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## **Restricting Categorical Eligibility in SNAP: Harm to Children and Cascading Adverse Impacts**

**Testimony of Lisa Davis, Senior Vice President, Share Our Strength's No Kid Hungry Campaign, Before the House Committee on Oversight and Reform, Subcommittee on Economic and Consumer Policy, U.S. House of Representatives**

Chair Krishnamoorthi, Ranking Member Cloud, and members of the Subcommittee, thank you for the opportunity to appear before you today to testify about the harm to children and low-income families that will result from the Administration's proposal to roll back Broad-Based Categorical Eligibility ("BBCE") in the Supplemental Nutrition Assistance Program ("SNAP"). My name is Lisa Davis, and I serve as Senior Vice President of Share Our Strength's No Kid Hungry Campaign.

Share Our Strength is an 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.

In America, more than 37 million people live in food-insecure households, including 11.3 million children, according to the latest report from the USDA.<sup>1</sup> These families can be found in every community across the nation—urban, rural, and suburban. Food insecurity can be an almost-empty refrigerator, a mother that goes without dinner so her daughter can eat, or a parent that has to choose between buying groceries for their family or a tank of gas to get to work. For these families, food insecurity is a barrier to reaching financial stability and ensuring their children are able to meet their full potential. While still too high, child food insecurity has declined to the lowest point since 1998, due in part to previous administrations and Congresses working together across party lines to strengthen SNAP policies and access.

My testimony today focuses on four issues. First, it discusses the importance of the SNAP program, particularly to the more than 11 million children in our country living in families that struggle to access adequate amounts of food. Second, it summarizes the ways that BBCE currently helps eligible families access SNAP in the vast majority of states and

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<sup>1</sup> Alisha Coleman-Jensen et al., United States Department of Agriculture, Household Food Security in the United States in 2018 (2019), <https://www.ers.usda.gov/webdocs/publications/94849/err-270.pdf?v=963.1>.

territories. Third, it examines how the proposed changes to BBCE will harm low-income families and their children and result in cascading adverse impacts, like jeopardizing access to free school meals for an estimated 982,000 kids. Finally, it discusses the cumulative harm to kids and families that is likely to result from all of the Administration's planned policy changes for SNAP.

### **SNAP IS THE NATION'S MOST EFFECTIVE ANTI-HUNGER PROGRAM.**

SNAP serves as a lifeline for many food-insecure families, and helps to ensure that families with children who have fallen on hard times have access to the nutrition they need to get back on their feet and that their children can learn and thrive. Eighty percent of SNAP households are families with children, seniors, or people with disabilities. In fact, nearly half of SNAP recipients are children.<sup>2</sup>

Although benefits are modest—averaging about \$1.40 per person per meal—the program serves as the front line of defense against poverty, food insecurity, and the long-term detriments they cause. Research demonstrates the crucial role SNAP plays in reducing child poverty, reducing food insecurity, and improving the health and academic performance of children. Notably, SNAP:

- lifted 3.8 million children out of poverty in 2015;<sup>3</sup>
- improved the academic performance of children, including improved math and reading test scores and increased graduation rates from high school<sup>4</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>5</sup>
- decreased the likelihood of child hospitalization, and;<sup>6</sup>
- increased cognitive and communication skills.<sup>7</sup>

Eligibility for SNAP is based upon household income and resources. To qualify under federal law, gross income for households, except for those with an elderly or disabled member, cannot exceed 130 percent of the federal poverty level. Additionally, all households must show that their monthly net income, after deductions, does not exceed

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<sup>2</sup> Kathryn Cronquist & Sarah Lauffer, United States Department of Agriculture, Characteristics of Supplemental Nutrition Assistance Program Households: Fiscal Year 2017 (2019), <https://fns-prod.azureedge.net/sites/default/files/resource-files/Characteristics2017.pdf>.

<sup>3</sup> Laura Wheaton & Victoria Tran, Urban Institute, The Antipoverty Effects of SNAP (2018), [https://edit.urban.org/sites/default/files/the\\_antipoverty\\_effects\\_of\\_snap.pdf](https://edit.urban.org/sites/default/files/the_antipoverty_effects_of_snap.pdf).

