



September 23, 2019

The Honorable Brandon Lipps  
Food and Nutrition Service  
United States Department of Agriculture  
3101 Park Center Drive  
Alexandria, VA 22302

**Re: Comments in Response to Proposed Rulemaking: Revision of Categorical Eligibility in the Supplemental Nutrition Assistance Program (SNAP), FNS Docket No. FNS-2018-003, RIN 0584-AE62**

Dear Under Secretary Lipps:

On behalf of Share Our Strength, I am writing to express our strong opposition to the Notice of Proposed Rule Making issued by the United States Department of Agriculture (USDA) on a Revision of Categorical Eligibility in the Supplemental Nutrition Assistance Program (SNAP).

Share Our Strength is a nonprofit organization committed to ending hunger and poverty in the United States and abroad. Through our No Kid Hungry campaign, we help end hunger and food insecurity in America by connecting children and families to the federal nutrition programs for which they are eligible.

We believe that every child deserves equal opportunity to grow up healthy and achieve their full potential. Adequate nutrition, both at school and at home is essential to a child's physical and emotional development, health outcomes and educational attainment. Years of data and research has demonstrated that SNAP is our nation's most effective anti-hunger program, serving as the front line of defense against hunger, poverty, food insecurity and the long-term detriments they cause. We should work to strengthen SNAP; not weaken the program by limiting access and punishing low-income families for economic circumstances beyond their control.

Under the current SNAP program, 43 states and territories implement Broad-Based Categorical Eligibility (BBCE), which is widely supported by both Republican and Democratic governors and mayors.<sup>1</sup> BBCE efficiently increases access to and participation in SNAP and school meals by streamlining administrative requirements through data matching, and by providing states with the flexibility to account for high costs of living. Households that qualify for SNAP through BBCE have gross incomes moderately above the federal poverty line, but generally must have net incomes (after deductions for housing,

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<sup>1</sup> See U.S. Conference of Mayors, Letter to Jessica Shahin, U.S. Food and Nutrition Service (Aug. 21, 2019) <https://www.usmayors.org/wp-content/uploads/2019/08/Mayors-SNAP-Letter-Final.pdf>.

medical expenses and child care) at or below 100 percent of poverty. It is important to note that while it confers *eligibility*, **BBCE does not automatically confer SNAP benefits**. Families must still apply and qualify for benefits through the regular application process and comply with other mandatory policies, such as work requirements and time limits for Able-Bodied Adults Without Dependents. In 2017, only about 0.2 percent of SNAP benefits went to households with monthly net incomes above 100 percent of the federal poverty line.<sup>2</sup>

**If enacted, the administration’s proposed rule would have significant negative consequences for working poor families with children**, seniors and individuals with disabilities. The USDA acknowledges some of these negative impacts in its Regulatory Impact Analysis (RIA), which estimates the proposed rule would result in 3.1 million Americans losing access to SNAP. Further research by Urban Institute found that more than 2 million of those impacted are in working families with children.<sup>3</sup> This disproportionate harm to already vulnerable populations, which also includes the elderly and disabled, is contrary to the longstanding mission of SNAP: to reduce and eliminate hunger and malnutrition among children and at-risk populations. It also adds to the paperwork and administrative burdens at the state and local level by eliminating efficiencies currently being used to verify eligibility for various programs without unnecessary duplication.

Also, USDA failed to consider or acknowledge other negative impacts of the proposed rule altogether. For example, although absent from the RIA, USDA confirmed to Members of Congress in a telephone briefing that over 500,000 school children would lose direct certification for free school meals as a result of their families’ loss of SNAP benefits. For these children, the impact of the rule would entail a double whammy—the loss of meals at home and at school—forcing their families to make tough economic decisions between food and other necessities. Further, USDA failed to consider that BBCE is working as intended, helping to ease the “benefit cliff” on working families and incentivizing work and modest savings.

