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**Testimony of
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Before the National Hunger Commission

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Good morning, members of the Commission, and thank you for inviting me to speak with you today about how to improve nutritional programs and benefits. My name is Mary Mayhew and I am the Commissioner of Maine's Department of Health and Human Services.

Maine's Department of Health and Human Services has an annual budget of more than \$3.5 billion and is responsible for the management of the state's Medicaid program, Temporary Assistance for Needy Families, child welfare, mental health and substance abuse programs, aging and disability services, public health, administering the federal supplemental nutritional assistance program, and many other health and social service programs.

I am appreciative of the Commission's mandate to identify recommendations that would support program reforms focused on effectively using existing programs and funds to address domestic hunger and food insecurity; and reduce the need for government nutrition assistance programs, while protecting the safety net for the most vulnerable members of society.

When Governor Paul LePage came to office in 2011 and I took on my current role, I was similarly tasked by the Governor to evaluate the effectiveness of programs and to assure that the most vulnerable were getting their needs effectively met. We had to urgently address the significant financial challenges that had plagued DHHS for more than a decade and the massive budget shortfall within the Department. The Governor's core mission was to ensure that our budget reflected the needs of our most vulnerable populations, that the programs were demonstrating efficiency and effectiveness and that we defined success based on helping people off of welfare programs and reducing dependency on government. It was clear that the significant growth in programs and increased spending over the decade was not effectively aligned with our most vulnerable populations or in assessing the outcomes of that spending.

These are critical questions that have not been asked about many government programs and clear expectations that have not been set: what are the objectives and outcomes/how are we defining success, what are the quantitative measures and outcomes against which we are able to evaluate any program in terms of whether it is making a difference in the lives of the individuals and families we are serving. Too often the measure has solely been based on numbers served, benefits provided. The 1996 reforms to AFDC now TANF are great examples of setting clear expectations: the program is time-limited and is intended to promote independence and employment stability. States are held accountable and evaluated against their performance in the percentage of clients who are participating in work or work-related activities. And

importantly, states are given significant flexibility in the design of these programs to accomplish these objectives.

It is imperative that there be focus within your charge of defining what constitutes effectiveness for the programs that are focused on hunger; is there agreement on the measure and data; are the programs serving as a safety net for the most vulnerable, and are the programs geared toward ending government dependency?

In 2005, there were 152,910 individuals receiving SNAP/food stamp benefits and in 2013, there were 249,119 individuals receiving these benefits -- a 129% growth in 8 years and the cost of the program grew from \$160 million to \$360 million. Maine ranked second in the nation for the percentage of its households receiving food stamps. Dependency was growing.

Our efforts over the last several years have been to promote employment and to improve and enhance the integrity of these programs to ensure that those who are eligible are receiving benefits and that taxpayer funds are not being squandered. The Governor understands that the best answer to ending poverty is a job. He is committed to restructuring welfare programs to help individuals on a pathway to success, economic stability and financial independence. In that regard, we would strongly encourage that the Commission include as a recommendation the elimination of the federal waiver of work requirements for 18-49 year old, able-bodied adults without dependents. It is critical that every welfare program be geared toward promoting employment not discouraging work. We know the value of employment from the income it generates and the self-sufficiency it supports and the self-confidence and self-esteem it promotes. SNAP is not an anti-poverty program; if you are receiving SNAP benefits, you are living in poverty, and we in the LePage Administration believe that with a little help, every non-disabled, working-age adult has the capacity to pull themselves out of poverty and experience the life-changing, transcendent dignity that comes from gainful employment.

With that simple philosophy in mind, we recently raised expectations within SNAP. Last year, there were 12,000 able-bodied adults without dependents, or "ABAWDs" on SNAP in Maine. For the first time since the recession, Maine declined the federal waiver allowing ABAWDs to collect SNAP beyond three months without working, volunteering, or undergoing training. Since re-implementing the requirement that ABAWDs work 20 hours per week, volunteer 24 hours per month, or attend vocational training, the number of ABAWDs on SNAP in Maine has dropped from 12,000 last year to just 2,169 as of last week, a drop of more than 80 percent that is saving taxpayers over a million dollars per month. This has helped Maine to rank first in the nation for food stamp enrollment reductions in the past year. If every state did the same, it has been estimated the federal government would save \$7.1 billion per year—nearly 10 percent of the cost of the entire SNAP program.