<sup>4</sup> Steven Carlson et al., Center on Budget and Policy Priorities, SNAP Works for America's Children. (2016), <https://www.cbpp.org/research/food-assistance/snap-works-for-americas-children>.

<sup>5</sup> Hilary Hoynes et al., *Long-Run Impacts of Childhood Access to the Safety Net*, 106 *The American Econ. Rev.* 903-34 (2016), <https://gspp.berkeley.edu/assets/uploads/research/pdf/Hoynes-Schanzenbach-Almond-AER-2016.pdf>.

<sup>6</sup> John T. Cook et al., *Child Food Insecurity Increases Risks Posed by Household Food Insecurity to Young Children's Health*, 136 *J. Nutrition* 1073-76 (2006).

<sup>7</sup> Corneliu Bolbocean et al., National Bureau of Economic Research, U.S. Safety Net Programs and Early Life Skills Formation: Results from a Prospective Longitudinal Cohort Study (2018), <https://www.nber.org/papers/w24832.pdf>.



100 percent of the poverty level. SNAP benefit amounts are based on a household's size, income and expense, and benefits phase out gradually as earnings increase, thus incentivizing participants to work.

SNAP is administrated with relatively low overhead cost and a high degree of accuracy.<sup>8</sup> About 90 percent of federal SNAP spending goes to providing benefits to households for purchasing food. Of the remaining 10 percent, about 7 percent is used for state and federal administrative costs, including eligibility determinations, employment and training, nutrition education and anti-fraud activities. The final 3 percent is used for other food assistance programs such as the block grant for food assistance in Puerto Rico and American Samoa, commodity purchases for the Emergency Food Assistance Program and for the Food Distribution Program on Indian Reservations. Most of the program's success is due to the uniform national benefit structure and rigorous requirements on states and eligible participants. These features ensure a high degree of program integrity and maintain the core program focus on providing food assistance for those who need it most.

### **CATEGORICAL ELIGIBILITY STRENGTHENS SNAP'S ABILITY TO REACH VULNERABLE FAMILIES AND THEIR CHILDREN.**

Categorical eligibility is a policy in SNAP law that establishes an eligibility connection between SNAP and programs financed under the Temporary Assistance for Needy Families ("TANF") block grant or state maintenance of effort ("MOE") funded benefits. Some states have established TANF funded programs with higher income and/or asset limits. Aligning SNAP eligibility with eligibility requirements for TANF funded programs effectively allows states to adopt a higher income and asset threshold for SNAP. There are varying income eligibility thresholds within the states utilizing BBCE, up to 200 percent of the federal poverty level, or \$51,500 for a family of four in 2019.<sup>9</sup> The flexibility provided by this policy allows states to improve access to and participation in SNAP for working poor families, particularly those with high living costs, such as housing, child care, and medical expenses, helping these families move out of poverty and build modest assets to weather unexpected financial disruptions. A recent analysis by the Center on Budget and Policy Priorities demonstrated that about two-thirds of SNAP benefits that result from this policy go to households with gross income less than 150 percent of the federal poverty line or \$38,625 for a family of four in 2019, and 80 percent of benefits go to families with children.<sup>10</sup>

To demonstrate the benefit of BBCE to working poor families, consider the following example of a family in Florida, where the average household survival budget for a family

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<sup>8</sup> Center on Budget and Policy Priorities, Policy Basics: Supplemental Nutrition Assistance Program (SNAP) (2019), <https://www.cbpp.org/research/policy-basics-the-supplemental-nutrition-assistance-program-snap>.

<sup>9</sup> United States Department of Agriculture, Broad-Based Categorical Eligibility (2019), <https://fns-prod.azureedge.net/sites/default/files/resource-files/BBCE2019%28December%29.pdf>.