Finally, recognizing the many benefits of BBCE, Congress has consistently rejected efforts to amend federal law to restrict categorical eligibility. As recently as 2018, Congress overwhelmingly rejected efforts to alter the fundamental structure of SNAP with the

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<sup>2</sup> Rosenbaum, Dottie. 2019. *SNAP’s “Broad-Based Categorical Eligibility” Supports Working Families and Those Saving for the Future*. Center on Budget and Policy Priorities: <https://www.cbpp.org/research/food-assistance/snaps-broad-based-categorical-eligibility-supports-working-families-and>.

<sup>3</sup> Waxman, Elaine et al. 2019. *How Working Families Are Affected by Restricting Broad-Based Categorical Eligibility for SNAP*. Urban Institute: [https://www.urban.org/sites/default/files/publication/101027/how\\_working\\_families\\_are\\_affected\\_by\\_restr\\_icting\\_broad-based\\_categorical\\_eligibility\\_for\\_snap\\_0.pdf](https://www.urban.org/sites/default/files/publication/101027/how_working_families_are_affected_by_restr_icting_broad-based_categorical_eligibility_for_snap_0.pdf).



bipartisan passage of the Agricultural Improvement Act of 2018 (Farm Bill) which retained BBCE with the intent of streamlining the anti-poverty programs and improving access to the federal nutrition programs through data certification. BBCE remains consistent with lawmakers' overall goal of identifying common sense solutions to improve access to and participation in SNAP for qualifying households by incentivizing work and allowing families to sustain modest savings to cover unexpected expenses.

The following comments outline why Share Our Strength opposes the proposed rule and detail (1) the overall benefits of maintaining BBCE, (2) the negative impacts of the proposed rule on low-income families, and (3) USDA's failure to consider or assess certain impacts of the proposed rule, like decreased nutrition access for children.

### **SNAP IS CRITICAL TO ENDING CHILD HUNGER**

Approximately 38 million Americans—including 12 million children—are living below the poverty line, defined as \$25,465 for a family of four in 2018.<sup>4</sup> Furthermore, USDA reported that in 2018 37.2 million Americans, including 11.2 million children, lived in food insecure households.<sup>5</sup> Similarly, Urban Institute found that nearly 70 percent of families with a gross income of less than 200 percent of the poverty line experienced a range of material hardship, including an inability to provide food for their families, missed rent or mortgage payments, loss of housing, inability to pay medical bills or unmet medical needs due to costs.<sup>6</sup>

SNAP is a nutritional lifeline for many struggling Americans, helping to ensure that they can feed their families as they work toward financial stability. A majority of SNAP participants, nearly 70 percent, are families with children. And, data shows that 74 percent of adult SNAP participants are working or have worked within a year of SNAP participation.<sup>7</sup>

Research demonstrates the vital role SNAP plays in reducing child poverty, reducing food insecurity, and improving the health and academic performance of children. Notably, SNAP has:

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<sup>4</sup> Semega, Jessica et al. 2019. *Income and Poverty in the United States: 2018*. U.S. Census Bureau: <https://www.census.gov/content/dam/Census/library/publications/2019/demo/p60-266.pdf>.

<sup>5</sup> Coleman-Jensen, Alisha et al. 2019. *Household Food Security in the United States in 2018*. United States Department of Agriculture: <https://www.ers.usda.gov/webdocs/publications/94849/err-270.pdf?v=963.1>.

<sup>6</sup> Karpman, Michael et al. 2018. *The Well-Being and Basic Needs Survey*. Urban Institute: [https://www.urban.org/sites/default/files/publication/98919/the\\_well-being\\_and\\_basic\\_needs\\_survey\\_0.pdf](https://www.urban.org/sites/default/files/publication/98919/the_well-being_and_basic_needs_survey_0.pdf).

<sup>7</sup> Keith-Jennings, Brynne et al. 2018. *Most Working-Age SNAP Participants Work, But Often in Unstable Jobs*. Center on Budget and Policy Priorities: <https://www.cbpp.org/research/food-assistance/most-working-age-snap-participants-work-but-often-in-unstable-jobs>.

