

September 19, 2019

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

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

Dear program design branch,

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

We write as social welfare scholars who are members of the Maine Chapter of the Scholars Strategy Network's Working Group on Social Policy and the Safety Net.² We draw upon scholarly research to inform ongoing public debates about issues of state and national importance, among them health care, workforce development and employment, child and family welfare, income support, hunger and nutrition, and poverty and social assistance. Our intent here is to focus on SNAP: its importance in providing food assistance to millions of American families, the detrimental effects of hunger on individuals and on the state, and the critical importance of safety net programs like SNAP in helping individuals and families to move out of poverty toward autonomy.

While much of our commentary below focuses on the negative effects the proposed rule would have in Maine, our overall argument shows that rule will make life more difficult for millions of Americans. We also highlight several instances where conflicts exist between USDA's proclamations of fraud and documented evidence in both agency reports and congressional analyses. SNAP is an effective hunger and nutrition program that has been shown to improve health outcomes, boost local economies, and help people move out of poverty. With this rule, the Administration is seeking to implement through executive action a harsh policy that Congress rejected in the 2018 farm bill. We urge you to oppose this misguided and ill-informed rule proposal.

Our comment proceeds in seven sections. Section I briefly summarizes SNAP's positive effects and highlights how the proposed rule will harm current beneficiaries. Section II provides a brief overview of SNAP's history. In Section III we give a snapshot of SNAP beneficiaries in Maine. Sections IV and V summarize the proposed rule's key changes and demonstrates that the administration's proposal is not grounded in systematic research and analysis in any conceivable manner and is in conflict with Congressional Research Service and USDA reports and findings. Section VI highlights the numerous positive effects that SNAP already produces, focusing on the ways in which it improves health outcomes, boosts local economies, and helps individuals move out

¹ Revision of Categorical Eligibility in the Supplemental Nutrition Assistance Program (SNAP), 84 FR 35570 (proposed July 24th 2019), to be codified at 7 CFR part 273

² While we each hold university affiliations, this comment reflects on our views and insights and individuals and does not reflect the views of any of our employers or the University of Maine System.

of poverty. The proposed rule will kick millions of people off the program, which will dramatically reduce SNAP's effectiveness. SNAP is already an effective safety net program, and the administration's reform effort will make it far less capable of accomplishing its objectives. We summarize our comments in Section VII.

I. SNAP Matters

SNAP is the nation's most effective tool in fighting hunger. It is the first line of defense against hunger and food insecurity for low-income residents and in our communities and states. Like other federal programs of support, its ultimate goal is to provide assistance to people to help them move out of poverty toward self-sufficiency and stability.

As a state with the third highest rate of people in the nation who routinely do not get enough to eat, tens of thousands of low-income Mainers already suffer from poor nutrition and hunger. Increases in this number, as will be the predicted outcome of this proposal, will have a severe impact not only on individuals but also on the state and its already fragile economy. Penalizing already vulnerable Mainers, most of whom already work but can still not afford a nutritious diet in a state with negative economic growth, will create nothing short of chaos.

State economic stability will also encounter de-stabilization as a result of this proposal. Based on USDA Economic Research Service analysis, it is estimated that each \$1 in federal SNAP benefits generates \$1.79 in economic activity. Households receive SNAP benefits on electronic benefit transfer (EBT) cards, which can be used only to purchase food at one of the 263,100 authorized retail locations around the country, including some 1,600 in Maine.³ In a rural state like Maine, small convenience stores are the bedrock of the community. The dollars expected to be lost have helped many of these food retailers, operating on thin margins, to remain in business; something that improves food access for all residents.

This administration's proposal is harsh, unwarranted, and unfair. It harms vulnerable people by denying them food benefits at a time when they most need it and does not result in increased employment or earnings. Cutting food assistance puts lives in danger.