<sup>10</sup> Stacy Dean, Center on Budget and Policy Priorities, Balancing State Flexibility without Weakening SNAP's Success, Testimony before the U.S. House of Representatives, Committee on Agriculture (2016), <https://www.cbpp.org/food-assistance/balancing-state-flexibility-without-weakening-snaps-success>.

of four requires spending \$1,872 per month on housing and childcare expenses.<sup>11</sup> Ann and Larry are a married couple renting a house in Broward County, Florida with their two daughters, Jessica (age 2) and Rachel (age 4). Ann and Larry both work full-time and earn \$8.46—the minimum wage in Florida. Their total gross income is approximately \$35,276 or 137 percent of the federal poverty level. Without BBCE, they would be ineligible for SNAP. But, because Florida has adopted BBCE to increase the gross income threshold of SNAP to 200 percent of the federal poverty level, and Ann and Larry have significant housing and child care expenses, their family can qualify for a maximum monthly SNAP benefit of \$108.

Aligning gross income thresholds across anti-poverty programs encourages work and helps ease the “benefit cliff” as families increase their earnings. SNAP supports work by phasing benefits down gradually—about 24 to 36 cents for each dollar of increased earnings. By allowing families to more gradually phase off SNAP, low-income working families can accept small pay increases or additional working hours without fear that much-needed resources to purchase food will be completely eliminated due to minor increases in household income. If the Administration proceeds with its proposed regulation to restrict the policy, an increase in income over the 130 percent threshold—even if that increase is just a few cents—would mean a family would be completely cut off from SNAP benefits. To demonstrate, consider the example of a single mother with two children working full time at \$12.75 per hour who is eligible to receive \$96 a month from SNAP. If her hourly wage increases by just 50 cents, or \$86 per month, her income is lifted above 130 percent of the federal poverty level and her family is ineligible for SNAP under the federal income eligibility threshold. Even though she has a higher income, the household’s loss in SNAP benefits actually results in the family losing around \$10 per month in overall resources. Therefore, lifting SNAP’s gross income limit through BBCE helps incentivize families to work and seek higher earnings.

Similarly, BBCE provides states with the flexibility to adjust or eliminate the asset test under SNAP. Millions of Americans, 40% of adults, report lacking adequate assets to cover \$400 in emergency expenses, like a car repair, illness or unexpected reduction in hours, without selling belongings or borrowing money.<sup>12</sup> State flexibility in the administration of the asset test allows families to accumulate modest savings to help weather these emergencies, which is critical for escaping poverty and reaching financial stability.

BBCE also benefits state agencies that administer SNAP. The flexibility provided by the current policy reduces administrative costs and complexities for state agencies by streamlining eligibility across low-income assistance programs and decreasing the frequency of reapplication and recertification of families due to brief periods of ineligibility.

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<sup>11</sup> Stephanie Hoopes, United Way of Florida, ALICE: A Study of Financial Hardship in Florida (2018), <https://www.uwof.org/sites/uwof.org/files/2018%20FL%20ALICE%20REPORT%20AND%20CO%20PAGES.pdf>.

<sup>12</sup> Jeff Larrimore et al, Board of Governors of the Federal Reserve System, Report on the Economic Well-Being of U.S Households in 2017 (2018), <https://www.federalreserve.gov/publications/files/2017-report-economic-well-being-us-households-201805.pdf>.

**Categorical eligibility does not mean that a household will automatically receive SNAP benefits.** Families must still apply and qualify for benefits through the regular application process, undergoing rigorous procedures for documenting applicants' income and complying with other mandatory policies, such as work requirements and time limits for Able-Bodied Adults Without Dependents. Importantly, households that qualify for SNAP as a result of this policy have demonstrated under the SNAP benefit calculation formula that they do not have enough income to afford a basic diet after deducting allowable high-cost necessities such as housing, utility, and dependent care expenses from their gross incomes.

Some 39 states, the District of Columbia, Guam, and the Virgin Islands have TANF funded programs that result in an income or asset policy that is less restrictive than federal SNAP rules as of December 2019.<sup>13</sup> Of these jurisdictions, 30 states, D.C, Guam and the Virgin Islands have adjusted the gross income eligibility requirements to better reflect the cost of living in their communities and all have adjusted or eliminated the asset test to prevent low-income families who otherwise qualify from losing access to necessary benefits because they have modest savings or even a reliable vehicle.<sup>14</sup>

Despite the many benefits of the policy, the Administration is currently proposing to significantly restrict categorical eligibility.<sup>15</sup> Specifically, the proposed rule seeks to severely limit the type of TANF benefits that can convey categorical eligibility and require that those benefits be “substantial” and “ongoing”—terms that are newly defined under the proposed rule.<sup>16</sup> These new limitations on TANF benefits are arbitrary, add significant complexity to categorical eligibility administration, and reflect a misunderstanding of the use and amount of TANF benefits that low-income families experience. By denying states the current flexibility that exists under BBCE, the implementation of the proposed policy will result in extensive loss of SNAP benefits and harm many working families. In fact, 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>17</sup> The proposed rule will also trigger other adverse consequences that will be largely shouldered by vulnerable children.

