the SNAP beneficiaries but also the candidate who believes that there is a reason, an appropriate place for the SNAP program. And if that occurs there should be some serious pushback by not just the candidate that has to deal with this, but by those of us who understand what this program is and ANDERSON COURT REPORTING 706 Duke Street, Suite 100 Alexandria, VA 22314 Phone (703) 519-7180 Fax (703) 519-7190

what it isn't. We should not let anyone suggest that there are people -- rampant, fraud, waste and abuse program. We should not allow people to suggest that everyone on SNAP is gaming the system. We should make sure that there is an understanding that there are senior citizens, people with disabilities, working poor and children and ask the question which one of those groups do you not want to help so that we put that candidate who is suggesting that there is a problem with the SNAP program on record as to saying I don't want seniors to be helped, I don't want people with disabilities to be helped, I don't want kids to be helped. That's the kind of debate, if we are going to have that kind of conversation that's a question we should absolutely compel an answer to.

MR. GREENSTEIN: Next question. I am going to ask the question but then give a little context. Has USDA considered eliminating the five year residence requirement for recent immigrants to receive SNAP? Bob will remember when the '96 welfare law came out of Congress it had really severe restrictions on -ANDERSON COURT REPORTING 706 Duke Street, Suite 100 Alexandria, VA 22314 Phone (703) 519-7180 Fax (703) 519-7190

- legal, we are not talking about undocumented immigrants here, we are talking about legal immigrants. When legal immigrants receiving SNAP and other benefits and I remember that when President Clinton signed the law he singled out two areas that he said in his view went much too far and one was the immigrant restrictions and the other were actually some of the SNAP cuts. And with regard to the immigrant restrictions in the 1997 balanced budget act, as I recall the restrictions on legal immigrants receiving food stamps were removed for all of the illegal immigrants already here in the country but for people who newly entered the country after the bill's signature date August 22, '96 there was a five year restriction. I think it was eased for children subsequently, but I think it's still there for adults. But this is not something you as the secretary have authority on, Congress would have to change the law.

MR. VILSACK: Right and our focus obviously is on things that we can control. We can control encouraging states to do a better job of outreach to ANDERSON COURT REPORTING 706 Duke Street, Suite 100 Alexandria, VA 22314 Phone (703) 519-7180 Fax (703) 519-7190

make sure that eligible people sign up. We can control encouraging opportunities for SNAP beneficiaries to be able to take their kids to farmer's market and enjoy that experience. We can control reducing error rates and fraud rates. We can control helping states do a better job of connecting people with work opportunities. Our focus is on things we can control. I don't know that we necessarily have been in the Vanguard at this point of figuring out what the policy changes out to be, I think as we begin preparing for the next farm bill that's when that conversation would be appropriate. So the next secretary will obviously be engaged in it. To the extend I had a conversation about SNAP in the context of the 2014 farm bill, it was in connection with the employment and training, suggesting the 200 million dollar fund -- create new innovative ways to find out how we could link people with employment.

MR. GREENSTEIN: And as we also know and when you take on really hot button issues, to some degree you have to pick your spots. I remember back ANDERSON COURT REPORTING 706 Duke Street, Suite 100 Alexandria, VA 22314 Phone (703) 519-7180 Fax (703) 519-7190 in 1996 I thought that the immigrant provisions were without close compare the most unsavory provisions of the law and I was very glad that they were substantially altered although not totally altered in 1997. In terms of the Obama Administration obviously the immigrant related issue the President has elevated, is the executive order to bring four, five million people out of shadows and I would have to say much as I would like to see the five year restriction eased I think the President got it exactly right, I think the top priority in this area is to bring people out, people who've been here, they've been working, they've been playing by the rules, to bring them out of the shadows and we're still waiting to hear where the Supreme Court will come down on this.

