November 2013
Volume 2, Issue 1

MIDEAST VOICES

Mideast Voice of the Poor, Columbus, OH
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INSIDE THIS ISSUE

Working on Systemic Change

By Warren Wright

Dear Friends:

Hope everyone is having a great Fall and a blessed Thanksgiving season!

The past few months have been a very busy time for issues impacting those we serve. The Farm Bill, the Supplemental Nutrition Assistance Program (SNAP), Medicaid Expansion, a fair budget without sequestration and with a Circle of Protection around effective programs that benefit those we serve, and immigration reform continue to be hot issues that will be acted on over the next couple of months. This 5th edition of Mideast Voices will bring everyone up-to-date on new developments with these issues and more.

SVdP continues to pursue a course of ending poverty through systemic change. In this newsletter, we present information about a new program in the Indianapolis diocese. They are embarking on a low interest loan program for the low income. Pat Jerrell, Indianapolis diocesan council president, presents some of the details. As Voice of the Poor Vincentians, we need to be aware of how advocacy and systemic change work hand in hand, as the ultimate goal of both is changing the systems and policies that adversely impact those we serve and/or creating alternative, empowering structures. In doing so, we seek to empower those we serve to become agents of their own change.

As we are in the midst of the 50th Anniversary of Vatican II (Oct 1962 to 1965), this newsletter examines the social encyclical *Gaudium et Spes (Pastoral Constitution on the Church in the Modern World),* promulgated at the closing of Vatican II. This document built on *Pacem en Terris* and continues the church call for action in the world to ensure that everyone is respected as children created in the image and likeness of God. A summary of *Gaudium et Spes* is presented in this newsletter for your reflection.

Pope Francis continues to amaze us with his gentle way of living the Gospel and shepherding us, his flock. I conclude with these words from Pope Francis: *"The current crisis is not only economic and financial but is rooted in an ethical and anthropological crisis. Concern with the idols of power, profit, and money, rather than with the value of the human person has become a basic norm for functioning and a crucial criterion for organization. We have forgotten and are still forgetting that over and above business, logic and the parameters of the market is the human being; and that something is [due to] men and women in as much as they are human beings by virtue of their profound dignity: to offer them the possibility of living a dignified life and of actively participating in the common good. Benedict XVI reminded us that precisely because it is human, all human activity, including economic activity, must be ethically structured and governed (cf. Encyclical Letter Caritas in Veritate, n. 36). We must return to the centrality of the human being, to a more ethical vision of activities and of human relationships without the fear of losing something. (5/25/13)*

Thanks for all you do for those we serve.

Warren Wright
SVdP Mideast VOP Representative

"Even the weakest and most vulnerable, the sick, the old, the unborn and the poor are masterpieces of God's creation, made in his own image, destined to live forever and deserving of the utmost reverence and respect." Pope Francis, July 2013

Comprehensive Immigration Reform Update for November

By Warren Wright

As reported in the August newsletter, the US Senate has passed S744, the Border Security, Economic Competitiveness, and Immigration Modernization Act of 2013 on June 27. Passage was with bi-partisan support on a 68-32 vote. The bill contains provisions for a path to citizenship, border security, an improved legal immigration system, an effective Employment Verification System, an improved process for agricultural and low-skilled workers, and protection of workers' rights. DREAM Act provisions are also contained in the legislation. According to Archbishop Jose H. Gomez, chairman of the USCCB Committee on Migration, the legislation would "allow immigrants and their families to come out of the shadows and into the light and would protect families from separation." Bishop Gomez stated that the USCCB does not agree with all elements of the bill, including the unprecedented buildup of enforcement resources along the southern border (at a cost of $46 billion dollars). These provisions include doubling the number of Border Patrol agents and providing warfare technology for non-military operations by introducing drones, infrared sensors, and $140 million dollars of Blackhawk helicopters into civilian border communities. These border security provisions, part of the Corker-Hoven amendment offered during debate on the House floor, satisfied senators who thought the original border security provisions did not go far enough, likely securing needed votes for passage of the bill. It must be noted that all of the border security provisions above would be undertaken on the heels of the unprecedented growth in the immigration enforcement apparatus over the last decade.