More than 3 million people, including more than 2 million individuals in households with children, will lose SNAP benefits if the proposed rule is adopted.<sup>18</sup> Of these households,

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<sup>13</sup> Supra note 9.

<sup>14</sup> *Id.*

<sup>15</sup> Revision of Categorical Eligibility in the Supplement Nutrition Assistance Program (SNAP), 84 Fed. Reg. 35,570 (July 24, 2019), <https://www.federalregister.gov/documents/2019/07/24/2019-15670/revision-of-categorical-eligibility-in-the-supplemental-nutrition-assistance-program-snap>.

<sup>16</sup> *Id.* at 35,573.

<sup>17</sup> United States Department of Agriculture, Regulatory Impact Analysis, Revision of Categorical Eligibility in the Supplemental Nutrition Assistance Program (SNAP), FNS-2018-0037-0002 (July 24, 2019), <https://www.regulations.gov/document?D=FNS-2018-0037-0002>.

<sup>18</sup> Elaine Waxman & Nathan Joo, Urban Institute, How Households with Children Are Affected by Restricting Broad-Based Categorical Eligibility for SNAP (2019), [https://www.urban.org/sites/default/files/publication/101029/how\\_households\\_with\\_children\\_are\\_affected\\_by\\_restricting\\_broad-based\\_categorical\\_eligibility\\_for\\_snap\\_2.pdf](https://www.urban.org/sites/default/files/publication/101029/how_households_with_children_are_affected_by_restricting_broad-based_categorical_eligibility_for_snap_2.pdf).

the average benefit loss will be \$240 per month.<sup>19</sup> That will lead to \$165 million fewer dollars going into local economies each month as families purchase food at grocery stores to feed themselves and their children.<sup>20</sup> Put in perspective, there are more people in households with children that will lose SNAP under the proposed rule than the populations of Alaska, Delaware, Hawaii, Idaho, Maine, Montana, Nebraska, New Hampshire, North Dakota, Rhode Island, South Dakota, Vermont, West Virginia, or Wyoming. By forcing these families to make tough economic decisions between buying food or other necessities, the result of this loss in nutrition assistance is crystal clear: low-income families will fall further into poverty and their children will be at greater risk of hunger.

Restricting BBCE will also sharpen SNAP's benefit cliff and make it more challenging for low-income families to build assets. This proposed rule would effectively punish low-income families for working harder by completely eliminating SNAP benefits for families that earn above 130 percent of the federal poverty line, even by a few dollars. Similarly, stripping states of the flexibility to adjust or eliminate the asset test will undermine a family's ability to build assets and save for emergencies. As a result, the proposed rule would fuel the widening wealth and asset inequality gap.

### **THE ADVERSE IMPACTS OF THE PROPOSED RULE EXTEND WELL BEYOND CUTS TO SNAP.**

The loss of nutrition access through SNAP as a direct result of the proposed rule is detrimental enough to warrant its withdrawal. However, a complete picture of the proposed rule's harsh impacts requires consideration of its indirect and inadvertent consequences, particularly for children. Regrettably, the Administration's proposed policy cascades well beyond SNAP benefits: access to free school meals will be in jeopardy for many children; schools and school districts will be financially burdened, and; the administrative costs for states will increase.

