

## **A conversation with Robert Greenstein on April 3, 2014**

### **Participants**

- Robert Greenstein – President, Center on Budget and Policy Priorities
- Holden Karnofsky – Co-Founder and Co-Executive Director, GiveWell
- Cari Tuna – Co-Founder, Good Ventures

**Note:** This set of notes was compiled by GiveWell and gives an overview of the major points made by Mr. Greenstein.

### **Summary**

GiveWell and Good Ventures spoke with Robert Greenstein, President of the Center on Budget and Policy Priorities (CBPP), about the role of non-profits in policy development and implementation. Examples of CBPP's work were explored in depth.

### **Overview of CBPP**

CBPP works to reduce poverty and inequality and to increase opportunity for low-income families through policy proposals, advocacy, and implementation at both the federal and state levels. It aims to increase the range of policy options, ensure that new policies are implemented effectively, and defend gains against political backlash.

CBPP tends to work on programs such as Earned Income Tax Credit (EITC), Social Security, the Supplemental Nutrition Assistance Program (SNAP), the Temporary Assistance for Needy Families program, low-income housing programs, and Medicaid, health reform, and various other health policies. CBPP is also deeply involved in budget and tax policy at both federal and state levels. CBPP is less likely to be involved in the policy aspects of issues like childcare or education (such as Head Start), although it plays a role in debates that impact the level of resources available for these types of programs.

CBPP works on near-term policy changes and develops long-term strategies on issues for which near-term policy changes are not feasible. Many policy opportunities and obstacles can be anticipated several years in advance.

In order to ensure that a policy's goals are achieved in practice, it is important for a policy-oriented non-profit to develop detailed knowledge of policy implementation at the local level (e.g., investigating how easily people are able to sign up for health insurance through the Affordable Care Act) and to consider how new policy interacts with existing policy.

Often CBPP's policy ideas are introduced by a bipartisan group in Congress or by a presidential administration, rather than published independently by CBPP and identified primarily as CBPP proposals. CBPP believes this can increase the chances that the proposals will be enacted.

CBPP also coordinates a network of 41 independent state-level policy organizations called the State Fiscal Analysis Initiative.

## **Examples of CBPP's work**

### **SNAP and Medicaid integration**

CBPP found that in the early 2000s, only 54% of low-income families eligible for SNAP (food stamps) were receiving it. Some requirements, such as the need for many working-poor families to be recertified for benefits every three months, were impractical for many of these families. CBPP designed solutions to these and other participation barriers, which Congress and Administrations of both parties adopted and implemented. In addition, over the past few years, CBPP has provided technical assistance to six states (including three strongly Republican states) participating in a Ford Foundation funded pilot project to better integrate the application and renewal processes of the SNAP and Medicaid programs. The Urban Institute is evaluating the results. The integrated process is enrolling and retaining more low-income applicants and also reducing required staff and administrative costs for the programs.

When the Affordable Care Act was passed, CBPP approached the Department of Health and Human Services and the Department of Agriculture with a proposal to integrate the application processes of SNAP and Medicaid. Initially, CBPP was told that the eligibility rules for SNAP and Medicaid were too different to integrate. However, by thorough comparison of the eligibility requirements for SNAP and Medicaid, CBPP created a screen of questions that states could apply electronically to their SNAP case files, which — for SNAP recipients who pass the screen — also ensures Medicaid eligibility. The files of 80% of non-elderly SNAP recipients in the typical state pass the screen. (The remaining applicants are still potentially eligible for Medicaid but need to go through the normal application process.)

The federal government adopted the Center's screen as a new state option, and the first five states to implement this integrated sign-up method have enrolled over 500,000 SNAP recipients for Medicaid virtually automatically in the first months of health reform implementation.

### **Special Supplemental Nutrition Program for Women, Infants and Children (WIC) reforms**

#### *State contracts for infant formula*

CBPP helped to develop and promoted a proposal to have infant formula manufacturers bid competitively for a sole-source rebate contract with WIC in each state.