MR. VILSACK: The next time any of you put a fork into a fruit or vegetable, understand that the likelihood is that that fruit or vegetable was touched at some point in time by immigrant hands and probably 70 to 75 percent of farm workers are probably not in this country legally, but they do backbreaking work in ANDERSON COURT REPORTING 706 Duke Street, Suite 100 Alexandria, VA 22314 Phone (703) 519-7180 Fax (703) 519-7190

order to provide us this incredible diversity. So when you walk into a grocery store make sure you understand that amazing diversity you see in the produce department, part of it was brought to you by folks who work 12 to 14 hour days without much protection because they are here just trying to take care of their families and we have a broken immigration system and apparently don't have the courage at this point in time in the Congress to fix it. (applause)

MR. GREENSTEIN: We've been talking about big issues. We just got into immigration. An argument can be made, I would agree with this argument that the biggest issue of all for the future of the planet is climate change. We have a question, how will food and security be affected by climate change if we don't address it? I have to say not something I really know about.

MR. VILSACK: The first things we can do if we are really truly interested in climate and its fit in security is to eliminate food waste. Thirty ANDERSON COURT REPORTING 706 Duke Street, Suite 100 Alexandria, VA 22314 Phone (703) 519-7180 Fax (703) 519-7190

percent of all the food that is grown in this country and globally is wasted. In the United States it is a large amount of the solid waste that goes into our landfills, in fact it's the single biggest solid waste component of landfills and a producer of methane. So if we were able to reduce and eliminate global food loss and waste we would have enough food to feed 850 million people who are food insecure in the world today. That's the first thing. The second thing is to work with agriculture to make sure that we are adapting and mitigating to the impact of climate because there is no question it will impact and effect what's grown, where it's grown and how much we grow. And if you happen to be in a coastal area it's a serious consequence. When I went with President Obama to Cuba for my second visit I had a chance to visit with the ag minister in Cuba and we believe that there is an opportunity for collaboration on agriculture in the Caribbean and we have a series of climate hubs that we established at the USDA that is actually taking a look at every region of the country and the ANDERSON COURT REPORTING 706 Duke Street, Suite 100 Alexandria, VA 22314 Phone (703) 519-7180 Fax (703) 519-7190

Caribbean to figure out precisely the impacts of climate change and what we think the vulnerabilities are, both in terms of agricultural production and forestry. And then we have produced a series of suggestions in terms of adaptation and mitigation strategies and are using extension to get our producers aware of steps that they can take and we have linked that effort with the Climate Smart Agricultural Alliance which is now over 100 organizations and countries, working collaboratively to figure out the best practices, so there is an aggressive effort here. We are sharing research, we are opening up data so it's easier for people to do research from the research we've done in the past. So there is a significant focus on this at USDA and we'll continue to focus on it, but each one of us could start today by trying to avoid food waste.

MR. GREENSTEIN: We are now at the end of our hour. For people here in the audience and any people watching, you've just really seen the seriousness and the words that come to my mind are the ANDERSON COURT REPORTING 706 Duke Street, Suite 100 Alexandria, VA 22314 Phone (703) 519-7180 Fax (703) 519-7190

quiet but very real passion of Tom Vilsack, the Secretary of Agriculture. For people who are cynical about our political system and our leaders, I think you've just seen over the past hour an illustration that our system can and does produce leaders who really dedicate themselves to making our country and our world a better place. We really thank you, Mr. Secretary both for being here for the hour, making the time, but more broadly for everything you are doing on these issues. I want to thank the Hamilton Project for putting this together and all of you for coming here this morning. Thank you. (applause)

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I, Carleton J. Anderson, III do hereby certify that the forgoing electronic file when originally transmitted was reduced to text at my direction; that said transcript is a true record of the proceedings therein referenced; that I am neither counsel for, related to, nor employed by any of the parties to the action in which these proceedings were taken; and, furthermore, that I am neither a relative or employee of any attorney or counsel employed by the parties hereto, nor financially or otherwise interested in the outcome of this action.

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