**Loss of SNAP benefits under the proposed rule will eliminate direct certification of free school meals for almost 1 million students across the country.** Congress mandated that children from families participating in SNAP and other safety net programs be directly certified for free school meals in the Child Nutrition and WIC Reauthorization Act of 2004. As such, the proposed rule's elimination of SNAP eligibility for many families will result in a corresponding reduction of the number of children directly certified for free school meals. According to USDA's Informational Analysis, 982,000 children would no longer be directly certified for free school meals due to their family's loss of SNAP access under the proposed rule.<sup>21</sup>

While USDA estimates that 942,000, or 96%, of children losing direct certification for free school meals would still be income eligible for free or reduced-price meals using traditional

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<sup>19</sup> *Id.*

<sup>20</sup> *Id.*

<sup>21</sup> United States Department of Agriculture, Proposed Rule: Revision of Categorical Eligibility in the Supplemental Nutrition Assistance Program (RIN 0584-AE62) – Potential impacts on Participants in the National School Lunch Program and School Breakfast Program, FNS-2018-0037-16046 (October 18, 2019), <https://www.regulations.gov/document?D=FNS-2018-0037-16046>.

verification and documentation requirements, research shows that many of these families and children will fall through the cracks and 40,000 kids will lose access to free and reduced-price school meals altogether.<sup>22</sup> Traditional verification and documentation procedures can be a formidable barrier to participation in the school meals programs for many families. Stigma, complexity, lack of awareness, human error, and assumption of ineligibility are all factors that may contribute to a family's failure to receive, complete, and return applications and requests for documentation.<sup>23</sup> Recognizing these barriers, bipartisan leaders in Congress mandated direct certification as an effective tool to increase accuracy and ameliorate the challenges associated with income verification and documentation requirements by streamlining eligibility requirements, ensuring that qualifying children do not miss school meals due to documentation burdens.

Even families that do successfully overcome barriers associated with income verification and documentation may face additional hardship due to the proposed changes to BBCE. Many families that received free meals through direct certification will now become income eligible only for reduced-priced meals and be required to pay 30 or 40 cents for breakfast and lunch—costs that can add up quickly for struggling families trying to stretch limited income to cover basic needs, especially those with multiple children.

**An additional 140,000 children attending schools participating in the Community Eligibility Provision (“CEP”) are likely to lose access to free school meals as a result of the proposed changes.**<sup>24</sup> CEP allows high need schools and school districts that have 40% of students or more directly certified through categorical eligibility to offer free meals to all students without use of traditional income documentation and verification procedures. Schools or districts with 40% or more students directly certified for free meals are those that are high-poverty since the percentage of students that are low-income exceeds those who are directly certified. Participation in CEP is advantageous to schools in low-income communities since it eliminates stigma that may be felt by students and reduces paperwork and administrative burdens on both families and the school district. But, with fewer families eligible for SNAP benefits under the proposed rule, fewer students will be directly certified for free school meals and, consequently, schools and school districts may become ineligible to offer free meals to all students through CEP.

Even in school districts that remain eligible for CEP, loss in the number of students directly certified for free school meals can be financially burdensome to the point where participating in CEP is no longer viable. Under CEP, higher percentages of students directly certified for free meals qualifies the participating school or district for additional resources to meet the nutrition needs of their students. Therefore, a drop in the number of students certified through categorical eligibility will make it challenging to continue providing free school meals to all students. Other schools and school districts considering

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<sup>22</sup> *Id.*

<sup>23</sup> Government Accountability Office, *Low-Wage Workers: Poverty and Use of Selected Federal Social Safety Net Programs Persist Among Working Families* (2017), <https://www.gao.gov/products/GAO-17-677>.

<sup>24</sup> Kristin Blagg et al., Urban Institute, *How Restricting Categorical Eligibility for SNAP Affects Access to Free School Meals* (2019), [https://www.urban.org/sites/default/files/publication/101280/how\\_restricting\\_categorical\\_eligibility\\_for\\_snap\\_affects\\_access\\_to\\_free\\_school\\_meals.pdf](https://www.urban.org/sites/default/files/publication/101280/how_restricting_categorical_eligibility_for_snap_affects_access_to_free_school_meals.pdf).

CEP will see prospective resources decreased, discouraging participation despite the many benefits that CEP can provide for children and schools.

The resulting loss in access to school meals for many students is likely to cause long-term adverse consequences on health and educational outcomes. Research demonstrates that there are many benefits that the school meal program contributes to physical and cognitive health. Participation by children from low-income families in the National School Breakfast Program, for example, is associated with a 17% reduction in obesity rates and 29% reduction in poor health.<sup>25</sup> Many students' ability to realize these health and education benefits will be jeopardized by the proposed rule.