However, the legislation is viewed as an overall improvement upon the status quo for undocumented persons. Our job now is to seek improvements to the Senate legislation and any legislation to be considered in the US House of Representatives, including making the path to citizenship for undocumented persons more accessible and achievable.

The House is expected to act before the end of the year, after the Farm Bill is finalized. Please make every effort to call, write, or e-mail your US representative. If you call and cannot speak directly with them, ask to speak with their aide responsible for the immigration reform issue.

Farm Bill/SNAP Update

By Warren Wright

On June 18, the US Senate passed a five-year extension of the Farm Bill through fiscal year 2018 by a vote of 66-27. The legislation included $4 billion in cuts to funding for SNAP (Supplemental Nutrition Assistance Program - Food Stamps). According to Bread for the World, these cuts will affect approximately a half million families with a monthly benefit reduction of $90.

The US House could not pass an extension to the Farm Bill that included $20.5 billion in cuts to SNAP. With a threatened presidential veto, the House rejected this version of the Farm Bill extension on June 20 by a 234 - 195 vote. Subsequently, the House went on to pass an extension to the Farm Bill that did not include any funding for SNAP or other domestic and international nutrition assistance. Then, the House took up SNAP legislation calling for $40 billion in cuts over 10 years. By a vote of 217 to 210, the bill passed.

Where do we go from here? The House and Senate have convened a conference committee to reconcile the Farm Bill, SNAP and other domestic and international nutrition program funding passed by the two chambers. The SVdP position is to maintain SNAP funding at their current levels. SVdP would like a final Farm Bill closer to the Senate version than the

Please see *SNAP* on page 5

Medicaid Expansion Update:

Making Progress in Ohio/Waiting for Indiana

By Warren Wright

As reported in the August 2013 newsletter, Michigan and Kentucky approved Medicaid Expansion in their states through the legislative process. In Ohio, the Ohio Controlling Board, with the backing of Governor John Kasich, recently approved Medicaid Expansion. This means that 275,000 low-income Ohioans will now have access to health care, with $13 billion being brought into the state economy over next 10 years and 30,000 jobs created.

In our Mideast region, it now remains for Governor Mike Pence to determine with the Federal authorities how health care for low-income persons in Indiana can be enhanced. The outcome of the health care for poor families, mostly working poor, is uncertain. It is hoped that with some flexibility granted by the Federal program, the Governor will find a way to extend coverage for these families. The attempt to lower eligibility for prenatal coverage was stopped. Mothers will still be eligible up to 200 % of poverty.

Pray for those who are hungry.
Pray harder for those who will not feed them.
Pray for those who struggle each week to pay their bills.
Pay harder for the wealthy who do not care.
Pray for those who are homeless.
Pray harder for those who deny them shelter.
Pray for the sick and lonely.
Pray harder for those who will not give them comfort.
Pray for those who cry out for dignity.
Pray harder for those who will not listen.
Pray for those oppressed by unjust wages.
Pray harder for those who exploit them.
Pray for those who bear the yoke of prejudice.
Pray harder for those who discriminate against them.
Pray for those whose basic needs are denied.
Pray harder for public officials who cater to the greedy and ignore those bound unjustly.

Amen.

SVdP Indianapolis Council Rolls Out Microloan Program

By Pat Jerrell

The SVdP ADCC Indianapolis Council leadership has been laying the groundwork for over a year to put a Micro Loan Program in place in Central and Southern Indiana. We're ready to offer the program to our clients in need of emergency financial assistance, as an alternative to the Pay Day Loan & Check Cashing vendors in our communities. I'd like to communicate to you how this program came to be, as well as the importance of it as a Systemic Change Project.

The program is patterned after a similar, very successful program developed by the SVdP Belleville, IL Council, which has been in-place for at least 4 years. The Indy Council program will provide small ($500 maximum), low interest (4%), short term (12 months) loans for non-recurring emergency expenses (car repair, HVAC repair, medical, dental or vision care expense, etc.). Funds will not be provided for recurring expenses such as rent, utilities, home or car loans, etc.

