

November 25, 2019

Certification Policy Branch
Program Development Division
Food and Nutrition Services
3101 Park Center Drive, Room 812
Alexandria, VA 22302

Re: Proposed Rule: "Supplemental Nutrition Assistance Program: Standardization of State Heating and Cooling Standard Utility Allowances"
FNS Docket No. FNS-2019-0009

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 "Supplemental Nutrition Assistance Program: Standardization of State Heating and Cooling Standard Utility Allowances" published on October 3, 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. Evidence shows this rule will threaten the health and well-being of 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 health and increase food insecurity and financial hardship for more than 7 million Americans, including 3 million children.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.

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 the Standard Utility Allowance (SUA), a provision which recognizes that when households use some of their resources to pay for shelter and utility costs, those funds are not available to purchase food. Specifically, the provision permits a deduction based on a state-specific SUA calculated by the state and approved by the USDA that then affects the ultimate determination of the household's net income. Net income is, in turn, used to determine the household's SNAP benefit. The lower the household's net income, the higher the SNAP benefit, in recognition of the additional cost

burdens those families face. Current policy allows variances in SUAs to accommodate for state differences in calculating utility costs and rates. Research from Children’s HealthWatch shows that when energy prices increase, so do health care costs and poor health among children and seniors.⁷ Additional reports from the US Energy Information Administration found that in 2015, nearly one in three US households faced challenges in paying their energy bills, and one in five reported curtailing or giving up basic necessities, like food and medicine, to pay an energy bill.⁸ This experience of energy insecurity and subsequent cost trade-offs and poor health is even more prevalent among households with children and households of color.^{8,9} For low-income families, especially those in high utility cost states, the Heating and Cooling Standard Utility Allowance (HCSUA) is a critical support to reduce food insecurity, support good health, and alleviate some of the financial burden of other competing needs.

Current processes of calculating the HCSUA provide states the flexibility to accurately address the needs of their residents, which is critical for supporting health:

Energy prices vary enormously by location, reflecting differing climates and conditions. The current process of state calculated HCSUAs allows states to respond to the realities of utility prices in their state, and lifts families out of poverty by acknowledging state differences in utilities that parallel varied costs in living and heating/cooling needs. Changes to this process will remove state specificity, and therefore decrease the accuracy of HCSUAs in reflecting local conditions and their ability to meet residents’ needs.

Despite the already alarmingly high estimate of households that will see a reduction nationally (19%) if this proposal is implemented, residents of states with high utility costs will see a disproportionate reduction in benefits. For example, in Massachusetts, a high-cost and high-utility cost New England state with vast variances in temperature throughout the year, the USDA estimates 45% of SNAP households would see a reduction in or loss of benefits.¹ Similarly, 52% of SNAP households in Pennsylvania and 33% of SNAP households in Minnesota would experience a reduction in or loss of benefits.¹ The proposed rule disregards state-by-state differences, and would simultaneously reduce resources for food and force households to pay more for or go without essential utilities. This change would drastically alter families’ ability to pay for food and other basic needs, therefore impacting their health, well-being, and financial stability.^{7,9,10}

Despite claims that the revised and standardized calculations would ensure HCSUAs better reflect what households are paying for utilities, the proposed methodology of calculating state HCSUAs is flawed in its ability to accurately reflect state-specific needs:

The proposed changes to HCSUA calculations are based on a 2017 report prepared for the USDA to 1) construct SUAs that accurately reflect typical utility costs for low-income households, and 2) make annual adjustments to the state SUAs.¹¹ However, despite the Department’s use of this report to justify the proposed changes to use a combination of the American Community Survey (ACS) and the Residential Energy Consumption Survey (RECS) to develop base-year SUAs, the authors highlight numerous concerns with using this methodology, as well as limitations of both the ACS and RECS. As researchers, we know the importance of high-quality data and the limitations of these data sources reveal substantial concerns about the validity of this methodology.