The double whammy impact on access to school meals, coupled with the loss of SNAP benefits, is one of the greatest threats posed by the proposed rule. Free meals at school serve as a safety net for children that do not have adequate food at home, and restricting BBCE will result in many vulnerable children losing food at both school and at home. With less assistance to secure food for themselves and their children, already-struggling families will face increased material hardship just to meet basic needs. And, for some families, basic needs will go unmet.

**The proposed rule significantly increases the administrative burden on states associated with SNAP.** 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. Under the proposed rule, the USDA acknowledges that state agencies will face additional burden and be required to assess more households' resources to determine if they are eligible for SNAP benefits.<sup>26</sup> USDA further estimates that the cost of the additional burden on states would be \$1.157 billion over five years.<sup>27</sup>

**Finally, because so many federal programs are inter-connected, even programs tangentially connected to food and nutrition will be impacted by the proposed rule.** For example, general revenue funds for schools, which support most of the educational and administrative functions are likely to be burdened due to the proposed rule's impacts on school meals. Fewer kids eligible for free school meals under the proposed rule means lower federal reimbursement even though overhead costs remain the same. Further, with many children from working poor families no longer eligible for free meals and moving to reduced price or paid meals, increases in unpaid meal debt are likely under the proposed rule. This will put strain on schools' nutrition budgets and, for many, subsidies from the school's general funds will be required. This will deprive these schools of funding to support other essential functions in the classroom.

Further, for CEP-participating school districts, the proposed rule is likely to increase the costs of telecommunications and information services. Specifically, just as the percentage

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<sup>25</sup> Food Research & Action Center, Benefits of School Lunch, <https://www.frac.org/programs/national-school-lunch-program/benefits-school-lunch> (last visited January 31, 2020).

<sup>26</sup> Supra note 15.

<sup>27</sup> *Id.*





of students directly certified for free meals determines the reimbursement level for schools and school districts participating in CEP, the same percentage determines the discount rate that school districts are eligible for under the Universal Service Program for Schools and Libraries, commonly known as the “E-Rate” program. E-rate provides discounts for services like internet access, internal broadband, and maintenance of internal connections. Discounts provided by E-Rate are essential for making these vital services affordable for schools in low-income and rural communities. The decreases in the number of students directly certified for free school meals due to the proposed rule will result in increased costs to procure these telecommunications and information services. These costs will be burdensome on schools at a time when many still have inadequate information and telecommunications access.<sup>28</sup>

### **THE CUMULATIVE IMPACT OF ALL OF THE CURRENT PROPOSALS TARGETING SNAP IS SUBSTANTIAL.**

The harm that will be levied on low-income children and high-need school districts by this proposed rule is significant: more children are likely to lack adequate nutrition, families are likely to face greater material hardship, and schools and school districts will see tighter budgets and increased administrative burden. However, rolling back BBCE is not the only proposed policy change that is currently endangering nutrition assistance for vulnerable and hungry Americans.

In addition to BBCE, the Administration has proposed restricting states’ ability and flexibility to calculate households’ heating and cooling expenses in determining SNAP eligibility and benefit levels.<sup>29</sup> The Administration has also finalized a new rule to restrict states’ ability and flexibility to use Able Bodied Adult Without Dependents (“ABAWDs”) time limit waivers, which currently waive SNAP participation time limits for certain individuals in areas with high unemployment or insufficient jobs.<sup>30</sup>

Collectively, these policies stand ready to undo nearly a decade of progress made in reducing child food insecurity. The impact analyses of these proposals paint a bleak picture: if BBCE and these other policies had been implemented in 2018, an estimated 3.7 million fewer people would have received SNAP benefits in an average month, representing a 9.4 percent cut in program eligibility.<sup>31</sup> These proposals would have resulted in a \$4.2 billion cut in benefits and, considering the economic multiplier for SNAP,

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<sup>28</sup> EducationSuperHighway, 2019 State of the States (2019), <https://s3-us-west-1.amazonaws.com/esh-sots-pdfs/2019%20State%20of%20the%20States.pdf>.