The program is being administered in the Indianapolis metropolitan area by the Financial Center Federal Credit Union (FCFCU), and currently in the Columbus (Bartholomew County), IN area by Centra Credit Union. However, the process starts with the SVdP Home Visitor volunteers identifying families that have an emergency need that could possibly be addressed by a Micro Loan. We've trained Micro Loan Specialist volunteers in each District Council to do follow-up visits with the candidate families to start the loan application process.

The Systemic Change aspects of the Micro Loan Program are (1) mandatory startup of a Share (Savings) Account for the client, which allows the client to access Credit Union member services such as free check cashing, and (2) mandatory Financial Literacy Training for the client, which focuses on Managing Debt and Improving the

Please see *Microloan* on page 4

Microloan from page 3

Credit Score. Loan funds will be disbursed only via a 3rd Party Check to the Service Provider and the client, such that neither one can cash the check alone. This approach will ensure that the loan funds are used as intended.

The rationale for starting a Micro Loan Program are as follows:

(1) The program was funded by a bequest from the Kuzel estate, with the agreement from the estate attorney that a Micro Loan Program would be a fitting way to honor the Kuzel family,

(2) As a result, the ADCC Indianapolis Council Board authorized $100,000 to be used for the initial loan capital, of which $80,000 resides with FCFCU & $20,000 with Centra CU,

(3) Our communities are being ravaged by the predatory lending industry. A recently released report from the *Insight Center for Community Economic Development*, documents, based on data from 2011, a net loss nationwide of nearly $1B in economic activity and over 14,000 jobs, in addition to the devastation to families from Chapter 13 bankruptcies, which are directly attributable to the predatory lending industry, and

(4) The program aligns with our SVdP USA strategic vision of *Ending Poverty Thru Systemic Change* by promoting greater Financial Literacy and Economic Self Sufficiency among our neighbors living in poverty. It's clearly *What Jesus Would Do*!

The joys and the hopes, the griefs and the anxieties of the people of this age, especially those who are poor or in any way afflicted, these are the joys and hopes, the griefs and anxieties of the followers of Christ.

Gaudiem et Spes (para. #1)

It should be noted that the SVdP National Voice of the Poor Committee prepared and issued a *Position Statement on Predatory Loans*, which was approved by the National Council Trustees on April 27, 2007. The paper is an excellent treatise on the subject of Predatory Lending, as well as on the Vincentian Response, Catholic Church Teaching, and position of the United States Catholic Conference of Bishops (USCCB) on the subject. Some relevant excerpts from each group follows:

(1) From ***10 Points of Economic Life by the USCCB*** – "Point 1: The economy exists for the person, not the person for the economy. Point 2: All economic life should be shaped by moral principles. Economic choices and institutions must be judged by how they protect or undermine the life and dignity of the human person, support the family, and serve the common good".

(2) From ***The Catechism of the Catholic Church*** – "Those, whose usurious and avaricious dealings lead to the hunger and death of their brethren in the human family, either directly or indirectly, commit homicide, which is imputable to them" (16) "Although the quest for equitable profit is acceptable in economic and financial activity, recourse to usury is to be morally condemned". (17)

(3) From ***The Vincentian Response to Predatory Lending*** – "Every consumer deserves access to fair, responsible, affordable credit that provides clear, realistic terms and practical repayment periods."

While $100,000 of loan capital is but a "drop in the bucket" compared to the needs for emergency financial assistance, we are committed to helping families living in poverty strive for economic self-sufficiency in a fair and dignified way, which they richly deserve as Children of God. We also encourage SVdP Councils across the country to actively pursue Micro Loan Programs, as well as advocate for the victims of predatory lending within their state legislatures.

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House version. ***Expect an action alert on this issue asking that you contact conference committee members.*** On the House side, they include Reps. Frank Lucas (R-OK), Mike Rogers (R-AL), Randy Neugebauer (R-TX), Mike Conaway (R-TX), Rick Crawford (R-AR), Steve King (R-IA), Austin Scott (R-GA), Martha Roby (R-AL), Glenn Thompson (R-PA), Kristi Noem (R-SD), Rodney Davis (R-IL), Jeff Denham (R-CA), Steve Southerland (R-FL), Collin Peterson (D-MN), Mike McIntyre (D-NC), Jim Costa (D-CA), Tim Walz (D-MN), Kurt Schrader (D-OR), Jim McGovern (D-MA), Suzan DelBene (D-WA), Gloria Negrete McLeod (D-CA), Filemon Vela (D-TX) and Marcia Fudge (D-OH). For the Senate, they are Debbie Stabenow (D-MI), Patrick Leahy (D-VT), Tom Harkin (D-IA), Max Baucus (D-MT), Sherrod Brown (D-OH), Amy Klobuchar (D-MN), Michael Bennet (D-CO), Thad Cochran (R-MS), Pat Roberts (R-KS), Saxby Chambliss (R-GA), John Boozman (R-AK) and John Hoeven (R-ND).