- kept 3.8 million children (28 percent) from falling into poverty, and 2.1 million children out of deep poverty, in 2014;<sup>8</sup>
- improved the academic performance of children, including improved math and reading test scores and increased graduation rates from high school, and;<sup>9</sup>
- improved the physical health of children by, for example, reducing the risk or incidence of chronic diseases such as diabetes, heart disease, and obesity.<sup>10</sup>

The bottom line is that SNAP is an effective lifeline and job-support program for low-income working families across the country, especially those with children.

### **BBCE PROVIDES STATES WITH NECESSARY FLEXIBILITY TO REACH ELIGIBLE INDIVIDUALS**

BBCE provides states with the option of aligning income eligibility and asset limits for SNAP with the eligibility rules used in programs financed under Temporary Assistance for Needy Families (TANF) block grants or state maintenance of effort (MOE) funded benefits. BBCE assists states in ensuring that SNAP's benefits reach more food insecure households, particularly working poor families with children.

By denying states the flexibility that categorical eligibility currently offers, **USDA has predicted that 3.1 million individuals will lose access to SNAP** as a result of the proposed rule. Indeed, USDA acknowledged that the proposed rule may “negatively impact food security and reduce the savings rates for those individuals who will no longer be categorically eligible for SNAP.”<sup>11</sup> The burden of BBCE elimination, according to independent studies by the Center on Budget and Policy Priorities and Mathematica Policy Research, will fall mostly on low-income working families and seniors.<sup>12</sup> Additionally, as discussed in greater detail below, losing access to SNAP will result in 500,000 children losing direct certification to free school breakfast and lunch. The immediate consequence

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<sup>8</sup> Center on Budget and Policy Priorities. 2017. *SNAP Helps Millions of Children*.

<https://www.cbpp.org/research/food-assistance/snap-helps-millions-of-children>.

<sup>9</sup> Carlson, Steven et al. 2016. *SNAP Works for America's Children*. Center on Budget and Policy Priorities:

<https://www.cbpp.org/research/food-assistance/snap-works-for-americas-children>.

<sup>10</sup> Hoynes, Hilary et al. 2016. *Long-Run Impacts of Childhood Access to the Safety Net*. The American Economic Review: <https://gspp.berkeley.edu/assets/uploads/research/pdf/Hoynes-Schanzenbach-Almond-AER-2016.pdf>.

<sup>11</sup> Revision of Categorical Eligibility in the Supplemental Nutrition Assistance Program (SNAP), 84 Fed. Reg. 35575 (July 24, 2019).

<sup>12</sup> Rosenbaum, Dottie. 2018. *House Farm Bill's SNAP Changes Are a Bad Deal for States and Low-Income Households*. Center on Budget and Policy Priorities: <https://www.cbpp.org/research/food-assistance/house-farm-bills-snap-changes-are-a-bad-deal-for-states-and-low-income>; Cunnyngham, Karen. 2018. *Simulating Proposed Changes to the Supplemental Nutrition Assistance Program: Countable Resources and Categorical Eligibility*. Mathematica Policy Research Brief: <https://www.mathematica-mpr.com/our-publications-and-findings/publications/simulating-proposed-changes-to-the-supplemental-nutrition-assistance-program-countable-resources>.

of the proposed revisions to BBCE is crystal clear: low-income families will fall further into poverty, and their children will be at greater risk of hunger both at home and school.

### **BBCE Makes SNAP Administration More Efficient**

BBCE reduces administrative costs and complexities for state agencies administering SNAP by streamlining eligibility across low-income assistance programs and decreasing the frequency of reapplication by families due to brief periods of ineligibility. The proposed rule would significantly increase the administrative burden of SNAP. Indeed, USDA acknowledged the potential burden state agencies would face under the proposed rule, stating that it “would require States to assess more households’ resources to determine if they are eligible for SNAP benefits.”<sup>13</sup> State agencies will also be required to introduce new resource verification procedures and be subjected to new FNS reporting requirements.<sup>14</sup> Further, USDA estimated that the additional administrative burden to state agencies of administering the proposed rule would cost \$1.157 billion over five years. Any added burden on state agencies, no matter the scale, will eventually hamper low-income families’ pathway to self-sufficiency because already-limited resources will be used by state agencies to offset increased program administration rather than assisting eligible families.