<sup>29</sup> Supplemental Nutrition Assistance Program: Standardization of State Heating and Cooling Standard Utility Allowances, 84 Fed. Reg. 52809 (October 3, 2019), <https://www.federalregister.gov/documents/2019/10/03/2019-21287/supplemental-nutrition-assistance-program-standardization-of-state-heating-and-cooling-standard>.

<sup>30</sup> Supplemental Nutrition Assistance Program: Requirements for Able-Bodied Adults Without Dependents, 84 Fed. Reg. 66782 (December 5, 2019), <https://www.federalregister.gov/documents/2019/12/05/2019-26044/supplemental-nutrition-assistance-program-requirements-for-able-bodied-adults-without-dependents>.

<sup>31</sup> Laura Wheaton, Urban Institute, Estimated Effect of Recent Proposed Changes to SNAP Regulations (2019), [https://www.urban.org/research/publication/estimated-effect-recent-proposed-changes-snap-regulations/view/full\\_report](https://www.urban.org/research/publication/estimated-effect-recent-proposed-changes-snap-regulations/view/full_report).



drain more than \$7.5 billion out of state and local economies.<sup>32</sup> Adopting these policies will make it almost impossible to continue making progress against child food insecurity because SNAP—the most important tool in the fight—will no longer be available for many low-income families.

## **CONCLUSION**

The current BBCE policy strengthens the reach and efficiency of SNAP by providing states with the flexibility to align gross income eligibility with other anti-poverty programs. Adoption of BBCE by 39 states and 3 territories is a clear testament to how beneficial the policy is for low-income working families. Retaining the current policy is also the will of Congress since proposals to restrict BBCE were overwhelmingly rejected, on a bipartisan basis, first in 2005 and then more recently both the 2014 and 2018 Farm Bills.

The Administration's proposed rule to significantly restrict categorical eligibility is a major step backwards on many fronts and will harm low-income families, children, and communities. The American public recognizes this potential harm—indeed, more than 183,000 comments were filed, the vast majority in opposition. State and local business associations, hospitals, doctors, educators, faith groups, WIC clinics, state agencies and citizens submitted comments opposing the proposed rule.

With an estimated 3.1 million people, including 2 million individuals in households with children, slated to lose SNAP benefits and 982,000 students at risk of losing access to school meals, the impact of the proposed rule will be a double whammy for children—loss of meals at school and at home. This will increase child food insecurity at a time when we are achieving hard-fought progress in lowering the rates of child hunger in our country. In turn, the impacts of food insecurity will make it more challenging for these children to grow up healthy and strong and reduce the likelihood that they will escape the pernicious cycle of poverty.

In addition to the harm families and children will experience, states agencies, schools, and school districts will also be burdened by the proposed rule. Many schools and school districts will likely face tough budget choices about whether they can continue providing free meals to all students under CEP and, simultaneously, likely feel the pinch of increased costs for telecommunications services under E-rate. Decreased flexibility in aligning SNAP with other programs under the proposed rule will also impose increased administrative cost and complexity for state agencies.

By helping families with children who have fallen on hard times have access to the nutrition they need and to get back on their feet, SNAP combats hunger, increases health and educational outcomes for children, and promotes long-term economic mobility and security. This is a return on investment that would make any corporate CEO envious. As

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<sup>32</sup> *Id.*; See also Kenneth Hanson, United States Department of Agriculture, The Food Assistance National Input-Output Multiplier (FANIOM) Model and Stimulus Effects of SNAP (2010), [https://www.ers.usda.gov/webdocs/publications/44748/7996\\_err103\\_1\\_.pdf](https://www.ers.usda.gov/webdocs/publications/44748/7996_err103_1_.pdf) (finding that an increase of \$1 billion in SNAP expenditures is estimated to increase economic activity by \$1.79 billion).



such, we should be looking for ways to strengthen SNAP, not weaken its reach and effectiveness with policies like those that the Administration has proposed.

We urge Congress and the Administration to work together to withdraw this harmful proposed rule. We should not be rolling back the BBCE policy in SNAP that helps so many vulnerable families throughout the country with their nutrition needs. Instead, we ask that you work with the affected communities and stakeholders to identify and advance effective policies that can create opportunities and prosperity for all families to succeed.

Thank you.