On page 6 of this newsletter is a SNAP primer in question-and-answer form. This was developed from a General Accountability Office July 2012 report (GAO-12-670) referenced by an Ohio legislator during an August 2013 office visit. The legislator was citing the report as showing the need for SNAP cuts. Please take the time to review this primer. In actuality, there is room for small savings in SNAP if income levels of participants are more strictly enforced. However, rampant fraud is not taking place in the program. The economic downturn and the slow return of well-paying jobs is the primary cause of the increase in SNAP participation and funding. Also, the American Recovery and Reinvestment Act of 2009, as part of the effort to provide high "bang-for-the-buck" economic stimulus and easing of hardship, also provided for an increase in the maximum SNAP benefits of 13.6% across-the-board. This benefit increase expires on November 1, 2013.

These November 2013 cuts will likely cause hardship for some SNAP participants, who will include 22 million children in 2014 (10 million of whom live in "deep poverty," with family incomes below *half* of the poverty line) and 9 million people who are elderly or have a serious disability. Cutting these households' benefits will reduce their ability to purchase food. This cut will be the equivalent of taking away 21 meals per month for a family of four, or 16 meals for a family of three, based on calculations using the $1.70 to $2 per meal provided for in the Thrifty Food Plan. USDA research has found that the Recovery Act's benefit boost cut the number of households in which one or more persons had to skip meals or otherwise eat less because they lacked money — what USDA calls "very low food security" — by about 500,000 households in 2009.

More recent research finds that boosting SNAP benefits during the summer for households with school-aged children who don't have access to USDA's summer food program rvery low food security among these households by nearly 20 percent.

Given this research and the growing awareness of the inadequacy of the current SNAP benefit allotments, we can reasonably assume that a reduction in SNAP benefit levels of this size will significantly increase the number of poor households that have difficulty affording adequate food this fall.

Gaudiem et Spes

By Warren Wright

On October 17, Dr. Margaret Pfeil, a theology professor from the University of Notre Dame, addressed a group of approximately 70 people at Immaculate Conception Church in Columbus, Ohio. The topic of her presentation was "Vatican II and the Signs of the Times". Dr. Pfeil gave a background on the significance of Vatican II and challenged everyone in attendance to identify and act on "signs of the times" today. She identified major themes of Vatican II as: 1) the Catholic Church is a World Church; 2) the church is called to engage in social ministry, especially to the poor, and 3) the church must collaborate with others on behalf of the common good. Published in 1965, *Gaudium et Spes* was developed to address these and other themes from Vatican II. An attachment to this newsletter, produced from the Dr. Pfeil's handout at her presentation, provides a summary of the document along with thematic quotes for your reflection.

SNAP Primer:

Supplemental Nutrition Assistance Program Frequently Asked Questions

By: Warren Wright

1. **Who qualifies for SNAP?**
   Households with gross income of 130% of the federal poverty level or less AND a net income of 100% of the federal poverty level or less. Also, a household liquid assets, such as those in a bank account, cannot exceed $2,000 ($3,250 for a household with an elderly or disabled member). Assets NOT counted include a home, the surrounding lot, retirement plans or educational savings accounts, and vehicles (in most states). Please note the federal poverty level varies by household size and is adjusted yearly.

   Also, federal law allows certain households to be deemed CATEGORICALLY ELIGIBLE for SNAP. These include households receiving monthly CASH assistance from Temporary Assistance for Needy Families (TANF), Supplemental Security Income (SSI), and state or local general assistance programs. Categorical eligibility has been implemented in most states to increase program access and reduce administrative costs, as states assess a household's eligibility once rather than twice.

