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October 24, 2019

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

RE: Notice of Proposed Rule Making -- Revision of Categorical Eligibility in the Supplemental Nutrition Assistance Program (SNAP); Reopening of Comment Period RIN 0584-AE62

Dear SNAP Program Design Branch,

Thank you for reopening the opportunity to comment in opposition to the US Department of Agriculture (USDA)'s Proposed Rule Making on a Revision of Categorical Eligibility in the Supplemental Nutrition Assistance Program (SNAP).¹

As a bipartisan advocacy organization dedicated to making children and families the priority in federal policy decisions, First Focus on Children understands the vital role that the Supplemental Nutrition Assistance Program (SNAP) plays in fighting child food insecurity and child poverty. The proposed rule to limit state options for Broad Based Categorical Eligibility will kick roughly 1.9 million individuals in households with children—including an estimated 1.2 million children themselves—off of SNAP.² The new analysis provided by USDA also confirms that the rule will undermine children's access to complementary food programs such as School Meals, and we remain concerned that it will also jeopardize linkages to the Special Supplemental Nutrition Program for Women, Infants and Children (WIC). The proposal will also make it harder for families with children to access work and build savings. If implemented, the proposed rule would have devastating long-term consequences for children, and we urge you to withdraw it.

At a time when children experience both poverty and food insecurity at disproportionately high rates, it is of utmost concern to our organization that SNAP continue to provide households with low-income, food-insecure children with enough resources to keep food on the table.

¹ Revision of Categorical Eligibility in the Supplemental Nutrition Assistance Program; Reopening of the Comment Period, published October 18, 2019, to be codified at 7 CFR part 273.

² 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.

The Proposed Rule Will Increase Child Food Insecurity

Food insecurity remains a major threat to health and wellbeing of 11.2 million children in America.³ This means that in 2018, nearly one in seven children lived in a household that had uncertain access to enough healthy food. Food insecurity has devastating consequences for children and hinders the nation with long-term economic costs.⁴ Without access to healthy food, children suffer negative consequences to their health, education, and development. Because food insecurity typically results from inadequate household resources, it is especially prevalent in families living in or near poverty.⁵

As the nation's largest federal food assistance program, the Supplemental Nutrition Assistance Program (SNAP) is the first line of defense against child food insecurity. In 2017, 18 million children utilized SNAP for access to consistent food, and 68 percent of all program participants lived in households with children.⁶ Beyond its role in fighting food insecurity, SNAP significantly reduces child poverty and helps struggling families make ends meet. SNAP benefits lifted nearly 1.4 million children out of poverty in 2018 alone, meaning that 13.7 percent more children would have lived below the poverty line (as defined by the Supplemental Poverty Measure) without the program.⁷ A recent landmark study by the National Academies of Science, Engineering and Medicine confirms that SNAP is “of central importance for reducing child poverty,” and calls SNAP “by far the single most important tax and transfer program for reducing deep poverty” in children. According to the study, increasing the scope and size of SNAP benefits would reduce child poverty even further.⁸ In fact, current SNAP benefit amounts are often inadequate for participating families, 57 percent of whom report food insecurity and many of whom exhaust their benefits before the end of the month.⁹ Rather than address this shortcoming or invest in SNAP's potential to fight child poverty and hunger, the proposed rule will undermine the program's reach, cutting benefits by \$10.54 billion over 10 years.¹⁰

The Proposed Rule Will Disproportionately Harm Children and their Family Members:

USDA claims that the proposed rule will strengthen its ability to target those “most in need” of SNAP benefits.¹¹ However, the rule disproportionately impacts children and the individuals living with them—a group that USDA itself acknowledges as having a “greater need” for the SNAP program.¹²

In its Regulatory Impact Analysis (RIA) of the proposed rule, USDA acknowledges that gutting BBCE will result in 3.8 percent of individuals in households with children losing SNAP because they are no longer income eligible and 3.4 percent of individuals in households with children losing

³ Alisha Coleman-Jensen, Matthew P. Rabbitt, Christian A. Gregory, and Anita Singh, “Household Food Insecurity in the United States in 2018,” U.S. Department of Agriculture, September 2018,

⁴ John Cook and Karen Jeng, “Child Food Insecurity: The Economic Impact on Our Nation,” Feeding America, 2009

⁵ Coleman Jensen et. al, “Household Food Insecurity in the United States in 2017,” Table 2

⁶ Kathryn Cronquist and Sarah Lauffer, “Characteristics of Supplemental Nutrition Assistance Program Households: Fiscal Year 2017,” United States Department of Agriculture, February 2019

⁷ Liana Fox, “The Supplemental Poverty Measure: 2018,” U.S. Census Bureau, October 2019

⁸ National Academies of Sciences, “A Roadmap to Reducing Child Poverty,” 5-18.

