RETHINKING THE SAFETY NET
AFTER THE GREAT RECESSION

What lessons can be learned from the ARRA programs and policies?

The National Poverty Center
The Brookings Institution
Washington, D.C.
April 27, 2011

Don Winstead
The American Recovery and Reinvestment Act of 2009

Purposes

(1) To preserve and create jobs and promote economic recovery.
(2) To assist those most impacted by the recession.
(3) To provide investments needed to increase economic efficiency by spurring technological advances in science and health.
(4) To invest in transportation, environmental protection, and other infrastructure that will provide long-term economic benefits.
(5) To stabilize State and local government budgets, in order to minimize and avoid reductions in essential services and counterproductive State and local tax increases.
Recovery Act Awards to Florida

Division A - Grants, Loans, Contracts by Federal Agency
Division B – Mandatory Benefits to Individuals

$6,000,000,000

06/2011

$4,000,000,000
$5,000,000,000

06/2011

09/2013

09/2012

$1,000,000,000
$2,000,000,000
$3,000,000,000

09/2012

09/2013

$0

Div. A $10.85 Billion
EJF $554.8 Million
Div. B $10.75 Billion

As of 12/31/2010
“It helps to think of the government as an insurance company with an army.”

Mike Holland,
White House Office of Science and Technology Policy 4/11/03
“It helps to think of the government as an insurance company with an army.”

a school system
Education

State and Federal Stabilization (Stimulus) Funds for School District Operations

Source: OPB Presentation to Senate Budget Committee, Feb. 9, 2011
Monthly SNAP Benefit Trends

ARRA Increase
SNAP (Food Stamp) Benefits
Florida
(CY 2006 & CY 2010 in $billions)

SNAP Benefits

<table>
<thead>
<tr>
<th>Billions</th>
<th>CY 2006</th>
<th>CY 2010</th>
</tr>
</thead>
<tbody>
<tr>
<td>$0.0</td>
<td>$1.339</td>
<td>$4.552</td>
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<tr>
<td>$1.0</td>
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<td>$4.0</td>
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<td>$5.0</td>
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8
Florida Back to Work
(TANF Emergency Contingency Fund Subsidized Jobs)

- 1,039 Back to Work agreements signed with participating employers.
- 59,156 customers referred to BTW jobs.
- 5,588 BTW participants placed into subsidized jobs.
- 2,267 BTW employees (41%) retained by employers after 9/30/2010.
Public Assistance Trends
Florida – Sept. 1996 through March 2011

- Medicaid w/o SSI: 228%
- SNAP: 224%
- TANF Adults: 11%
- TANF Persons: 18%
Public Assistance Trends
Florida – April 2007 through March/April 2011

- SNAP: 257%
- TANF Adults: 174%
- Medicaid w/o SSI: 151%
- TANF Persons: 131%
TANF Adults
US and FL

1996 = 100%

2007 = 100%

Data for 1998 & 1999 extrapolated
<table>
<thead>
<tr>
<th>What Are the Caseload Drivers?</th>
</tr>
</thead>
<tbody>
<tr>
<td>How do the factors differ from State to State?</td>
</tr>
<tr>
<td>Which factors are productive or counter-productive?</td>
</tr>
<tr>
<td>How much should national policy define factors?</td>
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</tbody>
</table>

<table>
<thead>
<tr>
<th>Better Economy</th>
<th>Lower benefit structure</th>
<th>More restrictive policies</th>
<th>Decreased access</th>
<th>Separated application</th>
<th>Extended UI Benefits</th>
</tr>
</thead>
<tbody>
<tr>
<td>Poorer Economy</td>
<td>Higher benefit structure</td>
<td>Less restrictive policies</td>
<td>Increased access</td>
<td>Integrated application</td>
<td></td>
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</tbody>
</table>
Key Points

• ARRA impacts were most evident in Education and Mandatory programs (Medicaid, SNAP, UI, TANF).
• In Florida, the increase in SNAP benefits has been unprecedented.
• In Florida, TANF had more countercyclical effect that most people realize – particularly when you look at adults rather than overall cases.
• TANF ECF subsidized employment was a positive lesson learned that should be considered in TANF reauthorization.