

September 16th, 2019

Program Design Branch
Program Development Division
Food and Nutrition Service, USDA
3101 Park Center Drive
Alexandria, Virginia 22302

RE: Proposed Rule: Revision of Categorical Eligibility in the Supplemental Nutrition Assistance Program (SNAP) RIN 0584-AE62

Dear Program Design Branch,

Thank you for the opportunity to comment in opposition to the US Department of Agriculture (USDA)'s Proposed Rule on Revision of Categorical Eligibility in the Supplemental Nutrition Assistance Program (SNAP)¹ published to the Federal Register on July 24th, 2019. The National Human Services Assembly (National Assembly) is a Washington, D.C.-based association comprised of some of the largest national nonprofit human service organizations. In aggregate, members and their affiliates collectively touch, or are touched by, nearly every household in America—as consumers, donors, or volunteers. The National Assembly's mission is to strengthen human services in the United States through the active involvement and leadership of its members, envisioning a nation that seriously and effectively addresses the human service needs of its citizens.

The rule proposes the limitation of Broad-Based Categorical Eligibility (BBCE). BBCE allows states to expand eligibility for SNAP benefits and reduce their administrative burden by allowing recipients of Temporary Assistance for Needy Families (TANF) to automatically qualify for SNAP benefits without being subject to the income and asset tests required by both programs. Since many states have a higher income threshold for eligibility for TANF than the federal SNAP threshold of 130 percent of the Federal Poverty Line (FPL), people who make up to 200 percent of the FPL may be eligible for SNAP in certain states.

The proposed rule would limit BBCE to individuals receiving at least \$50 in cash benefits per month for six months, work supports, childcare, or subsidized employment, limiting states' ability to efficiently provide families, people with disabilities, older adults, and children with the nutrition assistance they need.

The National Assembly urges The USDA to withdraw the rule in its entirety.

The Rule Would Increase Administrative Burden on Families, States, and Localities

Under BBCE, many families avoid duplicative application processes and administrative obstacles to receiving nutrition benefits. BBCE helps to streamline the process for families with parents who may work multiple jobs or have other barriers to completing multiple applications. Additionally, the rule

¹ Revision of Categorical Eligibility in the Supplemental Nutrition Assistance Program (SNAP), 84 FR 35570 (proposed July 24th 2019), to be codified at 7 CFR part 273

would increase administrative burden on states and some localities, who would be subject to an increase in workload without the necessary funding. Under the rule, 43 states would be required to restore previously removed asset tests.

Increased Food Insecurity Puts Pressure on Nonprofits

The USDA estimates that 3.1 million people would lose SNAP benefits under the proposed rule. A decrease in nutrition benefits will leave millions reliant on direct service nonprofits that provide food, shelter, and the like. This would strain the resources of many local nonprofits that provide essential services and supports that help everyone reach their full human potential.

Increased Reliance on Asset Tests Penalizes Working Families for Building a Strong Foundation

BBCF allows states to suspend asset tests that prevent families with moderate amounts of savings from receiving public benefits. Studies show that asset tests discourage lower income households from accumulating liquid and vehicle assets.² Approximately 63 percent of U.S. children live in “asset poverty,” a situation where, should their families lose income for three months, they could not make ends meet. Asset tests encourage asset poverty by penalizing families for accumulating savings, ensuring that they are pushed deeper into poverty.

Additionally, federal guidelines limiting gross income to 130 percent of the FPL effectively punish those who receive a moderate increase in salary or work more hours. Currently, no state’s BBCF policy allows families who make more than 200 percent of the FPL to receive benefits. The sharp loss of benefits that accompany a moderate salary increase could prove devastating for families.

All families, regardless of receipt of public benefits, should be able to save for the future and work more hours without sacrificing their food security. The accumulation of assets helps plan for medical emergencies, unexpected expenses, and the like. Well-being is built just as a structure is built, and financial savings help to provide a strong foundation so that all families can thrive.

The Rule Would Compromise Children’s Access to Essential Nutritional Supports

In its Regulatory Impact Analysis (RIA) of the proposed rule, USDA acknowledges that 7.4 percent of SNAP households with children would lose access to SNAP because they no longer meet its narrow income or asset requirements.³ This means that an estimated 1.9 million children and the adults they live with will no longer have access to SNAP benefits, representing 61 percent of the projected 3.1 million people who USDA estimates will lose their SNAP benefits.⁴ The agency admits that the proposed rule’s cuts to SNAP will harm food security overall.⁵

Additionally, children in households that receive SNAP are automatically eligible for free school meals without having to submit an additional application. This rule would ensure that those children would

² Caroline Ratcliffe, Signe-Mary McKernan, Laura Wheaton, Emma Kalish, et al. “Asset Limits, SNAP Participation, and Financial Stability” The Urban Institute, June, 2016

³ Ibid. at footnote 1, 35575

⁴ Estimate based on Regulatory Impact Analysis supplement to Revision of Categorical Eligibility in the Supplemental Nutrition Assistance Program, (see footnote 1), Table 4. Administration estimates assume 2020 caseload will represent roughly 87 percent of 2016 caseload.

⁵ Rachel Merker, “Stories of ‘Lunch Shaming’ Highlight Need for Free School Meals,” First Focus on Children, May 24 2019.

lose free meals until a separate application is filed. The Chairman of the Education and Labor Committee estimates that 500,000 children would lose their free meals under the proposed rule. Notably, the rule does not include this in its RIA.

Conclusion

The proposed rule would negatively impact working families, state and local governments, and direct service nonprofits. The National Assembly opposes the proposed rule and urges the USDA to withdraw the harmful proposal in its entirety. Thank you for your consideration of these comments.

Sincerely,



Lee Sherman
President & CEO
National Human Services Assembly