### **Gross Income Threshold Flexibility Eases the Benefit Cliff**

The increased gross income thresholds for SNAP implemented by states through BBCE incentivizes low-income working families to increase their hours and earnings by easing the severity of the “benefit cliff” in SNAP where benefits phase out as earnings increase. For example, the higher gross income limits under BBCE help ease the benefit cliff for working families with high expenses and low disposable income, allowing families to gradually phase off of SNAP as earnings increase. Under the proposed rule, if a family earns above 130 percent of the federal poverty line (i.e., above \$33,475 for family of four in 2019)—even by few dollars—they would lose their entire SNAP benefit. The cliff imposed by the proposed rule would discourage low-income workers from working additional hours or accepting a small pay raise because the resulting loss in SNAP benefits would be greater than the potential increase in income. This proposed rule would effectively punish low-income families for working harder by reducing the total resources available to support the household, making it more difficult to make ends meet and adding barriers to achieving financial security.

### **Asset Test Flexibility Helps Families Escape the Cycle of Poverty**

By providing states with the flexibility to adjust or eliminate the asset test under SNAP, BBCE also allows families to accumulate modest savings to help weather emergencies

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<sup>13</sup> Revision of Categorical Eligibility in the Supplemental Nutrition Assistance Program (SNAP), 84 Fed. Reg. 35557 (July 24, 2019).

<sup>14</sup> Ibid at 35578.

such as a car repair, illness or an unexpected reduction in hours. According to the Federal Reserve, millions of Americans lack the money to cover modest emergency expenses without selling something or borrowing money.<sup>15</sup> An Urban Institute study prepared for USDA shows that SNAP households in states using BBCE to allow higher asset eligibility limits tend to have more savings than similarly situated households in non-BBCE states.<sup>16</sup> Specifically, SNAP households in these states are more likely to have modest emergency savings of at least \$500.<sup>17</sup> Securing sufficient assets to address minor unexpected expenses is a critical step on the pathway to financial security, but the proposed rule's elimination of asset test flexibility would limit these families' ability to escape the cycle of poverty. Families should be encouraged to save rather than be punished for having even a modest buffer for emergencies expenses.

### **SIGNIFICANT GAPS IN ASSESSMENT AND CONSIDERATION ARE APPARENT IN THE PROPOSED RULE**

The design of the proposed rule demonstrates that USDA failed to consider many aspects of TANF and SNAP program administration. Similarly, the accompanying RIA failed to include critical assessments regarding the impact of the proposed rule on children who qualify and participate in the child nutrition programs.

#### **USDA Failed to Assess the Impact on Access to and Participation in School Meals and Other Child Nutrition Programs**

The proposed rule would not just limit children's access to vital nutrition at home, but at school as well. Any revisions to SNAP eligibility will cause a ripple effect across child nutrition programs due to direct certification and categorical eligibility policies that are linked to SNAP eligibility. The RIA for the proposed rule did not fully and accurately assess the range of implications on low-income children's continued ability to access and participate in school meal programs. While USDA acknowledged in separate reporting that more than 500,000 children would lose automatic access to free school meals through direct certification, such estimates are not included in the RIA of the proposed rule, potentially underestimating the number of children who will lose access to free school meals. We are concerned that many or all of these children could lose their eligibility for free school meals as a result of either no longer meeting the eligibility requirements or because of confusion around requirements to file alternative eligibility paperwork. Loss of eligibility will place an additional financial burden on

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<sup>15</sup> Larrimore, Jeff et al. 2018. *Report on the Economic Well-Being of U.S Households in 2017*. Board of Governors of the Federal Reserve System: <https://www.federalreserve.gov/publications/files/2017-report-economic-well-being-us-households-201805.pdf>.

<sup>16</sup> Ratcliffe, Caroline et al. 2016. *Asset Limits, SNAP Participation, and Financial Stability*. Urban Institute: <https://www.urban.org/sites/default/files/2000843-asset-limits-snap-participation-and-financial-stability.pdf>.