II. SNAP: Historical Background and Programmatic Goals

SNAP has always been and should continue to be a food security and hunger alleviation program. The first food stamp program emerged in the 1930s in response to the Great Depression. Franklin Roosevelt implemented the Food Stamps Plan in 1939 as a key component of his New Deal initiatives.

The modern incarnation of SNAP can be traced to the Kennedy and Johnson administrations. In 1964, Lyndon Johnson ushered the passage of the Food Stamp Act, which was designed to achieve a more effective use of agricultural overproduction, and most important, improve levels of nutrition among individuals in poverty. The program has undergone numerous administrative changes since the 1960s. In 1977, the Food and Agriculture Act established more uniform eligibility standards

³ Catlin Nchako and Lexin Cai, "A Closer Look at Who Benefits from SNAP: State-by-State Fact Sheets," *Center on Budget and Policy Priorities*, December 3, 2018: <https://www.cbpp.org/research/food-assistance/a-closer-look-at-who-benefits-from-snap-state-by-state-fact-sheets#Maine>

across the nation, provided more federal support for program implementation in the states, and expanded the program to minority communities. These reforms had the effect of dramatically increasing participation rates among eligible participants, from roughly 45-50% to between 60-65%.⁴

Ronald Reagan sought to scale back the program with a series of budgetary reductions in 1981 and 1982 but the recognition of the severe domestic hunger problem in the latter half of the 1980s led to incremental reforms in 1985 and 1987. These reforms eliminated the sales tax on food stamp purchases, reinstated categorical eligibility, increased the resource limit for most households, increased eligibility for the homeless, and expanded nutrition education.⁵ Participation rates gradually increased into the mid-1990s. The 1996 welfare reform de-linked SNAP and traditional welfare; prior to these reforms leading to a decline in SNAP participation rates throughout the late-1990s into the early-2000s.⁶

Policymakers recognized that the decline in participation rates in the late-1990s was not solely the result of macroeconomic gains. The 2002 Farm Bill sought to improve program access and simplify program rules to increase participation rates. The reform did so by restoring eligibility for previously excluded groups, restoring eligibility for some immigrants, and providing states with options to simplify the program including aligning the definition of income and/or resources to that used in TANF or Medicaid, adopting a simplified reporting system, and providing transitional benefits for clients leaving TANF.⁷

Several reforms in the Obama administration similarly sought to boost participation rates, particularly in response to the economic downturn and rising unemployment caused by the 2007-2008 financial crisis. By 2012, more than 80% of eligible individuals and households were participating in the program.

SNAP is, at its core, a food and nutrition support program. Among its goals, the U.S. Department of Agriculture seeks to increase food security and reduce hunger by increasing access to food, a healthful diet, and nutrition education for low-income Americans.⁸ Eliminating broad-based categorical eligibility (BBCE) will present a significant burden for SNAP recipients and such a burden will undoubtedly have the effect of reducing program takeup, which is antithetical to SNAP's statutory goals.

III. A Portrait of Maine: Who gets SNAP in the State?

In Maine today, thousands of individuals and families cannot put adequate and healthy food on their tables. Over 175,000 Maine citizens rely on SNAP.⁹ Who are they? The largest group is households

⁴ See Tracy Roof, "Understanding the Institutionalization and Resilience of the Food Stamp Program," Paper presented at the annual meeting of the American Political Science Association, August 31, 2018; Pamela Herd and Donald P. Moynihan, *Administrative Burden: Policymaking by Other Means* (New York, NY: Russell Sage, 2018), Ch. 6.

⁵ United States Department of Agriculture, "A Short History of SNAP," <https://www.fns.usda.gov/snap/short-history-snap>

⁶ Herd and Moynihan, *Administrative Burden*, pp. 143-148.

⁷ United States Department of Agriculture, "A Short History of SNAP."

⁸ See Julie A. Caswell and Ann L. Yaktine, eds., *Supplemental Nutrition Assistance Program: Examining the Evidence to Define Benefit Adequacy* (Washington, D.C.: National Academies Press, 2013), Ch. 2.