Limitations of the ACS include: 1) its inability to differentiate between heating/cooling end-use expenditures and other expenditures – information that is needed in order to develop SUAs – and, 2) cost estimates are based on consumer recall rather than on actual utility bills or supplier data. Limitations with the RECS include: 1) state-level estimates are only available for 16 states, with estimates for the remaining states aggregated into 11 multi-state regions, 2) the survey is only conducted once every 4 years, and there is an additional 3 to 4-year lag before the data are published, in which time climate conditions and local energy costs can change drastically, and 3) the sample size is too small to be able to produce reliable estimates when the data are divided into numerous subcategories.⁷ These are significant flaws of the ACS and RECS individually, and even when used together cannot be entirely reconciled to reflect actual energy costs. By using the ACS in conjunction with RECS, the report states, “the limitations of each data source are *somewhat offset* by the advantages of the other.” This is highly concerning, as it explicitly acknowledges the flaws of nationally standardized and calculated HCSUAs, and potential consequences. For example, according to the Department, “since the data sources used for the new standardized methodology cannot consistently develop HCSUAs for sub-State rural areas with very low populations, States wishing to create geographic based SUAs for rural areas would be disadvantaged, raising further parity concerns.”¹ Although the ACS and RECS are useful tools in calculating HCSUAs, they need to be supplemented with state level data that accurately reflect residents’ needs. Instead of disregarding essential state data necessary to accurately calculate HCSUAs, the Department should work with states under the current rules to improve accuracy and consistency. As written, the proposed changes would take food off the table for millions of families that still struggle to make ends meet, will have catastrophic impacts on the health, well-being, and financial stability, and will be concentrated in states where utility needs and costs are highest and thus pose the great risks to human health.

In addition to the flawed methodology, the proposed standardization would set the HCSUA at the 80th percentile of utility costs for low-income households in the state, an arbitrary percentile that was not recommended in the report nor justified/evaluated by the Department. Given the huge impact this rule change would have on millions of individuals, it is imperative that any changes to the HCSUA are grounded in evidence and evidence-based methods.

If passed, the proposed rule would exacerbate challenges of low-income families to pay for both food and utilities. This would result in harmful impacts on the health and well-being of millions of Americans, including children, as well as the economy:

Research from Children’s HealthWatch and others demonstrate the immense financial burden utility costs place on families and their ability to pay for other basic needs, such as food.^{7,9,12,13,14,15} Often times, particularly during extreme weather months, families are forced to choose between heating/cooling their home and adequately feeding their children. Research shows that as low-income families increase fuel expenditures in response to cold weather, they reduce food expenditures by roughly the same amount.¹⁶ Furthermore, research from Children’s HealthWatch found that the percentage of children visiting the emergency room with weight for-age below the fifth percentile was significantly higher for the three months following the coldest months than for the remaining months of the year, indicating decreased nutritional availability due to high heating costs among a predominately low-income population.¹⁷ Additional research by Children’s HealthWatch further demonstrates that the struggle to afford energy and food are tightly intertwined; in a study of more than 6,000 families we showed that families who struggled to afford energy costs – a condition known as energy insecurity – were more than three times more likely to be household food insecure and three and half times more likely to be

child food insecure.¹³ Each of these conditions is strongly linked to poor physical and mental health, impaired child cognitive, socioemotional and motor development, and increased hospitalizations and chronic disease.^{18,19} The SUA, as currently calculated, acts as a buffer to alleviate some of this burden by allowing households to deduct utility costs that accurately reflect cost and need in their state. Instead of supporting this essential provision, however, the proposed rule would reduce the amount which families can deduct, therefore decreasing SNAP benefits for 19% of SNAP households – which includes more than 7 million Americans – and cutting SNAP by approximately \$4.5 billion over five years.¹ This would penalize families for using adequate amounts of utilities to heat/cool their home, and force them to choose between food and other resources.