<sup>17</sup> Idid.

low-income families. Indeed, even a daily 30 or 40 cent cost for breakfast or lunch can be an insurmountable financial burden on low-income families, especially those families who have lost access to the SNAP resources necessary to feed their kids at home and now must stretch their limited resources even further.

USDA's analysis of the proposed rule's impact on child nutrition program eligibility and participation is critical. USDA should not move forward with the proposed rule without providing the public and policymakers with this important information and allowing sufficient time to evaluate the data and provide comments.

### **USDA Failed to Assess the Impact on Schools and Communities Due to Decreased Direct Certification for School Meals**

Schools, school districts, and their communities will also be impacted because the proposed rule's impact on SNAP eligibility will decrease direct certification for child nutrition programs which, in turn, will result in fewer resources to provide in-school and out-of-school meals. For example, some schools operating meal service through the Community Eligibility Provision (CEP) could lose their CEP status or receive lower reimbursements as a result of fewer children being directly certified for free meals. Loss of CEP status or decreased reimbursements will increase the financial burden placed on schools and exacerbate the growing unpaid student meal debt crisis. School administrators will also be forced to spend more time and resources ensuring that children previously directly certified for free or reduced-price meals now complete and return eligibility applications. Finally, decreases in direct certification for free and reduced-price school meals will result in loss of area eligibility status in the Child and Adult Care Food Program (CACFP) and Summer Food Service Program (SFSP), undermining current efforts to address child hunger outside of school time.

It is critical that USDA assess the financial and administrative burden placed on schools, school districts, and communities in the RIA of the proposed rule. USDA should not move forward with the proposed rule without providing the public with this vital information and allowing sufficient time to evaluate the data and provide comments.

### **USDA Failed to Assess the Degree of Current Participation in the Eligibility-Conferring Non-Cash TANF Benefits**

The proposed rule limits non-cash TANF benefits that can confer categorical eligibility for SNAP to the following types: subsidized employment; work supports, including transportation benefits or vouchers to assist families to participate in employment or work activities, and; childcare subsidies or vouchers. Although the identified non-cash TANF benefits are considered core services to ensure family sufficiency under TANF, fewer poor families with children are participating and benefitting from these services. Specifically, research shows that there is a growing gap between the number of single

parents who are not working and the number of families receiving TANF benefits.<sup>18</sup> Further, TANF’s block grant structure allows many states to divert TANF and state MOE funds for other state needs as a stop-gap measure<sup>19</sup>, leaving too few resources to support low-income families through financial assistance.

USDA also failed to fully consider that some very poor families participating in TANF benefits are eligible for SNAP without the need to be categorically eligible, but states have used the current streamlined categorical eligibility pathway to qualify them for SNAP benefits. Under the proposed rule, if these families are not receiving one of the qualifying TANF benefits, they would be forced to bear the additional burden of reapplying for SNAP benefits. Research has demonstrated that imposing additional administrative barriers can hamper participation in programs, especially by low-income families that have limited time, information, and resources.<sup>20</sup>

Cognizant of this, USDA should not seek to restrict the list of non-cash TANF benefits without providing an accurate and full-scale assessment of all the non-cash TANF benefits that support low-income families and children, including the potential direct and indirect harm to children and families of excluding those benefits from the SNAP-eligibility determination.

### **USDA Failed to Consider the Amount of Cash Support Low-Income Families with Children Receive Today**

The proposed rule establishes a requirement that cash or non-cash TANF benefits must be “substantial”—newly defined as \$50 in value or more per month—to confer categorical eligibility in SNAP on the recipient. This proposed definition, however, failed to consider the fact that TANF cash assistance is reaching few poor families: only 23 out of every 100 eligible families as of 2017. The proposed rule will only add more complication to program requirements for eligible families. Importantly,

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<sup>18</sup> Center on Budget and Policy Priorities. 2019. *Chart Book: Temporary Assistance for Needy Families*: <https://www.cbpp.org/research/family-income-support/chart-book-temporary-assistance-for-needy-families>.

