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THE HOUSE FARM BILL IMPROVES FOOD STAMPS FOR COLORADANS

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The U.S. House passed its version of the 2007 Farm Bill in July 2007. In addition to agriculture, conservation and trade issues, the Farm Bill also reauthorizes the Food Stamp Program making \$4 billion in critical new investments and much needed improvements in food stamp benefits and The Emergency Food Assistance Program (TEFAP). This is an important first step that will better address the problem of hunger in Colorado and around the country.

Basic Facts about Food Stamps in Colorado

The Food Stamp Program is the first line of defense against hunger in Colorado, providing almost 251,385 needy Coloradans with an average of \$1.19 per person per meal to buy food every month. It is also the country's single biggest nutrition program for poor children. In Colorado, 58 percent of food stamp benefits go to households with children. The program also serves 16,809 elderly Coloradans and 17,715 Colorado households that include a person with a disability.

How the House Bill Helps Coloradans

- **Stops cuts in food stamp purchasing power:** The food stamp “standard deduction” has been frozen since 1995, which has resulted in lower benefits for 129,000 Coloradans. If Congress fails to act by next year, food stamp benefits for a typical working parent with two children in Colorado will have dropped in real terms by about \$24 a month as compared with 1995. The House bill prevents further erosion of food purchasing power and restores part of what has been lost in the last decade. Specifically, it would restore \$19 million in benefits that low-income Coloradans would otherwise lose over the next five years.
- **Increases minimum benefits for the elderly and people with disabilities:** The minimum benefit goes overwhelmingly to the elderly and persons with disabilities. The monthly minimum benefit of \$10 has not changed since it was created 30 years ago. If it had been indexed to inflation it would buy almost three times as much food as it does today. The House bill increases the minimum benefit to \$16 and indexes it to inflation to keep up with rising food prices in later years. This would provide an additional \$2.5 million over five years to the 7,000 Coloradans who currently receive very small monthly allotments.

- **Allows families to deduct child care costs:** As child care costs for low-wage workers have been escalating, the amount they can deduct in calculating their food stamp benefits has remained capped at \$200 per month for infants and \$175 per month for older children. The House bill lifts the cap so working families could deduct the full amount of child care costs they incur in order to work. This will increase benefits by a total of \$1.2 million over five years for 1,770 families in Colorado.
- **Removes the savings disincentive from the Food Stamp Program:** The House bill restores benefits to people who have saved modest amounts in tax-preferred retirement or education accounts. It would also begin indexing to inflation the resource limit of \$2000 (\$3000 for households including elderly or disabled people), an amount which has not been increased in 20 years.

What's next? To address needs in Colorado, the Senate needs to build upon these changes by investing at least as much as the House did in food stamps and TEFAP, and by making further improvements to help combat hunger in Colorado and nationwide.

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