As described above, undermining the SUA would put millions of individuals, including children, at increased risk for poor health and household hardships. Recent research from Children’s HealthWatch demonstrates that when working families lose SNAP or have their benefits reduced due to increased earnings, they are at greater risk of poor child and adult health outcomes, child hospitalizations, and multiple family economic hardships, including food insecurity.²⁰ The proposed rule would have an amplified impact, as changes would affect families whose incomes may not have increased, therefore pushing them deeper into food insecurity without the buffer of increased earnings. Also alarming is that compared to families who are able to afford utilities, children who reside in energy insecure household are more likely to be food insecure at both the household and child level, to be in fair/poor health, and to be hospitalized since birth.¹³ Moreover, the simultaneous effect of SNAP loss or reduction with an increase of out-of-pocket costs for utilities, can threaten the health and development of young children and the mental and physical health of parents and destabilize household finances for families across the nation.

The proposed rule 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.²¹ 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.²²

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.²³ 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.²⁴ 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.²¹ 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.²⁵

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.²⁶ This is particularly significant, as it demonstrates the harm of stopping (or reducing) 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, thus having lifelong positive ripple effects.²⁷

The proposed changes to the HCSUA calculation will lessen SNAP's effectiveness in reducing food insecurity and the concomitant rise in health care costs. The proposed changes will likely lead to poor health outcomes and a sharp increase in 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 and lower educational achievement. All of these effects will have both short and long term consequences on our nation.

State flexibility to calculate Standard Utility Allowance was maintained in the 2018 Farm Bill, and therefore the proposed changes would undermine the bipartisan intent of Congress:

Congress reviewed SNAP policy during the 2018 Farm Bill, including the state options that may produce differences in SNAP eligibility benefit amounts from state to state. Although the President's FY 2019 Budget included a request for a change similar to the proposed rule,²⁸ Congress did not include such a change in the 2018 Farm Bill. Evening out benefit amounts across states by lowering benefits for large numbers of participants does not promote SNAP's statutory purpose, but instead undermines it. SNAP's statutory purpose is "to promote the general welfare, to safeguard the health and well-being of the Nation's population by raising levels of nutrition among low-income households."²⁹

The combination of three recent proposals put forth by the USDA would eliminate SNAP benefits for more than 4 million Americans, and would disproportionately affect seniors, people with disabilities, working families, and children:

This rulemaking is yet another threat to the health and well-being of our nation's children, people with disabilities, seniors, and people with low incomes. The Department estimates that of the 19% of households that would lose SNAP benefits as a result of the HCSUA standardization, the greatest impact would be on those that contain an elderly or disabled individual (57%), working families (22%), and families with children (19%).¹ These populations mirror those that would be impacted by two other proposed cuts to SNAP put forth this year: changes to Broad Based Categorical Eligibility and requirements for Able-Bodied Adults without Dependents. Individually, each of these proposals would have major consequences on the health and financial stability of these vulnerable populations. If passed in concert, however, the impacts would be catastrophic.

Every parent knows that children need to be fed and live in safe, stable homes with appropriate heating and cooling – these are not either/or situations. When families are better able to afford their energy bills, more resources in the household budget become available for food. As those who care for the health and future of America's children and families, we strongly oppose the proposed changes to the Heating and Cooling Standard Utility Allowance, and urge FNS to withdraw this proposal in full immediately.

Sincerely,



One Boston Medical Center Place
Vose Hall, 4th Floor
Boston, MA 02118

Phone: 617.414.6366
Fax: 617.414.7915
www.childrenshealthwatch.org

Handwritten signature of Megan Sandel in black ink.

Megan Sandel MD, MPH
Co-Lead Principal Investigator, Children's
HealthWatch
Boston, MA

Handwritten signature of Eduardo Ochoa Jr. in black ink.

Eduardo Ochoa Jr., MD
Principal Investigator, Children's HealthWatch
Little Rock, AR

Handwritten signature of Diana Becker Cutts in black ink.

Diana Becker Cutts, MD
Co-Lead Principal Investigator, Children's
HealthWatch
Minneapolis, MN

Handwritten signature of Patrick H. Casey in black ink.