⁹ Ibid.

¹⁰ Ibid. at footnote 1, Table 8

¹¹ Ibid. at footnote 1, 35573

¹² Cronquist and Lauffer, “Characteristics of Supplemental Nutrition Assistance Program Households: Fiscal Year 2017,” 14

SNAP because they no longer meet its asset requirements.¹³ Thus, 7.2 percent of the individuals in households with children will lose access to SNAP—corresponding to an estimated 1.9 million individuals. Children and their family members will, as a result, representing 61 percent of the projected 3.1 million people who USDA will lose their SNAP benefits.¹⁴ USDA’s comment that households with children are relatively less impacted by the proposed rule is therefore somewhat misleading, as these households contain far more members and thus represent a greater proportion of impacted individuals.

The Proposed Rule Will Disrupt Pathways to Complementary Child Nutrition programs

The value of SNAP for children extends beyond its role in supplementing their household food purchases. Participation in SNAP also directly certifies school-aged children for free school meals and makes infants and very young children (as well as pregnant and post-partum women) adjunctively eligible for WIC. When these cohorts lose access to SNAP under the proposed rule, they will face new administrative burdens when seeking enrollment in these complementary programs:

- **Impact on Free School Meal Eligibility:** USDA now acknowledges that the proposed rule would jeopardize direct certification for free school meals for 1 million children.¹⁵ More than half of those children will no longer be eligible for free school meals and instead will be shifted to the reduced-price or full price option. This is especially worrisome given the ongoing epidemic of unpaid school lunch debt which signals that even reduced-price school meals still remain unaffordable for the many low-income families struggling to make ends meet.¹⁶ Even for those students who remain eligible for free school meals, the loss of direct certification could certainly lead to a disruption in their access to the program, especially if the changes are not communicated clearly or the application process is burdensome for parents. Food insecurity in households with school-aged children is also especially prevalent (with a rate of 31 percent) among those participating in both SNAP and receiving free or reduced-price lunch; losing both of these supports will almost certainly exacerbate the problem of food insecurity for half a million children.¹⁷ We are also incredibly concerned that the loss of SNAP for children could have spillover effects on schools who utilize the Community Eligibility Provision (CEP) by lowering the Identified Student Percentage of certain school districts. USDA says it “expects the vast-majority of CEP participating schools to be able to continue to participate in CEP under this proposal” but does not offer analysis to support this claim.
- **Impact on Special Supplemental Nutrition Program for Women, Infants, and Children (WIC) Eligibility:** First Focus on Children is also concerned that the proposed

¹³ Ibid. at footnote 1, 35575

¹⁴ Estimate based on Regulatory Impact Analysis supplement to Revision of Categorical Eligibility in the Supplemental Nutrition Assistance Program, Table 4. Administration estimates assume 2020 caseload will represent roughly 87 percent of 2016 caseload.

¹⁵ Updated Regulatory Impact Analysis supplement to Revision of Categorical Eligibility in the Supplemental Nutrition Assistance Program—Potential Impact on Participants in the National School Lunch Program and School Breakfast Program

¹⁶ Rachel Merker, “Stories of ‘Lunch-Shaming’ Highlight the Need for Free School Meals,” First Focus Campaign for Children, May 2019

¹⁷ Katherine Ralston, Katie Treen, Alisha Coleman-Jensen, and Joanne Guthrie, “Children’s Food Security and USDA Child Nutrition Programs,” U.S. Department of Agriculture Economic Research Service, June 2017

rule will threaten access to WIC, which provides federal grants to states for supplemental health care referrals, nutrition education, and food packages to 7.6 million low-income (up to 185 percent of the poverty line) pregnant and postpartum women, infants and young children who are nutritionally at risk. More than 2 million, or 33 percent, of WIC participants participate in both SNAP and WIC, and may be enrolling in WIC through SNAP's adjunctive eligibility.¹⁸ Roughly 276,000 WIC participants are adjunctively eligible because they participate in SNAP and no other benefit programs.¹⁹ In particular, some pregnant women, infants and children who might otherwise be ineligible for WIC due to a gross income between 185 and 200 percent of the federal poverty line may solely be able to access the program because they are enrolled in SNAP thanks to increased income thresholds under BBCE. Should any of these participants lose access to SNAP, they may also become ineligible for WIC or at the very least experience additional barriers in applying to the program. Especially at risk for the loss of WIC in conjunction with SNAP are pregnant women in states where income eligibility thresholds are stricter for Medicaid than for SNAP, such as Arizona, Montana, Nevada, North Dakota, and West Virginia. USDA makes no mention of the proposed rule's potential impact on adjunctive eligibility for WIC and should provide such an estimate.

