

September 16, 2019

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

Re: Proposed Rule: "Revision of Categorical Eligibility in the Supplemental Nutrition Assistance Program (SNAP)"
FNS Docket No. FNS-2018-0037

To Whom It May Concern:

Thank you for the opportunity to comment on the Food and Nutrition Service's (FNS) Notice of Public Rule Making (NPRM) for "Revision of Categorical Eligibility in the Supplemental Nutrition Assistance Program (SNAP)" published on July 24, 2019. On behalf of Children's HealthWatch, a network of pediatricians, public health researchers, and policy and child health experts, please accept these comments and our strong opposition to this rule change. Decades of evidence show this rule will threaten the health and well-being of working families with children, as well as seniors and other economically vulnerable populations. In this comment, we detail the ways in which this rule will harm child and family health and increase food insecurity and financial hardship for 3.1 million Americans, including 1.2 million children and 700,000 adults living with them.¹

Children's HealthWatch is committed to improving children's health in America. Every day, in urban hospitals across the country, we collect data on children ages zero to four, many of whom are from families experiencing economic hardship. Over the past 20 years, we have surveyed more than 70,000 caregivers. We analyze our data and release our findings to researchers, legislators, and the public to inform public policies and practices that can give all children and their families equitable opportunities for healthy, successful lives. Although our expertise is in early childhood, we will acknowledge the findings of our adult health colleagues who note that these rules would also jeopardize the food security of one of America's other economically vulnerable populations – seniors.

Decades of research, including our own, demonstrate that SNAP is an effective tool for reducing food insecurity and hunger and improving health across the lifespan.² Our work at Children's HealthWatch focuses on infants and toddlers during a critical window of brain and body development. In these early years, SNAP protects the health of young children and sets them on a course toward a healthier future. Beginning during pregnancy and early childhood, SNAP participation is associated with better birth outcomes and fewer hospitalizations.^{3,4} It also decreases the likelihood that a young child will be sick, underweight, or developmentally at risk – thus preventing conditions that cost this country billions of dollars each year.^{5,6}

There are several key features of SNAP that make it effective in reducing food insecurity and improving health. One important component is Broad-Based Categorical Eligibility (BBCE), a provision which recognizes that for families to achieve financial stability in the future, they must be able to take steps toward economic stability without losing SNAP. Specifically, the provision allows families to save money when possible and steadily increase their income without a sudden loss of SNAP. BBCE does this by

providing states the option of offering a Temporary Assistance for Needy Families (TANF)-funded benefit to SNAP applicants as a way to lift the SNAP gross income and/or asset test. Importantly, however, all SNAP participants must still meet the net income test. For low-income workers and families, especially those in high-cost states, BBCE is a critical support to reduce food insecurity and alleviate some of the financial burden of other competing needs, such as housing, childcare, utilities, and healthcare.

Broad Based Categorical Eligibility provides states the flexibility to address the needs of their residents:

The current state option supports work and lifts families out of poverty by acknowledging state differences in incomes that parallel varied costs of living. Most notably, this includes significant differences across the nation for housing costs. For example, the fair market rent in 2019 for a two-bedroom apartment in Suffolk County, Massachusetts is \$2,194, compared to \$718 in Cameron County, Texas.⁷ In response to the vast differences in costs of living and thus relative wages across the US, it is reasonable and imperative that states have the option to raise the gross income threshold for SNAP. Although families may earn a gross income above 130 percent of the federal poverty level, the extent to which they experience food insecurity can depend on the interrelated costs of other basic needs, such as housing, which are geographically tied. The proposed rule disregards these state-by-state differences, and takes food off the table for thousands of families that still struggle to make ends meet.