⁹ United States Department of Agriculture, Food and Nutrition Service, "Supplemental Nutrition Assistance Program: Number of Persons Participating," Data as of March 08, 2019: <https://fns-prod.azureedge.net/sites/default/files/pd/29SNAPcurrPP.pdf>

with children, next are households including people with disabilities and older Mainers over age 60, and working families.¹⁰ Ten thousand SNAP recipients are veterans.

Half of all recipients receive food support for less than a year. Since 1980, households with full-time, year-round workers have been the fastest growing of any group as a share of SNAP recipients. This means that more people who are working full-time are not paid a wage high enough to sustain their families.

In 2017, the Center on Budget and Policy Priorities reports that SNAP kept 47,000 people out of poverty in Maine. It reached 180,000 Maine residents – 13% of the state population or 1 in 7 people. Of those, 61% are in families with children, 49% in families with members who are elderly or have disabilities, and 47% are in working families. Most are poor with 51% having incomes between 51 and 100% of poverty, 16% at or below 50% of poverty, 33% income above 100% of poverty. SNAP reached needy populations: 90% of eligible individuals participated in SNAP in Maine in 2015, and 79% of eligible workers participated. Still, 10.2% of households were “food insecure” or struggled to afford a nutritionally adequate diet on an average SNAP benefit per person per meal of \$1.19.¹¹

Maine is ranked 15th in the country for poverty with an overall rate in 2018 of 11.1% and 10th for unemployment with an overall rate of 3.3%.¹² But there is wide variation in the state and averages often mean little.

According to a recent report by the Maine Center for Economic Policy (MECEP) the “two Maines” look quite different and encounter different challenges.¹³ For example, in Congressional District 1, the southernmost and most densely populated quarter of the state, the 2017 population was 668,146. Among residents, 5% had a high school diploma and 37% a bachelor’s degree. The average growth rate was 0.8% and labor force participation rate was 85.1%. The poverty rate was 10.6%, 34% received SS income, and 12% received food assistance.

In Congressional District 2, the northern and western three-quarters of the state, predominantly rural, much of it isolated, the population was 660,042. Among residents 7.1% has a high school diploma and only 23.8% had a bachelor’s degree. The average growth rate was a -0.1% and labor force participation was 80.1%. The poverty rate was 15.2% - 5% points greater than in District 1 – with 38.1% receiving SS Income and 18.8% food assistance.

While there are significant differences between these two districts, the differences become even more stark when looked at by county. Washington County, for example, long considered one of the poorest counties in Maine has a poverty rate of 18.2% and an unemployment rate of 4.9%. Among residents 38% have high school diplomas while only 13.7% have bachelor’s degrees (DOL). MECEP analysis reports a -0.4% growth rate for the county. It is a county with very few available jobs and few prospects of job growth. Nearly twenty-three percent (22.8%) of households in the

¹⁰ Maine Department of Health and Human Services, “Geographic Distribution of Programs and Benefits for April 2018,” <https://www.maine.gov/dhhs/ofi/reports/2018/geo-distribution-apr.pdf>

¹¹ Nchako and Cai, “A Closer Look at Who Benefits from SNAP: State-by-State Fact Sheets,” *Center on Budget and Policy Priorities*.

¹² Talk Poverty, State Reports, Maine 2018: <https://talkpoverty.org/state-year-report/maine-2018-report/>

¹³ Maine Center for Economic Policy, “The State of the Districts,” March 19, 2018: <https://www.mecep.org/districtdata/>

county receive food assistance. Piscataquis County, an equally rural isolated county with a high poverty rate of 18.2% shows a -1.9% growth rate. It lacks jobs and jobs growth prospects. Just under a quarter (23.9%) of households receive food assistance.

