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HOUSE OF REPRESENTATIVES
COMMONWEALTH OF PENNSYLVANIA
HARRISBURG

January 18, 2012

The Honorable Tom Corbett
Governor
Commonwealth of Pennsylvania
225 Main Capitol Building
Harrisburg, PA 17120

Dear Governor Corbett:

As Governor of the Commonwealth of Pennsylvania, you are charged with ensuring the safety and welfare of the residents of this great commonwealth. As such, I urge you to immediately halt any and all efforts by your administration to reinstate the asset test for the federal Supplemental Nutrition Assistance Program, or SNAP, previously known as the federal food stamp program.

It is my understanding from recent news reports that an official within your Department of Public Welfare sent a letter on Dec. 28, 2011 to the U.S. Department of Agriculture Food and Nutrition Service, requesting permission to count assets when determining an individual's or family's eligibility for SNAP assistance. Your proposed change would limit eligibility for SNAP benefits to households with a maximum of \$2,000 in assets and \$3,250 for households with individuals who are age 60 or older or are disabled. If your administration proceeds with this change, Pennsylvania will have the most restrictive eligibility standards for SNAP assistance in the nation – a shameful distinction, to be sure.

Your administration's move to further restrict eligibility for this critical safety net program is wrong-headed, short-sighted and counterproductive. It would take an enormous human toll on our most vulnerable citizens, cost Pennsylvania's taxpayers more money and have a devastating impact on our economy.

According to information provided by your Department of Public Welfare, one justification for instituting an asset test is that it would "put us into line with the federal requirements." This is a complete fabrication. As you and your department know, there is no requirement that states use an asset test for determining eligibility for SNAP. In fact, the vast majority of states – 36, including Pennsylvania – have no such test.

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Unfortunately, to defend this decision, your administration has engaged in an aggressive public relations campaign of misinformation, using the oft-repeated, but seldom supported, argument that this is all part of your administration's effort to eradicate the shadowy specters of "waste, fraud and abuse" in our critical safety net programs. According to the January 10 edition of the Philadelphia Inquirer: Anne Bale, a spokeswoman for your Department of Public Welfare, said the asset test was "a way to ensure that 'people with resources are not taking advantage of the food-stamp program,' funded by federal money. In addition, Bale said, the test was related to DPW Secretary Gary Alexander's initiative to reduce waste, fraud, and abuse across all department programs."

The facts, however, contradict these statements by your administration. There is no evidence that there is a pervasive problem with fraud, waste or abuse in the federal SNAP program. In fact, statistics show that Pennsylvania's fraud rate in the program is among the lowest in the nation – a mere one-tenth of 1 percent. Unfortunately, this is not the first time your administration has used trumped-up statistics and hyperbolic allegations of "waste, fraud and abuse" to defend its persistent attacks on children, women, seniors, working families and our most vulnerable citizens.

Last November, DPW Secretary Gary Alexander announced that your administration had removed 100,000 "ineligible" people from the Medical Assistance – or Medicaid – rolls, saying "many" were people who had died. We now know that to be a complete fabrication. The numbers show that your administration kicked 120,548 Pennsylvanians – including some 64,000 children – off their Medicaid benefits as of November 30, and that of those, only 1,568 had died – a minuscule 1.3 percent.

Your administration's penchant for distorting facts to support your policy positions is becoming more than just a casual annoyance. Now, such blatant misinformation is being used to defend policies that threaten the safety and well-being of hundreds of thousands of Pennsylvania residents – many of them women, children, the elderly and individuals with disabilities.

Your plan to reinstate an asset test to the federal SNAP program is among the most harmful policies yet proposed by your administration. It will hurt seniors who are saving money for medical emergencies; it will hurt children whose parents recently lost their jobs because of the historic economic recession; it will hurt thousands of middle-class families across eastern and central Pennsylvania whose lives were turned upside down by the disastrous flooding last fall; and an asset test will force our most vulnerable citizens and their families deeper into poverty. Governor, this proposal is counterproductive to the common goal of providing a safety net for the working poor so they can save money, build assets and lift themselves out of poverty.

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Beyond the human toll this proposal would have on tens of thousands of Pennsylvanians and their families, it would also have a devastating impact on Pennsylvania's economy. Despite your administration's public statements that instituting an asset test would save money for the commonwealth, it's clear that's simply not true.

SNAP benefits are entirely funded by the federal government, not the state. However, the commonwealth does share in the cost of administering the program. Adding an asset test would actually cost the state \$85 million in lost federal aid, while simultaneously forcing the state to dedicate more staff time to conduct the asset testing – at greater cost to Pennsylvania taxpayers. In addition, the loss of \$85 million in federal benefits would immediately have an impact on the local and state economies, as grocery stores, farmers' markets and convenience stores would see a significant drop in sales. Statistics show that every dollar in SNAP benefits generates \$1.73 in economic activity. Using those figures, your proposal to institute an asset test for SNAP would cost Pennsylvania more than \$147 million in lost economic activity.

Governor, for all these reasons, I implore you to reconsider this ill-conceived proposal and immediately retract your administration's request to reinstate the asset test for SNAP eligibility.

Sincerely,

A handwritten signature in black ink, appearing to read "Frank Dermody", written over the word "Sincerely,".

Frank Dermody
Democratic Leader

cc: Gary D. Alexander, Secretary, Pennsylvania Department of Public Welfare