The proposed changes to BBCE will not accurately capture eligible families, and would penalize families for building savings:

Assets are vitally important for families to be able to weather financial emergencies and save for their future. Households without savings are vulnerable to economic shocks such as unexpected car repairs or medical bills, as well as minor financial disruptions.⁸ Moreover, studies show that, in fact, having household assets is associated with food security. These studies recommend creating and expanding asset building strategies and provisions in food assistance policy.⁹ Currently, BBCE helps families build savings by giving states the option to waive the burdensome and counterproductive asset test, which penalizes low-income families for building resources necessary for economic self-sufficiency. However, the proposed rule will deepen the penalty by imposing an asset test on all SNAP participants. The Department estimates that this change “may negatively impact food security and reduce the savings rates among those individuals who do not meet the income and resource eligibility requirements for SNAP.”¹ Given the role savings have in promoting economic mobility and financial stability, this proposed change traps families in poverty, directly undermining its legislative intent.

In addition to imposing an asset test on all SNAP participants and applicants, the proposed changes would restrict BBCE to those who receive at least \$50 of benefit from a strict list of programs – subsidized employment, work supports, and childcare assistance. This is deeply problematic, as these programs have extensive waitlists and do not accurately capture need and eligibility; for example, fewer than 1 in 6 children eligible for child care assistance receives help.¹⁰ Although many families would be eligible for child care assistance and therefore categorically eligible for SNAP, they will not qualify due to the difficulty of accessing qualifying programs. Furthermore, this change would significantly impact seniors beyond the Department’s estimations, as seniors typically do not have need for childcare and are not able to work due to age and health issues.

The proposed changes to BBCE would create a benefit cliff for workers and their families, placing them at increased risk of food insecurity and other hardships:

BBCE affords access to SNAP for working families across the country as they seek to increase income and build assets while also having the resources necessary to feed their children. By making it more difficult for states to adopt BBCE, the Department estimates that 3.1 million people would be cut off from SNAP due to gross income ineligibility (over 130 percent of the federal poverty level). Cutting families off at a lower gross income threshold than many states now have in place will have detrimental effects on health and financial stability for families. As demonstrated in recent research by Children’s HealthWatch published in *Health Affairs*, working families with young children whose SNAP benefits were reduced or cutoff due to increased earned income were at risk of poor health for both parents and children, child developmental delays, maternal depressive symptoms, household and child food insecurity, as well as other material hardships such as being unstably housed, struggling to afford utilities, forgoing health care due to cost, and/or sacrificing paying for food, housing, or other basic needs as a result of out of pocket medical expenses.¹¹ This research illustrates how basic needs in family budgets are interwoven. Reductions or losses in one area of a family’s budget can negatively impact ability to afford other needs.

While the FNS claims that BBCE “does not meaningfully move families towards self-sufficiency”,¹ our research provides evidence suggesting that the opposite is true. BBCE acts as a vital support for working families moving towards economic mobility; by abruptly cutting these households off from SNAP, families are forced to choose between basic needs, further trapping them in poverty and financial instability, and imperiling their health.

The proposed changes to BBCE would cut thousands of children off from free school meals, and reduce community eligibility:

Children in households that receive SNAP are automatically eligible for free school meals. Further, SNAP participation also has a ripple effect for schools and school districts who are able to leverage the Community Eligibility Provision (CEP) and, as a result, offer free school meals to all students in their school or district. This is vitally important, as many children – especially those from low-income families – consume an estimated half of their calories at school.¹² For children that experience food insecurity, school meals can provide access to nutritious foods necessary for healthy growth and development that otherwise may not be available at home, helping them to excel academically.

Under the proposed rule, school-aged children whose families lose SNAP eligibility will also lose direct certification for free school meals unless they fall into another group that is categorically eligible. As a result, the USDA estimates that 500,000 children would lose free school meals and, as a consequence, their schools or districts may be placed at risk of losing CEP. Although families could apply directly for free or reduced meals, this process increases administrative burdens for schools, administrators, and state agencies and introduces the risk that food insecure children will fall through the cracks.¹³ District loss of CEP coupled with the familial loss in SNAP benefits would be a tidal wave in the community, pulling back critical resources from children both directly and indirectly affected by the proposed rule change. This would place all of the children in a school or district at high risk for food insecurity and poor health and educational outcomes. Moreover, there would be a ripple effect to local communities and their collective health. If implemented, the avalanche effect of multiple losses of support will threaten

the health and development of young children and their families and threaten the economic stability of communities across the nation.