Mainers are hard-working, self-reliant individuals. But even those individuals in the state with full-time jobs still struggle to earn enough to put healthy and adequate food on the table. Economic indicators such as low unemployment and GDP growth obscure the fact that millions of Americans are barely getting by in today's structurally unequal economy. Maine's economy is struggling and shows little sign of improvement over the coming decades. Making programs such as SNAP harder to access, as the administration's proposal aims to do, will inevitably harm hundreds of thousands of Mainers. The proposal penalizes families with incomes near the eligibility line by taking away their benefits if they experience even a small increase in wages, and similarly harms older people on fixed incomes who accumulate modest savings.

Small grocery and convenience stores, the heart of rural areas in states like Maine, will reportedly not be significantly impacted by the rule albeit there is no substantiation is provided to back up this claim. It is neigh impossible to believe that a 9% decrease in SNAP recipients overall will not impact these small stores. As bedrocks of rural communities these "small entities" are "approximately 76% of authorized SNAP retailers." The impact on rural areas will most assuredly be significant – both the stores and the people living in rural areas and shopping for food in those stores will suffer increasing hardship: stores will be forced to close and people will go hungry.

The proposed rule's disastrous effects for Mainers have been recognized by political leaders in the state from across the political spectrum.

The Maine Department of Health and Human Services (DHHS) estimates that 44,068 SNAP participants in Maine would lose food benefits under the proposed rule change. Of those, 11,031 are children and 9,598 are over age 60 or have a disability. In total, nearly 27 percent of all SNAP participants in Maine are at risk of losing benefits under the proposal, DHHS estimates.

The proposal also would jeopardize meals for schoolchildren, by eliminating automatic enrollment of children in SNAP families in free and reduced-cost school meal programs. "This proposal would take healthy food off the plates of children, older Mainers, and people with disabilities while punishing hard-working families," said Health and Human Services Commissioner Jeanne Lambrew. "We urge the Administration to rescind this misguided proposal, which will hurt Maine people who are just trying to make ends meet."

Last week, Governor Janet Mills joined a coalition of Governors from 16 other states in sending a letter to U.S. Department of Agriculture Secretary Sonny Perdue to oppose the proposal, which would essentially eliminate BBCE from SNAP. Under BBCE, states enroll eligible applicants in SNAP if they already qualify for other benefits for low-income people, primarily Temporary Assistance for Needy Families (TANF). This allows states to tailor the program to their specific populations and to better coordinate SNAP with other public assistance programs. This now-threatened policy has resulted in more low-income families gaining access to critical food assistance, while also making SNAP less costly for states to administer.

Similarly, all four members of Maine's U.S. Congressional delegation (Senators Angus King (I) and Susan Collins (R) and Representatives Emily Cain (D) and Jared Golden (D)) submitted a letter to

Secretary Perdue opposing the rule change. They wrote, “The proposed rule would be acutely felt in Maine, almost more than any other state in the country. According to USDA estimates, seven states, including Maine, would see more than 15 percent of SNAP households lose eligibility. The Maine Department of Health and Human Services calculates an even larger impact, with nearly 27 percent of all SNAP participants at risk of losing benefits under the proposal. . . The proposed rule would also place an increased burden on the State of Maine in terms of program maintenance. In Maine, Broad-Based Categorical Eligibility is used to improve program efficiencies, reduce administrative costs, and, ultimately, provide better support to the state's most vulnerable individuals and families.”

The proposed rule would severely harm Maine’s low-income citizens. More than a quarter of the state’s current SNAP beneficiaries could lose basic food assistance under the USDA’s proposal. The proposed changes go far beyond attempts to shore up SNAP’s programmatic integrity. For a state like Maine that is already struggling with economic stagnation and food insecurity, these changes would be deeply detrimental to the very population SNAP is designed to support.

IV. Addressing the Administration’s Claims About Program Integrity

This proposed change, claims the USDA, would reduce alleged fraud, synchronize state eligibility requirements and save the government money. The agency claims that the proposed rule is meant to address “program integrity” issues that have surfaced since the 1996 welfare reform changed the programs who benefits confer categorical eligibility. There is no corresponding concern about addressing diminished access to food, increased hunger and damaged lives, which are SNAP’s primary programmatic objectives. Neither is there any proposals for how this change will assist households and move them towards self-sufficiency.