   Households that receive NON-CASH services, such as case management services, transportation subsidies, or child care subsidies, from TANF dollars in a state are also deemed categorically eligible. Persons receiving these services may have gross incomes up to 200% of the federal poverty level.

2. **How is net income determined?**
   Exclusions are subtracted from gross income. Exclusions include dependent care expenses, utilities and housing. Also, a household is expected to pay 30% of its income for its own food expenses.

3. **Who administers the SNAP program?**
   States are responsible for administering the SNAP program in their state. States, at their discretion, have implemented broad-based categorical eligibility standards. Forty-three (43) states have BBCE policies, with the majority being implemented after the economic downturn accelerated in 2008. In FY2010, thirty-seven (37) stated removed the federal asset limit from eligibility criteria ($2,000 for most households).

4. **How has the SNAP program grown since the year 2000?**
   Year 2001 - Avg. monthly SNAP participants - approx. 18 million with yearly cost of $18 billion
   Year 2004 - Avg. monthly SNAP participants - approx. 24 million with yearly cost of $28 billion
   Year 2008 - Avg. monthly SNAP participants - approx. 28 million with a yearly cost of 38 billion
   Year 2010 - Avg. monthly SNAP participants - approx. 40 million with a yearly cost of $68 billion
   Year 2011 - Avg. monthly SNAP participants - approx. 45 million with a yearly cost of $75 billion

5. **How are benefits determined?**
   After eligibility is established, benefits are based on the household's monthly net income, with greater benefits provided to those with less income. A household is expected to pay 30% of its monthly net income on food. Monthly benefit is established by subtracting 30% of its monthly net income from the maximum SNAP benefit. Eligible one- and two-person households are guaranteed a minimum benefit, which was $16 in FY2012. Three- or more person households ARE NOT guaranteed a minimum benefit.

   The maximum benefit is based on the USDA's Thrifty Food Plan, which is an estimate of how much it costs to buy food to prepare nutritious, low-cost meals for a household. The Thrifty Food Plan estimate is changed every year to keep pace with food prices.

6. **What is the average monthly household benefit under SNAP?**
   Average monthly household benefit is $300.

Please see FAQ on page 7

FAQ from page 6

7. **What are certification and reporting requirements for SNAP participants?**
   Certification period range from 1 to 24 months, depending on state policy. Household circumstances are the primary criteria. Only households in which all members are elderly or disabled can be certified for up to 24 month under federal regulations. After the certification period ends, a household reapplies for benefits.

   Between certification periods, households report changes in their circumstances, such as household composition, income, and expenses that affect their eligibility or benefit amount. As of November 2010, all states except California and Wyoming require reporting of income change only when it rises above 130% of the federal poverty level for household size for some or all SNAP households.

8. **How has Broad-Based Categorical Eligibility impacted the SNAP program?**
   In FY2010, 2.6% (473,000) of SNAP households had income above 130% of the federal poverty level but less than 200% of the FPL. Average monthly incomes for these households was an estimated $1,965 (150% of 2-person FPL $1,821; 150% of 3-person FPL $2,289). These households had an average monthly benefit of $81, resulting in a total cost of $460 million (less than 1% of the SNAP program for the year).

9. **What has been the major cause of the increase in SNAP participation especially since 2008?**
   As shown above, BBCE resulted in a small (2.6%) increase in the number of households participating in SNAP. **The economic downturn has likely played a much larger role in the participation (and cost) increase than BBCE.** A 2002 USDA study found that during past economic downturns, a 1% increase in unemployment has been associated with a 1 to 3 million participant increase in SNAP. This trend held true between FY2007 and 2010, where SNAP participants increased by 14 million while the unemployment rate rose by 5%. In response to the economic downturn, the American Recovery and Reinvestment Act of 2009 (ARRA) increased Supplemental Nutrition Assistance Program (SNAP) benefits across the board as a way to of delivering high "bang-for-the-buck" economic stimulus and easing hardship. ARRA increased SNAP maximum monthly benefits by 13.6 percent beginning in April 2009. This benefit increase ends on November 1, 2013.

10. **How have the average and maximum monthly SNAP benefits changed since FY2001?**
    In FY2001, the average monthly benefit for a 3-person household was an estimated $180, while the maximum benefit was an estimated $340. By 2008, these benefits had risen to an estimated $220 and $400, respectively. In FY 2011, the average monthly benefit was $300, with a maximum benefit of approximately $500.

