

Standard Demonstration Waiver Request Template



United States Department of Agriculture Food and Nutrition Service

STATE DEMONSTRATION REQUEST

Section 17(b) of the Food and Nutrition Act of 2008, as amended (the Act), allows FNS to waive statutory requirements of the Act to conduct pilot projects designed to test program changes to increase the efficiency of SNAP and improve the delivery of SNAP benefits to eligible households. The Act limits the provisions that may be waived. Projects may be approved for a maximum five-year term, maintain cost neutrality, and include an evaluation component.

Type of Request: Initial

Date of Request 4/1/2025

State IA

Region: MWRO

Statutory Citations: 7 USC Ch. 51 §2012 (k)

Regulatory Citations: 7 CFR 271.2

Proposed Alternative Procedures:

7 USC Ch. 51 §2012 (k) provides that SNAP recipients may purchase any food or food product for home consumption and seeds and plants to produce food at home. Additionally, there are provisions for certain populations of SNAP recipients to purchase prepared meals from appropriate facilities like senior centers, domestic violence centers, substance misuse centers, and homeless shelters. SNAP recipients are barred from purchasing alcoholic beverages, tobacco, and hot foods or hot food products ready for immediate consumption (unless authorized by specific provisions).

Iowa's proposed alternative procedure is to specify the definition of "any food or food product for home consumption" to mean "all nontaxable food items as defined by the Iowa Department of Revenue". Iowa defines taxable and nontaxable food items in Chapter 423 of the Code of Iowa and Iowa Administrative Code chapter 701-220. In Iowa, sugar sweetened beverages with less than 50% juice and items designated as candy are taxable, as are seeds for food producing plants and food producing plants.

Iowa's proposed alternative procedure makes no changes to the provisions that allow certain populations of SNAP recipients to purchase prepared meals from appropriate facilities like senior centers, domestic violence centers, substance misuse centers, and homeless shelters or to universally banned products.

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The Iowa Department of Revenue subjects the following general classifications of food products to sales tax:

<u>Food Items</u>	<u>Beverages</u>
Seeds for food producing plants and food producing plants.	Carbonated and noncarbonated soft drinks, including but not limited to colas, ginger ale, near-beer, root beer, lemonade, orangeade
Candy, candy-coated items, and candy products, including gum, candy primarily intended for decorating baked goods, and hard or soft candies including jelly beans, taffy, licorice, and mints and breath mints	All other drinks or punches with natural fruit or vegetable juice which contain 50 percent or less by volume natural fruit or vegetable juice; a typical example is Hi-C
Dried fruit leathers or other similar products prepared with natural or artificial sweeteners	Beverage mixes and ingredients intended to be made into taxable beverages; liquid or frozen, concentrated or non-concentrated, dehydrated, powdered, granulated, sweetened or unsweetened, seasoned or unseasoned
Sweetened baking chocolate in bars, pieces, or chips	
Fruits, nuts, or other ingredients in combination with sugar, chocolate, honey, or other natural or artificial sweeteners in the form of bars, drops, or pieces	Concentrates intended to be made into beverages which contain 50% or less by volume natural fruit or vegetable juice
Caramel wraps, caramel or other candy-coated apples or other fruit; sweetened coconut, marshmallows; Granola bars, unless they contain flour	Sweetened naturally or artificially sweetened water
Mixes of candy pieces, dried fruits, nuts, and similar items when candy is more than an incidental ingredient in the product	
Ready-to-eat caramel corn, kettle corn, and other candy-coated popcorn	

Justification for Request:

Iowa is seeking a permission for this pilot to increase the efficiency of SNAP.

“7 CFR 271.1(a) Purpose of SNAP. SNAP is designed to promote the general welfare and to safeguard the health and well-being of the Nation's population by raising the levels of nutrition among low-income households.” and “To alleviate hunger and malnutrition, SNAP permits low-income households to obtain a more nutritious diet...”