In this section, we address the program integrity and efficiency arguments, highlighting that the agency’s concerns about programmatic integrity are unfounded, often in conflict with internal reports, and that any arguments about increasing program efficiency ignore how the current system already simplifies SNAP administration.

In the proposed rule change, the USDA argues that “Extending categorical eligibility to participants who have not been screened for eligibility compromises program integrity and reduces public confidence that benefits are being provided to eligible households.”¹⁴ Underlying this claim is the notion that current SNAP recipients are actually ineligible for the program and are thus enrolled fraudulently.

Regarding the allegation of fraud, the USDA proposal for a revision of eligibility determination claims that “4.1% of currently participating SNAP households (767,000 households or 1.4 million individuals) have resources above the SNAP limit and 4.9% have incomes above the Federal SNAP gross income limit of 130% FPL (914,000 households or 1.7 million individuals).”¹⁵ This figure is, not surprisingly, unsubstantiated. Measuring fraud in SNAP is difficult. A September 2012 USDA-OIG report states, “FNS cannot estimate a recipient fraud rate because it has not established how

¹⁴ Food and Nutrition Service, “Revision of Categorical Eligibility in the Supplemental Nutrition Assistance Program (SNAP), *Federal Register*, July 24, 2019: <https://www.federalregister.gov/documents/2019/07/24/2019-15670/revision-of-categorical-eligibility-in-the-supplemental-nutrition-assistance-program-snap>

¹⁵ Food and Nutrition Service, “Revision of Categorical Eligibility in the Supplemental Nutrition Assistance Program (SNAP), *Federal Register*, July 24, 2019: <https://www.federalregister.gov/documents/2019/07/24/2019-15670/revision-of-categorical-eligibility-in-the-supplemental-nutrition-assistance-program-snap>

States should compile, track, and report fraud in a uniform manner.”¹⁶ In November 2017, USDA-FNS considered developing a level of standardization sufficient to calculate a recipient fraud rate, but in May 2014 the agency determined that it was not possible without significant investment and oversight. A September 2018 Congressional Research Report on errors and fraud in SNAP states that “there is currently no single standard measurement that individually quantifies the extent of recipient errors, recipient fraud, or agency errors.”¹⁷ Unlike retailer trafficking, which is handled by one federal entity (USDA-FNS), recipient fraud is detected and punished by 53 different SNAP agencies (50 states, DC, Guam and the U.S. Virgin Islands). This lack of standardization is a reason why a national recipient fraud rate does not exist.

In addition, the available evidence indicates that fraud is uncommon in the SNAP program. In fact, the USDA’s claims regarding fraud in the justification of the proposed rule are counter to a June 2019 USDA report wherein the agency states that recipient fraud occurs “relatively infrequently”. In fiscal year 2011, it reports, states completed nearly 798,000 fraud investigations, resulting in only 46,000 disqualified individuals.¹⁸ The USDA also reports that mispayments in the food-stamp program are most commonly the result of caseworker error, and not fraud or deception by recipients.¹⁹ A September 2018 Congressional Research Report on errors and fraud in SNAP also contests the claim of fraud noting that The national payment error rate (NPER) is the most-cited measure of nationwide payment accuracy ... but has limitations, though; for instance, it only reflects errors above a threshold amount (\$38 in FY2017).²⁰ A recent report, using USDA data, concluded that “99% of the benefit dollars were in no way associated with fraud.”²¹

SNAP benefits are not flowing to undeserving or fraudulent recipients. A 2012 Government Accountability Office report estimated that only about 2.6 percent of recipients in 2010 had incomes above the eligibility limit; these people, it further found, were not much richer than people under the income limit. They were, on average, at 150 percent of the poverty line, and because they were richer they claimed significantly lower benefits than other enrollees.²² As of 2017, just 0.2 percent of SNAP benefits went to beneficiaries with net incomes (after housing, child care, etc.) above the poverty line.²³

¹⁶ USDA, *Analysis of FNS’ Supplemental Nutrition Assistance Program Fraud Prevention and Detection Efforts* (Washington, D.C.: USDA, 2012), p. 2.