<sup>19</sup> See e.g., Schott, Liz et al. 2015. *How States Use Federal and State Funds Under the TANF Block Grant*. Center on Budget and Policy Priorities: <https://www.cbpp.org/research/family-income-support/how-states-use-federal-and-state-funds-under-the-tanf-block-grant>. According to CBPP’s analysis, states spend *only slightly more than one-quarter* of their combined federal TANF/state MOE funds on basic assistance/cash assistance to meet the essential needs of families with children, and just *another quarter* on child care for low-income families and on activities to connect TANF families to work. They spend the rest of the funding on other types of services, including programs not aimed at improving employment opportunities for poor families.

<sup>20</sup> See Herd, Pamela and Donald P. Moynihan. 2018. *Administrative Burden: Policymaking by Other Means*: <https://www.russellsage.org/publications/administrative-burden>; Herd, Pamela and Donald P. Moynihan. 2019. *Administrative burdens are blocking access to health insurance*. STAT: <https://www.statnews.com/2019/01/15/administrative-burdens-health-insurance-access/>.



depending on a state’s eligibility context for cash assistance, a person may only be eligible for TANF cash assistance that is much lower than the arbitrary \$50 proposed threshold. As a result, not every family participating in TANF cash assistance would be categorically eligible for SNAP under the proposed rule. Consequently, the SNAP and TANF programs will be harder to administer by state agencies and more complex to navigate for low-income families.

We recommend that USDA remove the arbitrary \$50 threshold from the proposed rule on both cash and non-cash TANF benefits because the current benefit amount and level of reach does not warrant minimum thresholds.

### **USDA Failed to Fully Consider the Burden Imposed on Families and State Agencies of the TANF Six Month Requirement**

The proposed rule requires a household to receive or be certified to receive cash or non-cash TANF benefits for at least six months to be categorically eligible for SNAP. However, due to TANF’s restrictive eligibility requirements for cash assistance support and burdensome work requirements, families using TANF experience frequent changes to eligibility status. USDA failed to consider that many families may not receive or be eligible to receive TANF benefits for a full six-month period due to myriad of reasons unrelated to the household’s economic circumstances. Further, imposing a duration requirement of any length will exacerbate the complexity of categorical eligibility for both families and administering state agencies. The resulting complexity will undoubtedly lead to increased error rates in SNAP administration. Therefore, we recommend that USDA remove the “ongoing” benefit receipt or eligibility requirement for cash or non-cash TANF benefits in order to confer categorical eligibility.

### **CONCLUSION**

In conclusion, BBCE ensures that low-income working families can continue to put food on the table while they work to improve their economic security, and it allows states to better support working poor families with high living costs, such as housing, child care, medical expenses and other basic needs. The proposed rule will increase child food insecurity at a time when we are achieving hard-fought progress in lowering the rates of child hunger, thanks in part to efforts by states to better align SNAP and other anti-poverty programs through BBCE. When children are not consistently getting the nutrition they need to grow up healthy and strong, it exacerbates all of the other problems they face, such as diminishing their academic performance, mental and physical health, and overall wellbeing. Food insecurity dims a child’s opportunity to escape the pernicious cycle of poverty. The proposed rule also penalizes families who are trying to achieve self-sufficiency, which will only serve to make it more challenging for impacted families to climb out of poverty. Furthermore, the proposed rule impedes innovation and unnecessarily burdens state agencies, understaffed schools, and families with duplicative applications and



verification procedures. This proposed rule is a step backwards on many fronts and will harm low-income families, children, and communities. Finally, the proposed rule is contrary to the expressed intent of Congress over many years, including in the overwhelmingly bipartisan rejection of similar changes in the most recent Farm Bill in 2018. Therefore, we ask USDA to withdraw this proposed rule immediately and work with affected communities and stakeholders to identify and advance policies that will create opportunities for all families to succeed.

Thank you for the opportunity to submit our public comments.

Sincerely,

A handwritten signature in black ink that reads "Lisa K. Davis". The signature is written in a cursive, flowing style.

Lisa Davis  
Senior Vice President, No Kid Hungry Campaign