    In response to the economic downturn, the American Recovery and Reinvestment Act of 2009 (ARRA) increased Supplemental Nutrition Assistance Program (SNAP) benefits across the board as a way of delivering high "bang-for-the-buck" economic stimulus and easing hardship. ARRA increased SNAP maximum monthly benefits by 13.6 percent beginning in April 2009. Benefits increased for all participating households and by the same amount by household size (except for those households that qualified for the minimum benefit) in 2009. For example, for a one-person household, the added benefit was $24 a month; for two persons, it was $44 a month; for three persons, it was $63 a month; and for four persons, it was $80 a month. The minimum benefit (which is available to eligible one- and two-person households that otherwise qualify for a small benefit or no benefit) rose from $14 to $16. Because households that receive less than the maximum benefit received the same fixed dollar increase, the increase to *average* benefits was larger in percentage terms: about 20 percent.

Please see FAQ on page 8

FAQ from page 7

11. What cuts to SNAP went into effect on November 1, 2013?

The SNAP benefit increase of 13.6% across-the-board from ARRA ended on November 1, 2013. The benefit increases for various size families listed in question 10 above are eliminated – $24 a month for a single person; for two persons, $44 a month; for three persons, $63 a month; and for four persons, $80 a month. Participants' SNAP benefit checks are reduced by these amounts in the future. The minimum monthly benefit will be reduced to $15.

12. What are the administrative and certification costs of the SNAP program?

In FY2010, total administrative costs were $7 billion, while total certification costs were $4 billion. These are up from $4.8 billion and $2.8 billion, respectively, in FY2001. Per household costs have actually decreased.

13. What are the differences between the 2013 House and Senate SNAP bills?

In its 2013 Farm Bill, the Senate passed a $4 billion cut to SNAP over the next 10 years. The House passed a SNAP bill separate from its version of the Farm Bill that calls for cuts to SNAP of $40 billion over 10 years. A conference committee of House and Senate members has convened to reconcile the different versions of SNAP and Farm Bill legislation. Note that the cuts going into effect on November 1, 2013 cut the SNAP program by approximately $10.2 billion, more than called for in the Senate bill but significantly less than called for in the House bill.

14. How efficient is the SNAP program?

Administratively, the SNAP program has actually gotten more efficient, as shown by the administrative and certification cost in item 12 above. In 2001, the $18 billion program served 18 million persons at a combined admin/certification cost of $7.6 billion or $422 per person. The $70 billion program in 2010, with 40 million participants, had combined admin/certification costs of $11 billion or $275 per participant, a reduction of approximately $150 per person over 10 years.

In conclusion, SNAP has been a valuable safety net program that, over the years, has helped recipients and their families in times of hardship, especially unemployment. The program has grown over the last decade especially due to the Great Recession with its inordinately high unemployment. SNAP benefit increases have trended with the increase in the unemployment rate. Unemployment rates have stayed high AND good paying jobs (jobs allowing a family to meet at least all of its basic expenses) have not returned. In 2010, 29% of the 18 million SNAP households (45 million person total) had at least one member with earned income, 48.5% of households had at least 1 child, 6.4% of households had at least one member on unemployment insurance ($55 average payment), and 21.2% of households had at least one member receiving Social Security benefits ($155 average benefit).

*Source of Information in FAQ responses: **GAO-12-670,** *July 2012 GAO Report to Congressional Requesters, SUPPLEMETAL NUTRITION ASSISTANCE PROGRAM - Improved Oversight of State Eligibility Expansions Needed (reissued on August 2, 2012 to add an additional addressee)*

"When people were hungry, Jesus didn't say, "Now is that political, or social?" He said, "I feed you." Because the good news to a hungry person is bread."

- Desmond Tutu

Voice of the Poor (VOP) Voice of the Poor does not take positions for or against a political party or individual candidates. However, Voice of the poor is interested in working with those elected officials, whether Republicans or Democrats, who support initiatives that will benefit the poor, children, elderly, immigrants – documented or not, and all of those who SVdP cares for and serves.

We're on the Web!

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