Patrick H. Casey, MD
Principal Investigator, Children's HealthWatch
Little Rock, AR

Handwritten signature of Mariana Chilton in black ink.

Mariana Chilton, PhD, MPH
Director, Center for Hunger-Free Communities
Principal Investigator, Children's HealthWatch

Handwritten signature of Maureen Black in black ink.

Maureen Black, PhD
Principal Investigator, Children's HealthWatch
Baltimore, MD

Handwritten signature of Félice Lê-Scherban in black ink.

Félice Lê-Scherban, PhD, MPH
Principal Investigator, Children's HealthWatch
Philadelphia, PA

Handwritten signature of Stephanie Ettinger de Cuba in black ink.

Stephanie Ettinger de Cuba, MPH
Executive Director, Children's HealthWatch

Handwritten signature of Deborah A. Frank in black ink.

Deborah A. Frank, MD
Principal Investigator and Founder, Children's
HealthWatch
Boston, MA

Handwritten signature of John Cook in black ink.

John Cook, PhD, MAEd
Principal Investigator, Children's HealthWatch
Boston, MA

-
- ¹ Regulatory Impact Analysis. 7 CFR Part 273. Supplemental Nutrition Assistance Program: Standardization of State Health and Cooling Standard Utility Allowances.
- ² Ettinger de Cuba S, Weiss I, Pasquariello J, Schiffmiller A, Frank DA, Coleman S, Breen A, Cook J. The SNAP Vaccine: Boosting Children's Health. Children's HealthWatch, February 2012. Available at: https://childrenshealthwatch.org/wp-content/uploads/snapvaccine_report_feb12.pdf
- ³ Almond D, Hoynes HW, Schanzenbach DW. Inside the war on poverty: The impact of food stamps on birth outcomes. *The Review of Economics and Statistics*. 2011;93(2):387-403.
- ⁴ Hoynes H, Schanzenbach DW, Almond D. Long-run impacts of childhood access to the safety net. *The American Economic Review*. 2016;106(4):903-934
- ⁵ Cook JT, Bovell A, Poblacion A, Cutts D, Ettinger de Cuba S, Pasquariello J, Sheward R, Chung R. The \$1.2 billion child health dividend. Children's HealthWatch. May 2016. Available at: <https://childrenshealthwatch.org/the1-2-billion-child-health-dividend/>
- ⁶ Ettinger de Cuba S, Casey PH, Cutts D, Heeren TC, Coleman S, Bovell-Ammon AR, Frank DA, Cook JT. Household food insecurity positively associated with increased hospital charges for infants. *Journal of Applied Research on Children: Informing Policy for Children at Risk*. 2018;9(1):8.
- ⁷ Cook J, Weiss I. The impacts of increasing household energy prices on health and health care costs in New York State. White Paper. 2013. Available at https://www.childrenshealthwatch.org/wp-content/uploads/Final_Energyfoundationreport-Nov-4-2013-w-changes-Acceptd.pdf
- ⁸ US Energy Information Administration. Analysis & Projections: One in three U.S. households faced challenges in paying energy bills in 2015. *Residential Energy Consumption Survey*. Available at <https://www.eia.gov/consumption/residential/reports/2015/energybills/>
- ⁹ Children's HealthWatch, commissioned by the Joint Center for Political and Economic Studies Health Policy Institute. Balancing acts: energy insecurity among low-income babies and toddler of color increases food insecurity and harmful health effects. 2007. Available at https://childrenshealthwatch.org/wp-content/uploads/SEDC_energy_report_2007.pdf
- ¹⁰ Frank DA, Roos N, Meyers A, Napoleone M, Peterson K, Cather A, Cupples LA. Seasonal variation in weight-for-age in a pediatric emergency room. *Public Health Reports*. 1996;111(4):366.
- ¹¹ Holleyman C, Beggs C, Fox A. Methods to Standardize State Standard Utility Allowances. Prepared by Econometrica for the U.S. Department of Agriculture, Food and Nutrition Service, August 2017.
- ¹² Frank DA, Neault NB, Skalicky A, Cook JT, Wilson JD, Levenson S, Meyers AF, Heeren T, Cutts DB, Casey PH, Black MM. Heat or eat: the Low Income Home Energy Assistance Program and nutritional and health risks among children less than 3 years of age. *Pediatrics*. 2006;118(5):e1293-302.
- ¹³ Cook JT, Frank DA, Casey PH, Rose-Jacobs R, Black MM, Chilton M, decuba SE, Appugliese D, Coleman S, Heeren T, Berkowitz C. A brief indicator of household energy security: associations with food security, child health, and child development in US infants and toddlers. *Pediatrics*. Oct;122(4):e867-75.
- ¹⁴ Hernández D, Bird S. Energy burden and the need for integrated low-income housing and energy policy. *Poverty & public policy*. Nov;2(4):5-25.
- ¹⁵ Children's HealthWatch. Fuel for our future: Impacts of energy security on children's health, nutrition, and learning. 2007. Available at https://www.childrenshealthwatch.org/wp-content/uploads/fuel_for_our_future_2007.pdf
- ¹⁶ Bhattacharya J, DeLeire T, Haider S, Currie J. Heat or eat? Cold-weather shocks and nutrition in poor American families. *American Journal of Public Health*. 2003;93(7):1149-54.
- ¹⁷ Frank DA, Roos N, Meyers A, Napoleone M, Peterson K, Cather A, Cupples LA. Seasonal variation in weight-for-age in a pediatric emergency room. *Public Health Reports*. 1996;111(4):366.
- ¹⁸ Gundersen C, Ziliak JP. Food insecurity and health outcomes. *Health affairs*. 2015;34(11):1830-9.
- ¹⁹ Cook J, Frank D. Food security, poverty, and human development in the United States. *Annals of the New York Academy of Sciences*. 2008;1136(1):193.
- ²⁰ Ettinger de Cuba S, Chilton M, Bovell-Ammon A, Knowles M, Coleman SM, Black MM, Cook JT, Cutts DB, Casey PH, Heeren TC, Frank DA. Loss of SNAP is associated with food insecurity and poor health in working families with young children. *Health Affairs*. 2019;38(5):765-73.
- ²¹ Cook JT, Poblacion A. Estimating the Health-Related Costs of Food Insecurity and Hunger. In Bread for the World 2016 Hunger Report. Available at www.hungerreport.org

