



MEDIA RELEASE

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\$80 Million Class Action Settlement Helps Offset Federal Cuts In Food Stamps Just in Time for Thanksgiving Holiday

Tens of thousands of low-income households across New York State who were improperly cut off or denied Food Stamps are now being issued retroactive benefits, as a result of a federal class action lawsuit filed against the New York State Office of Temporary and Disability Assistance (OTDA). Estimates show that over \$80 million in federally funded Supplemental Nutrition Assistance Program (SNAP)¹ benefits will be issued to well over 100,000 households this week, two-thirds of which live in New York City. These payments will help to temporarily offset the November 1st cut in SNAP benefits for these households and will provide additional food resources, allowing families who may not have otherwise been able to, put a little extra food on their tables for Thanksgiving.

The federal cuts to SNAP hit all households with a 5% reduction in their monthly benefits. Statewide, more than 1.7 million New York households receive SNAP benefits, and the cuts in the federal program will likely cost them more than \$20 million each month. Two thirds of the households facing the cuts are working families, seniors, or others who are not receiving welfare benefits.

Earlier this summer, the United States District Court in the Southern District approved the negotiated settlement in *Richard C v. Proud* (12 CIV 5942), which challenged OTDA's failure to provide individuals facing SNAP employment sanctions a "second chance" to comply with program rules and stop the sanctions from going into effect.

¹ SNAP is the new name for the Food Stamp Program.

As many as 200,000 improperly issued employment sanctions are being erased/eliminated as part of the settlement, and OTDA agreed to issue back benefits to each household in which an individual was wrongly terminated from SNAP, due to an alleged violation of program rules between August 2009 and December 2012. The back awards, which can only be used to purchase food, will likely average approximately \$400 and will be issued on Electronic Benefit Transfer (EBT) Cards.

In addition to providing this vital food assistance to families and individuals, local economies will benefit from the anticipated \$80 million in 100% federally funded SNAP benefits being spent in grocery stores and markets.

Class counsel for plaintiffs are the Legal Aid Society, Empire Justice Center, National Center for Law and Economic Justice, and Cooley LLP (pro bono counsel).

Adriene Holder, Attorney-in- Charge of the Civil Practice at the Legal Aid Society, which first brought the lawsuit last August on behalf of an unemployed father and his two minor children, said: "The federal cuts in the program are unfair and unnecessary, as many households are already unable to feed their family based on the current amounts. For those receiving the retro payments, the impact of the cuts will thankfully be blunted for a while. But the larger picture is that we must do something more to address hunger and poverty in America."

"For years, the state had illegally terminated benefits of tens of thousands of SNAP recipients in violation of federal law," noted **Bryan Hetherington, Chief Counsel with the Empire Justice Center**. "As a result of our negotiated settlement, retroactive benefits are now going out to everyone who was wrongly cut off, and the state is fixing its broken sanction process."

Jenny Pelaez, Paul M. Dodyk Fellow/Staff Attorney with the National Center for Law and Economic Justice, said: "The settlement ensures that low-income New Yorkers who rely on the modest support provided by the food stamp program are not wrongfully delayed, or are inappropriately cut off, from receiving crucial aid that helps them put food on the table for their families and children."

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