That \$7.1 billion is money that could be better used delivering meals at home to the elderly and disabled. At the peak of last winter's harsh blast, in a one month period, close to 200 Maine seniors were on a waiting list for Meals on Wheels even as able-bodied young men were receiving food stamps. These elderly were already homebound and having to make a choice between food and fuel. Without bold action, we expect this dynamic of food insecurity will continue to grow given Maine's demographics. Maine has the oldest population in the country. Nearly 10 percent of Mainers are over the age of 65 and, in just 10 years, that figure will more than double, to 24.5 percent. This is a looming crisis of food insecurity for Maine seniors that

will reach a boiling point without bold action to reform and reprioritize our food assistance programs.

There are many, many good ideas for how we can improve SNAP and use existing resources to better help the hungry, especially our seniors, and move people from poverty to prosperity. Last November, I sent 15 such ideas to Maine's congressional delegation and I have shared those ideas with this commission as well. I'll sample just a few of them now.

The second word of the SNAP acronym is "nutrition." Why, then, are we allowing scarce dollars to be spent on chocolate bars, potato chips, soda, energy drinks, and candy? One SNAP purchase in Maine was comprised simply of three gallons of Hershey's Ice Cream. Another paid for a one-pound bag of Reese's Peanut Butter Cups. With obesity affecting one-third of American adults and 17% of children, we must put the "nutrition" back in "SNAP." I have the advantage of both overseeing Medicaid and SNAP. These two federal programs should be working in concert to improve health not in conflict. We would recommend implementing federal restrictions on the use of SNAP to prohibit the purchase of soda and junk food with SNAP.

Another related problem is that we are running blind about exactly how much and what kind of junk food is purchased with SNAP. SNAP-EBT vendors should be required to share all transaction-level microdata with state and federal governments. This would allow us to quantify, understand, and address the problem. We cannot underestimate the value and importance of transparency related to these transactions. \$79 billion spent annually in the United States through the food stamp program and we don't know how much milk vs mountain dew is being purchased. How can we even begin to refer to this program is supplemental nutritional assistance in the absence of such data and evaluation. This would be like Medicaid paying healthcare providers and not having access to any data regarding the services provided to Medicaid beneficiaries.

With regard to your charge to encourage effective public private partnerships, we strongly encourage the Commission to identify best practices around the country that have helped to address financial literacy, nutritional education, promoted health, individual accountability, and encouraged employment. Are there successful models with measurable results that can be used to inform federal policy reforms or at a minimum support greater state flexibility in funding creative pilots that support those efforts?

In terms of using existing resources most effectively, we know there is opportunity to strengthen the integrity of federal SNAP funds to better support those who need assistance and to support other federal programs focused on hunger and are most vulnerable populations. SNAP benefits are being used fraudulently, especially to fuel the drug trade. Police routinely turn up multiple EBT cards in drug busts that don't belong to the drug dealers. Some SNAP recipients are trading their benefits for drugs, or for cash that they can use to buy drugs or alcohol. These are benefits that could be feeding a hungry child or a homebound elderly person.

In Maine, we are putting photos on EBT cards on a voluntary basis to discourage their trafficking in the drug trade, but we have been met with roadblocks and resistance from the Federal Nutrition Service (FNS) time after time. FNS should be a partner, not an opponent, of Maine

DHHS in the effort to ensure SNAP benefits are being used appropriately. The federal government should require photos on EBT cards, limit the allowable number of replacement cards, and devote resources to more aggressively investigate and prosecute EBT retailer fraud to save money within SNAP.

These are just a handful of the vast array of problems and solutions for SNAP. A common theme among them, however, is that the federal government can free up existing resources to alleviate hunger among our most vulnerable youth, elderly, and disabled populations by simply allowing states more control over SNAP in terms of eligibility, enforcement, and permissible use.

Strengthening the integrity of the program while limiting its availability to those who can work but choose not to would generate untold future dividends. The charge of this Commission is to identify ways to alleviate hunger and improve nutrition “within existing resources.” This implies that there must be cuts somewhere in the program—as there should be, especially considering SNAP has more than tripled in cost in little over a decade. However, there are many who reflexively oppose any measures to reduce spending or eligibility in any part of the program. We know that we do not live in a world of unlimited resources. We must create accountability within these programs for their efficient and effective use of taxpayer funds to address hunger and to promote nutrition for those eligible for and in need of this safety net program.

With commonsense reforms to improve accountability, integrity, and transparency, coupled with an emphasis on eventual employment and independence, we can help SNAP-dependent people throughout the United States to free themselves from generational welfare dependency and make the successful transition from poverty to prosperity.