Formula manufacturing companies initially argued that this model would not save WIC money. Prior to a hearing before the Texas Board of Health, Mr. Greenstein identified three errors in a Texas Department of State Health Services report on the proposal. One

of these errors inflated expected savings from the competitive bidding proposal, but the other two caused the report to underestimate the savings, with the overall net result that the savings (all of which would be plowed back into the program to serve more low-income mothers and children) had been understated. At the hearing, the formula companies identified only the error that overstated the savings. Mr. Greenstein showed that a full assessment increased the expected savings and supported the recommendation for Texas to adopt competitive bidding. The Board of Health accepted CBPP's analysis and approved competitive bidding, which then yielded very large savings.

After successfully advocating for the proposal in several other states as well, CBPP designed a proposal for Congress to require all states to use competitive bidding to award WIC infant formula contracts, and then secured support for the proposal from both the Reagan Administration and key Congressional leaders. The proposal became law, and all states are now mandated to use the competitive bidding model for infant formula for WIC. This is saving \$1.8 billion per year and enabling WIC to serve 2.5 million additional low-income women and children each month.

CBPP subsequently uncovered evidence that infant formula manufacturers were colluding in the bidding process. It documented the abuse and took its evidence to the Federal Trade Commission, which then conducted an investigation that validated the Center's findings and imposed penalties on the offending manufactures. The collusion promptly ended.

### *Full funding for WIC*

Following a Congressional hearing (conceived of by the late Peter Goldberg, then with the Prudential Foundation, and engineered by CBPP) where five leading corporate CEOs delivered joint testimony (prepared by CBPP) on the strong evidence supporting the WIC program, a bipartisan Congressional consensus emerged to fully fund WIC — i.e., to provide sufficient funding each year to serve all eligible low-income women, infants, and young children who apply. This consensus has held for nearly two decades (and appears even to include some Tea Party members). WIC continues to serve all eligible women and children who apply.

CBPP produces new budget estimates for the program every 2-3 months on the level of funding needed for the coming year to serve all eligible applicants. These estimates are sometimes higher and sometimes lower than the president's projected budget, are widely seen as credible, and have been relied upon by both parties.

### **Other important issues for policy advocates**

The benefits of a college education are increasing, but college tuition costs are rising sharply. In two to three years, the Pell Grant Program is projected to encounter funding shortfalls.

The Affordable Care Act faces hurdles with both ongoing legislative challenges and implementation issues. Many non-profits and foundations, such as the Robert Wood Johnson Foundation, the California Endowment, and the Kaiser Family Foundation, are focused on this issue.

### **Other policy organizations**

While CBPP works on a range of budget, tax, and social-program policies, it does not seek to cover the waterfront of domestic and international policy issues like some other think tanks and policy organizations. Rather, it selects issue areas and delves into them at a very detailed level, tending to be more detail-oriented in many of the areas in which it is active than most other policy groups.

There is potential for more work from religious organizations on poverty-related issues, particularly given the election of Pope Francis.

### **The role of philanthropy in social movements**

While the largest and most momentous domestic policy changes of recent decades (such as landmark civil rights legislation, immigration reform, and the like) were made possible by strong social movements, significant policy changes can occur without the support of large social movements. For example, the massive expansion of the Earned Income Tax Credit and Child Tax Credit for low-income working families over the past quarter century (these credits now provide about \$90 billion a year in income to low-income working families) resulted from a series of incremental expansions in these credits over 25 years, largely without the focused efforts of a particular social movement.

The ability of philanthropy to incite or create social movements (as distinguished from supporting and helping to nurture emerging movements) appears to be limited. Philanthropy can be effective in supporting social movements that already have some popular support.

Mr. Greenstein believes that the range of possible policy outcomes is very wide. Over the course of several years, effective policy analysis, creative policy development, and strategic advocacy work on various issues (including support from movements in the field, wherever possible) can influence hundreds of billions of dollars of public spending and have significant impacts on the extent of poverty and inequality in the United States.

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