¹⁷ Randy Alison Aussenberg, “Errors and Fraud in the Supplemental Nutrition Assistance Program (SNAP)” *Congressional Research Service*, p. 10: <https://fas.org/sgp/crs/misc/R45147.pdf>

¹⁸ USDA, “What is FNS Doing to Fight SNAP Fraud?” <https://www.fns.usda.gov/snap/integrity/fraud-FNS-fighting>

¹⁹ USDA, “What is an Improper Payment?” https://fns-prod.azureedge.net/sites/default/files/snap/SNAP%20QC_Infographic_final.pdf

²⁰ Aussenberg, “Errors and Fraud in the Supplemental Nutrition Assistance Program (SNAP)” pp. 1-2. <https://fas.org/sgp/crs/misc/R45147.pdf>

²¹ Simon Constable, “The Facts About Food Stamp Fraud,” *Forbes*, April 4, 2018:

<https://www.forbes.com/sites/simonconstable/2018/04/04/the-facts-about-food-stamp-fraud/#647d8198f880>

²² Government Accountability Office, “Supplemental Nutrition Assistance Program: Improved Oversight of State Eligibility Expansions Needed,” July 2012, p. 1: <https://www.gao.gov/assets/600/593070.pdf>

²³ Robert Greenstein, “Misguided Trump Administration Rule Would Take Basic Food Assistance From Working Families, Seniors, and People with Disabilities,” *Center on Budget and Policy Priorities*, July 23, 2019: <https://www.cbpp.org/press/statements/misguided-trump-administration-rule-would-take-basic-food-assistance-from-working>

In trying to make a case for the proposal, the Administration argues that states are approving households for SNAP under BBCE without checking their incomes or assessing their need for food assistance. The claim is incorrect. To receive SNAP, all households, including those eligible under BBCE, must apply, be interviewed, and document that their monthly income and expenses, such as high housing and child care costs, leave them with too little disposable income to afford a basic, adequate diet. SNAP has some of the most rigorous program integrity standards and systems of any federal program.²⁴ The problem the administration seeks to address with this proposal – individuals with very high incomes fraudulently accessing SNAP benefits and thus undermining the program’s integrity – simply does not exist.

V. Categorical Eligibility: A Strength, not a Weakness.

The agency argues that “the Department has an obligation to expend taxpayer funds in a fiscally responsible manner and in alignment with the intent of the Food and Nutrition Act to alleviate hunger among low-income households.”²⁵ The administration contends that doing away with broad-based categorical eligibility (BBCE) will make the program more efficient by eliminating ineligible beneficiaries and saving money. But eliminating BBCE will cause significant problems for both recipients and state agencies. BBCE simplifies SNAP administration. It reduces the complexity of the SNAP application process for states and households. It also lowers “churn” — when SNAP households that stop participating in SNAP reapply within a very short period. Churn creates added work for state workers and benefit gaps for SNAP households.²⁶ Under BBCE, states and families save time and administrative burden so that families do not have to perform duplicative application processes. This is incredibly helpful for working families, families with children, the elderly, and those who face transportation or language barriers. USDA acknowledges that the majority of SNAP households will remain income and asset eligible for the program, meaning they will simply face a new, unnecessary obstacle in accessing the program. This additional administrative burden will simply make the program less efficient and more difficult to access for worthy, deserving beneficiaries.²⁷

State governments will be burdened with more paperwork and have less flexibility for program coordination among programs serving the same constituency. As is acknowledged in the Federal Register, state governments will have to “revise their procedures for processing SNAP applications and recertifications and will face increased administrative costs associate with the revised procedures.” Underfunded and understaffed state departments and programs will be unable to carry out their federal and state responsibilities to serve people in need.