If passed, the proposed rule would increase prevalence of food insecurity, placing an economic burden on society:

As described above, undermining BBCE would put 3.1 million individuals at an increased risk for food insecurity, including 1.2 million children. This would not only impact the health and financial well-being of individuals, but place an economic burden on healthcare and education systems and society as a whole.

The avoidable health and education related costs of food insecurity in the US population are staggering. Children's HealthWatch estimated total US health, education, and lost productivity costs of food insecurity across all age groups at more than \$178 billion in 2014 alone.¹⁴ In a complementary study, another group of researchers, Berkowitz et al., showed that people with food insecurity have significantly greater health care expenditures - an extra \$1,863 per year - totaling to \$77.5 billion annually.¹⁵

SNAP, on the other hand, is a cost-effective intervention for reducing healthcare expenditures among children and adults. Recent research shows that, compared to other adults with low incomes, adults participating in SNAP have lower health care expenditures by approximately \$1,400 per person per year.¹⁶ Another study found that access to SNAP reduces the likelihood of hospital admissions and long term nursing home stays for older adults, resulting in an estimated \$2,100 in annual healthcare savings per senior enrolled in SNAP.¹⁷ This longitudinal study of "dual eligible" low income older adults also found that participation in SNAP reduced the incidence of hospitalization and long term care of older adults.¹⁷ In addition, SNAP has been associated with better health status as well as significant reductions in the number of sick visits to the doctor and the number of days people report staying in bed due to illness.¹⁸

SNAP is also associated with positive educational outcomes; one study found that children who participated in SNAP from kindergarten to third grade had significantly higher reading and mathematics scores compared to children who had stopped SNAP participation during that period.¹⁹ This is particularly significant, as it demonstrates the harm of stopping SNAP participation – a result of the proposed rule – would have on child academic achievement and future work capacity. Furthermore, another study found that SNAP may contribute to reductions in educational delays among children living in poverty, having lifelong positive consequences.²⁰

The proposed changes to BBCE will lessen SNAP's effectiveness in reducing food insecurity and the concomitant rise in health care costs. The proposed changes will lead to higher health care utilization and costs across all age groups, from infants to seniors and across the country, in addition to greater remedial and special education costs as well as lower educational achievement. All of these effects will have short and long term consequences on our nation.

If passed, the proposed rule would create additional administrative burden:

BBCE is not only an effective way to reduce food insecurity among working families, it has also been

shown to decrease administrative costs for state governments. Previous analysis demonstrates BBCE significantly reduces state administrative costs in SNAP by 7 percent. By removing the unnecessary and counterproductive asset tests, which create more paperwork and use more time for both applicants and state officials leading to an overly burdensome and complicated process, states are able to more effectively and efficiently enroll and retain participants in SNAP.²¹ Further, BBCE has been shown to reduce ‘churn’ – when families fall off of SNAP and then reapply to the program within a short period of time.²² The proposed rule would, therefore, increase administrative burden and costs in SNAP. The Department estimates that the changes would cost federal and state agencies \$2.3 billion in administrative costs over five years; this is in addition to an estimated \$5 million burden annually for households that remain eligible for SNAP and new SNAP applicants.¹

Broad Based Categorical Eligibility has bipartisan support, as demonstrated by the rejection of a proposed provision in the 2018 Farm Bill to eliminate BBCE:

Leaders in Congress across party lines demonstrated support for SNAP during the 2018 Farm Bill negotiations by rejecting changes to BBCE. The proposed rule undermines Congressional leadership and bipartisan commitment to promoting health and reducing hunger across the country for people of all ages, including those in the earliest years of life.

Our future national prosperity depends on the well-being of our nation’s children and their families. As those who care for the health of America’s children, we strongly oppose any administrative action that would harm the health of children, particularly the youngest, and their families and urge the administration to withdraw this proposal in full immediately.

Sincerely,



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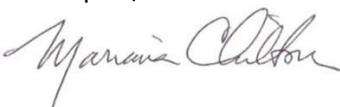
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