The Proposed Rule Will Put Children at Even Greater Risk of Poverty and Low Income

Broad Based Categorical Eligibility (BBCE) strengthens SNAP's ability to reach families who are struggling to make ends meet by encouraging them to work. Today, 40 percent of U.S. children are either poor or low-income, meaning they live in households earning less than 200 percent of the federal poverty line.²⁰ The Urban Institute finds that nearly 70 percent of families with a gross income of less than 200 percent of poverty 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.²¹ Meanwhile, about half (53 percent) of low-income children live with at least one parent who is employed full time, year round.²² Given skyrocketing rents, the high cost of child care, and rising prices—combined with stagnant wages—it is no surprise that families earning between 130 and 200 percent of the poverty line utilize SNAP benefits to supplement their household budgets. This does not, as USDA suggests, undermine program integrity but in fact strengthens SNAP's role in incentivizing earnings by smoothing the “benefit cliff.”

For instance, if a single mother with two children who participates in SNAP and works full time at an hourly wage of \$12.50 receives just a 50-cent raise, her income would jump from 125 percent of the official poverty level to slightly above 130 percent. Under the administration's proposed rule, that small raise would create a net loss of \$161 a month in SNAP benefits, leaving her family about

¹⁸ Betsy Thorn, et. al. “WIC Participant and Program Characteristics 2016,” U.S. Department of Agriculture Food and Nutrition Service, April 2018

¹⁹ Ibid.

²⁰ Cara Baldari and Rachel Merker, “A Snapshot of Children Living in Poverty: 2017,” First Focus on Children, September 2018

²¹ Michael Karpman, Dulce Gonzalez, Stephen Zuckerman, and Gina Adams, “What Explains the Widespread Material Hardship among Low-Income Families with Children?” The Urban Institute, December 20, 2018

²² Yang Jiang, Maribel R. Granja, and Heather Koball, “Basic Facts about Low Income Children,” National Center for Children in Poverty, January 2017

\$75 a month worse off.²³ This counterproductive proposal would penalize working parents for modest earnings gains. The fact that 33 states utilize this option signals that it is a valuable tool for incentivizing work amongst participants. In 2018, SNAP was the third most effective assistance program (after refundable tax credits and Social Security) at keeping children from falling below the poverty line.²⁴ We are gravely concerned that reducing access to the program will not only undermine the role SNAP plays in combatting food insecurity, but in fighting child poverty, as well.

The Proposed Rule Will Discourage Families with Children from Building Savings

Additionally, at a time when 63 percent of US children live in asset poverty—meaning their families could not afford to stay afloat after losing income for three months²⁵—the proposed rule will undermine the ability of low-income households to save for the future. Its implementation will mean that 3.4 percent of SNAP households with children will lose the opportunity to participate in SNAP without having to spend down their meager assets. USDA itself acknowledges that “the proposed rule may also...reduce the savings rates among those individuals who do not meet the income and resource eligibility requirements for SNAP or the substantial and ongoing requirements for expanded categorical eligibility.”²⁶ Asset testing has proved time and again to be an ineffective and costly tool for ensuring program integrity, given that more than 90 percent of SNAP participants have assets below the current limits.²⁷ At the same time, research suggests that relaxed SNAP asset limits through BBCE increases low-income households’ savings (8 percent more likely to have at least \$500) and participation in mainstream financial markets (5 percent more likely to have a bank account); it also reduces SNAP churn (26 percent).²⁸ Discouraging families with children from generating savings and building resources (such as vehicles) that make it easier for them to access work is a counterproductive policy that could worsen intergenerational poverty and hinder economic mobility.

Conclusion

As a cross-sector child advocacy organization concerned with the well-being of our nation’s children, First Focus on Children is alarmed and discouraged by the USDA proposal to eliminate state options for BBCE in SNAP. SNAP is a critically important program that fights child food insecurity and child poverty, and this proposal will undermine its ability to do both. We urge you to withdraw this rule due to the serious harm it would do to children and their family members.

Sincerely,



²³ Dottie Rosenbaum, “SNAP’s “Broad-Based Categorical Eligibility” Supports Working Families and Those Saving for the Future,” Center on Budget and Policy Priorities, July 2019

²⁴ Ibid. at footnote 7

²⁵ David W. Rothwell, Timothy Ottusch and Jennifer K. Finders, “Asset poverty among children: A cross-national study of poverty risk,” Children and Youth Sciences Review, Volume 96 (January 2019): 409-419.

²⁶ Ibid. at footnote 1

²⁷ Caroline Ratcliffe, “Reviving SNAP asset limits could backfire on families’ finances,” the Urban Institute, May 2018

²⁸ Caroline Ratcliffe, Signe-Mary McKernan, Laura Wheaton. And Emma Cancian Kalish, “The Unintended Consequences of SNAP Asset Limits,” the Urban Institute, July 2016

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