²⁴ Robert Greenstein, “Misguided Trump Administration Rule Would Take Basic Food Assistance From Working Families, Seniors, and People with Disabilities,” *Center on Budget and Policy Priorities*, July 23, 2019: <https://www.cbpp.org/press/statements/misguided-trump-administration-rule-would-take-basic-food-assistance-from-working>

²⁵ Food and Nutrition Service, “Revision of Categorical Eligibility in the Supplemental Nutrition Assistance Program (SNAP),” *Federal Register*, July 24, 2019: <https://www.federalregister.gov/documents/2019/07/24/2019-15670/revision-of-categorical-eligibility-in-the-supplemental-nutrition-assistance-program-snap>

²⁶ Dottie Rosenbaum, “House Hearing Today to Highlight Successes of SNAP ‘Categorical Eligibility,’” *Center on Budget and Policy Priorities*, June 20, 2019: <https://www.cbpp.org/blog/house-hearing-today-to-highlight-successes-of-snap-categorical-eligibility>

²⁷ On the negative consequences of administrative burdens, see Pamela Herd and Donald P. Moynihan, *Administrative Burden: Policymaking by Other Means* (New York, NY: Russell Sage, 2018).

Furthermore, BBCE helps working families by eliminating the “benefit cliff.” SNAP supports work in part by ensuring that its benefits phase down gradually (by only 24 to 36 cents for each dollar of increased earnings). Without BBCE a family can lose substantial SNAP benefits from a small increase in earnings that raises its gross income to over 130 percent of the federal poverty line, the threshold for SNAP eligibility.²⁸ BBCE lets states lift this threshold, which lets households close to that threshold take higher-paying work and continue to benefit from SNAP. This rule would be particularly harsh for working families with incomes close to SNAP’s gross income threshold of 130 percent of the poverty line, who would be at risk of being cut off of SNAP if they got a modest wage increase or worked slightly more hours. Taking SNAP away from these families could discourage some recipients from earning additional income. The proposed rule would weaken SNAP’s role in supporting work while making it harder for families that struggle to get by on low wages to meet their basic needs.²⁹

BBCE also lets low-income households save for the future, which can help people escape poverty and find long-term financial stability. Modest assets enable low-income families avoid debt, weather unexpected financial disruptions, and better prepare to support themselves in retirement. Under BBCE, which lets states increase or eliminate asset limits for SNAP, low-income households are likelier to have a bank account and have at least \$500 in it, according to a recent Urban Institute study.³⁰ Today, 63 percent of US children live in asset poverty—meaning their families could not afford to stay afloat after losing income for three months. BBCE helps families with children build savings by giving states the option to waive burdensome and counterproductive asset testing, which penalizes low-income families for trying to build up the resources they need for economic self-sufficiency. USDA admits 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.”

Doing away with BBCE will also harm children who rely on free or reduced-price school lunches. Children who qualify for SNAP thanks to BBCE also receive direct certification for free school meals, saving their families the cost paying the reduced or full price at a time when school meals remain unaffordable for many.³¹ Eliminating BBCE will jeopardize more than 500,000 children’s access to free school meals—but USDA fails to include this critical data point in its RIA.³² Additionally, 33 percent of the participants in the Special Supplemental Nutrition Program for

²⁸ Elizabeth Wolkomir and Lexin Cai, “The Supplemental Nutrition Assistance Program Includes Earnings Incentives,” *Center on Budget and Policy Priorities*, June 5, 2019: <https://www.cbpp.org/sites/default/files/atoms/files/7-25-17fa.pdf>

²⁹ Robert Greenstein, “Misguided Trump Administration Rule Would Take Basic Food Assistance From Working Families, Seniors, and People with Disabilities,” *Center on Budget and Policy Priorities*, July 23, 2019: <https://www.cbpp.org/press/statements/misguided-trump-administration-rule-would-take-basic-food-assistance-from-working>

³⁰ Caroline Ratcliffe, Signe-Mary McKernan, Laura Wheaton, Emma Kalish, Catherine Ruggles, Sara Armstrong, and Christina Oberlin, “Asset Limits, SNAP Participation, and Financial Stability,” *Urban Institute*, June 2016, p. xi: <https://www.urban.org/sites/default/files/2000843-asset-limits-snap-participation-and-financial-stability.pdf>

³¹ Rachel Merker, “Stories of ‘Lunch Shaming’ Highlight Need for Free School Meals,” *First Focus on Children*, May 24, 2019.