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SNAP is inefficient at delivering on purpose of “promoting general welfare and safeguarding health and well-being” and “alleviating malnutrition” because the program does not regulate the types of items that can be purchased with SNAP benefits. The lack of specification means that participants are encouraged to spend their limited benefit amounts on objectively unhealthy and non-nutritious items like sugar-sweetened beverages and candy items.

According to the Centers for Disease Control and Prevention, sugar-sweetened beverages are the leading source of added sugar in the American diet and provide little to no nutritional value. These beverages are associated with weight gain, obesity, type 2 diabetes, heart disease, kidney diseases, non-alcoholic liver disease, tooth decay and cavities, and gout.¹

Iowa wishes to refocus the SNAP program on its designed intent, “to promote the general welfare and safeguard the health and wellbeing” by encourage SNAP participants to purchase healthier food items by modifying the definition of “food and food products”.

Caseload Information:

- a. Percent of caseload expected to be affected by this waiver
100%
- b. Description of population expected to be affected by this waiver
This demonstration waiver will apply to the entire Iowa SNAP population.

Anticipated Impact on Households & State agency operations:

There is no anticipated impact on State agency operations. Iowa HHS will work with the Iowa Grocery Industry Association and others to ensure POS system updates are in place to carry out this waiver.

Proposed Evaluation Procedures:

Approach

To evaluate this demonstration waiver, a mixed-methods approach will seek to understand the programmatic impacts, participant shopping patterns, change in health behaviors, and changes in youth health outcomes. Activities would include:

- **Assessment of program implementation:**
 - Track and analyze program participation and benefit usage throughout year
- **Assessment of participant behavior change and health outcomes:**
 - Conduct an impact study using a stratified sampling method to survey and analyze participant shopping and eating patterns at pre, mid, and post checkpoints. The sample size would include participants in both urban and rural areas of Iowa. Pre would mean surveying before this demonstration goes into effect, mid would mean surveying halfway through this demonstration period, and post would be surveying at the conclusion of the demonstration period. The purpose of this study would be to assess how participants health is impacted by this demonstration and

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if additional nutritional supports and education for participants leads to higher health behavior change efficacy. The question we would seek to answer is:

1. Are there differences in participants healthy eating behaviors who receive nutrition education in addition to SNAP benefits vs those who receive no education?

To accomplish this, we would use one control group and one treatment group to see if any statistically significant differences are identified in the study population:

- Treatment group:
 - SNAP participants that receive nutrition education
 - Education can be tracked through WIC or SNAP-Ed participation
 - Health status data can come from Medicaid and/or WIC
 - Looking at if modifying what can be purchased with SNAP, coupled with education, provides better healthy eating outcomes

Control group:

- SNAP participants who do not participate in WIC or SNAP-Ed
 - Health status data can come from Medicaid and/or WIC
 - Look at BMI of kids ages 0-5 and ages 6-10

Anticipated Impact on Program Costs:

There is no anticipated impact on SNAP program costs for the state. There may be additional costs to the state for the evaluation component.

Anticipated Implementation Date:

1/1/2026

Anticipated Expiration Date:

Five years from date of FNS approval.

Proposed quality control review procedures:

Cases will be reviewed using standard review procedures contained in the Food and Nutrition Service (FNS) Handbook 310.

References

1. Division of Nutrition, Physical Activity, and Obesity, National Center for Chronic Disease Prevention and Health Promotion. (2022, April) *Get the Facts: Sugar-Sweetened Beverages and Consumption*
<https://www.cdc.gov/nutrition/data-statistics/sugar-sweetened-beverages-intake.html>

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Signature of requesting official:

Print Name: Erin Drinnin

Title: Division Director, Community Access and Eligibility

State Agency Contact

Name: Stacie Gordon, Financial, Food, and Work Supports Bureau Chief

Email: stacie.gordon@hhs.iowa.gov

Telephone: 515-229-7627

Regional Office Contact

Name: Richard Uthoff

Name: richard.uthoff@usda.gov

Telephone: 563-205-2809