September 23, 2019

Ms. Lizbeth Silbermann, Director
SNAP Program Design Branch
Program Development Division
Food and Nutrition Service
3101 Park Center Drive
U.S. Department of Agriculture
Alexandria, VA 22302

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

Dear Ms. Silbermann:

The Friends Committee on National Legislation (FCNL) is a non-partisan, faith-based organization that lobbies Congress and the administration to advance peace, justice, opportunity, and environmental stewardship. Founded in 1943 by members of the Religious Society of Friends (Quakers), FCNL works with a grassroots network of tens of thousands of people across the country to advance policies and priorities that promote peace and justice. FCNL seeks to live our values of integrity, simplicity, and peace as we build relationships across political divides to move policies forward.

FCNL offers the following comments on USDA’s Advanced Notice on revising categorical eligibility in the Supplemental Nutrition Assistance Program (SNAP). We have deep concerns about the proposed rule and urge USDA to withdraw the proposed rule.

We are concerned by any efforts to reduce states’ ability to use broad based categorical eligibility. Categorical eligibility helps families and individuals whose income and assets are just outside of the rigid cut-off currently used in the SNAP program. Categorical eligibility is crucial in helping people live with dignity, support their families, and move out of poverty. Categorical eligibility offers a lifeline to struggling families, helping millions of people stave off hunger each year.

FCNL opposes this proposed rule because it would expose more people to the income limit and asset test, reduce the administrative efficiency and economic impact of SNAP, and force 3.1 million people to lose their SNAP benefits, including 500,000 children who would lose automatic access to free school lunches.

Categorical eligibility enables states to slightly raise income eligibility limits and relax restrictive asset tests so that low-income working families with modest savings can still receive SNAP. Categorical eligibility provides for highly effective flexibility that many states have taken advantage of – it’s been utilized by over 40 states over the past 20 years. Categorical eligibility provides states with options to serve more working households, seniors, and people with disabilities.
Without categorical eligibility, families who earn more than 130 percent of the federal poverty line would be unable to claim SNAP benefits. Families at or around 130 percent of the federal poverty line often have large deductible expenses (such as housing, child care, etc.) that eat up large portions of their income. For example, more than 90 percent of SNAP benefits go to households where rent or mortgage and utility costs exceed half of their net income. About 50 percent of benefits go to households that pay for dependent care for a child, elderly, or disabled household member. Categorical eligibility is designed to help families who are already struggling to make ends meet.

Categorical eligibility also lifts the asset test imposed by SNAP, which disqualifies families from receiving food assistance if they manage to save as little as $2,250, or $3,500 for households with elderly or disabled members. This asset test acts as a disincentive for people to build the funds they need in order to invest in their future and avert financial crises that could push them further into poverty. Lifting the asset test would allow families to build a modest savings without losing the assistance they need to help put food on the table. It would also allow for families to handle a short-term financial crisis (like losing a job or emergency car repairs). Families should not have to liquidate their savings in order to receive SNAP benefits.

Categorical eligibility helps simplify SNAP’s administrative costs and improves the program’s overall efficiency. States that haven’t lifted the asset test spend extra time and resources gathering documents and information on assets, even in cases where the assets aren’t large enough to disqualify someone from receiving SNAP. Categorical eligibility also helps reduce administrative “churn,” where people go on and off SNAP because of their proximity to the income or asset cut-off thresholds or for procedural reasons. A recent Urban Institute study found that in states that have adopted categorical eligibility, households are 26 percent less likely to experience churn over the course of a year than similar households in other states.

By USDA’s own estimate, the proposed rule change would result in 3.1 million people losing access to life-saving nutrition benefits. By gutting states’ ability to use a higher income test and remove asset tests, working households with significant expenses on other basic needs would face a benefit cliff that would have negative consequences not just for themselves, but for the larger community as well.

The cuts to SNAP benefits will reduce the economic stimulative effect of SNAP, particularly during recessionary periods. If individuals have additional income that they can spend on food, they can use the rest of their income to pay for other necessary expenses like housing and transportation costs. By eliminating categorical eligibility, more people would have to spend more of their income on food instead of other expenses that would help stimulate the economy. According to recent studies, it is estimated that $1 of SNAP benefits leads to between $1.50 and $1.80 in total economic activity during a recession. Economists find SNAP to be one of the stimulus policies with the greatest amount of value for the lowest cost.

In addition to the 3.1 million people who would lose benefits under this proposed rule change, 500,000 children would lose automatic access to free school meals. SNAP has been proven to significantly reduce child poverty and break the cycle of generational poverty by helping struggling families make ends meet. Without SNAP, 1.5 million additional children (11.3 percent) would have lived under the poverty line in 2017 alone. Studies show that children in households receiving SNAP do better in school, are healthier, and earn more as adults. Furthermore, children in households receiving SNAP are less likely to be
underweight or at risk of developmental delays than children in families that were eligible for SNAP but didn’t receive it.\textsuperscript{x}

Addressing hunger and food insecurity requires a strong partnership between churches, private charities and the government. We cannot end hunger through faith-based, private charity alone. Nor are churches and charities in a position to serve the onslaught of people in the event that they lose their SNAP benefits because this proposed rule no longer deems them eligible. The less demand for nonprofit services thanks to SNAP covering more people, the more that nonprofits can provide to others who seek their services.

Congress debated changes similar to those included in this proposed rule during the 2018 farm bill negotiations. The House farm bill included a provision that would have eliminated categorical eligibility, and the Senate proposed an amendment to its version of the farm bill that would have done the same. Both of these measures were explicitly rejected by a bipartisan majority. We supported Congress’s efforts to protect and strengthen SNAP in the farm bill, and we request that USDA focus its efforts on those provisions that will improve outcomes on hunger and poverty for low-income Americans, such as SNAP Employment & Training projects and SNAP nutrition incentives funding.

FCNL believes that God dwells in each human soul, and that each person has the right to live a life of dignity with access to basic necessities in a safe and sustainable environment. Our government has a moral duty to help those who are in need of assistance and provide people with the resources to provide for their families. SNAP is an incredibly effective and efficient anti-hunger program. We should be looking at opportunities and ways to strengthen SNAP, not at proposals that would create a benefit cliff and make life harder for families and individuals that are already struggling to make ends meet. All members of our community should have access to the support they need to survive. This proposal takes us in the wrong direction at a time when we should be doing more to ensure that all those who struggle are able to put food on the table.

\textsuperscript{ii} Ibid
\textsuperscript{iii} Ibid
\textsuperscript{v} USDA Regulatory Impact Analysis supplement to Revision of Categorical Eligibility in the Supplemental Nutrition Assistance Program
\textsuperscript{vii} Ibid
\textsuperscript{viii} Liana Fox, “The Supplemental Poverty Measure: 2017,” U.S. Census Bureau, September 2018, Appendix Table A-6
\textsuperscript{ix} Steven Carlson, et. al., “SNAP Works for America’s Children,” Center on Budget and Policy Priorities, September 29, 2016, \url{https://www.cbpp.org/research/food-assistance/snaps-works-for-americas-children}