-
- ²² Berkowitz SA, Basu S, Meigs JB, Seligman HK. Food insecurity and health care expenditures in the United States, 2011–2013. *Health services research*. 2018;53(3):1600.
- ²³ Berkowitz S, Seligman H, Rigdon J. Supplemental Nutrition Assistance Program (SNAP) participation and health care expenditures among low-income adults. *JAMA*. 2017;177(11):1642-1649.
- ²⁴ Samuel LJ, Szanton SL, Cahill R, Wolff JL, Ong P, Zielinskie G, Betley C. Does the Supplemental Nutrition Assistance Program affect hospital utilization among older adults? The case of Maryland. *Population health management*. 2018;21(2):88-95.
- ²⁵ Gregory CA, Deb P. Does SNAP improve your health? *Food Policy*. 2015;50:11-9.
- ²⁶ Frongillo EA, Jyoti DF, Jones SJ. Food stamp program participation is associated with 440 better academic learning among school children. *J Nutr*. 2006;136(4):1077-1080.
- ²⁷ Beharie N, Mercado M, McKay M. A protective association between SNAP participation and educational outcomes among children of economically strained households. *Journal of hunger & environmental nutrition*. 2017;12(2):181-92.
- ²⁸ Food and Nutrition Service. 2019 President’s Budget. Available at <https://www.obpa.usda.gov/32fns2019notes.pdf>
- ²⁹ Food and Nutrition Service, United States Department of Agriculture. 7 CFR § 271.1 - General purpose and scope.