³² Representative Bobby Scott, “Chairman Scott to Secretary Perdue: Release Internal Estimates Showing Impact of Proposed SNAP Changes on Free School Meals,” United States House of Representatives Committee on Education and Labor, July 2019.

Women, Infants and Children (WIC) are adjunctively eligible for the program thanks to their participation in SNAP. USDA does not provide an estimate for how the loss of SNAP under the proposed rule might also impact participation in WIC. But we can surmise that it will eliminate benefits for deserving recipients.

VI. SNAP is Already an Effective Program

SNAP has proven to be a remarkably effective and efficient tool to improve nutritional outcomes, increase academic performance especially among children, reduce health care costs, boost the economy, and move people out of poverty. The administration's proposed rule will dramatically limit these effects by kicking more than three million worthy recipients off of the program and limiting participation through new administrative burdens.

SNAP is designed to improve low-income individuals' health and nutrition, and the available evidence suggests that it does so in remarkable effective ways.³³ It is worth quoting at length a recent Center on Budget and Policy Priorities review of available evidence highlighting SNAP's positive health and nutrition benefits:

SNAP is the primary source of nutrition assistance for many low-income people. In a typical month of 2017, SNAP helped about 42 million low-income Americans afford a nutritious diet. It provides important nutritional support for low-wage working families, low-income seniors, and people with disabilities living on fixed incomes: close to 70 percent of SNAP participants are in families with children, and more than one-quarter are in households with seniors or people with disabilities. While SNAP provides only a modest benefit — just \$1.40 on average per person per meal in 2017 — it forms a critical foundation for the health and well-being of low-income Americans, lifting millions out of poverty and improving food security.

Research emerging in the last ten years suggests that SNAP may affect household well-being in ways that extend beyond its intended aim to improve food security and nutrition. The available evidence suggests that SNAP is at least associated with and may promote better health and lower health care costs. And, to the extent this connection exists, it is plausible that policies that limit program eligibility and cut SNAP benefits would harm health and raise health care costs. Substantial research on SNAP and related areas has shown:

Food insecurity increases the risk of adverse health outcomes, complicates the ability to manage illness, and is linked to higher health care costs. On average, after controlling for a range of socioeconomic and demographic characteristics expected to affect food security and health care costs, people in food-insecure households — those lacking consistent access to adequate food at some point during the year due to limited resources — spend roughly 45 percent more on medical care in a year (\$6,100) than people in food-secure households (\$4,200). And extensive research has shown a strong correlation between food insecurity and chronic health conditions among various age groups: children, working-age adults, and seniors.

³³ University of Wisconsin Institute for Research on Poverty, "SNAP, Food Security, and Health," *Focus on Policy*, No. 8, 2015: <https://www.irp.wisc.edu/publications/policybriefs/pdfs/PB8-SNAPFoodSecurityHealth.pdf>

SNAP improves food security, offers benefits that enable families to purchase healthier diets, and frees up resources that can be used for health-promoting activities and needed medical care. SNAP reduces the overall prevalence of food insecurity by as much as 30 percent, and is even more effective among the most vulnerable, such as children and those with “very low food security,” that is, when one or more household members have to skip meals or otherwise eat less during the year due to lack of money. The largest and most rigorous examination of the relationship between SNAP participation and food security found that food insecurity among children fell by roughly a third after their families received SNAP benefits for six months.

SNAP is associated with improved current and long-term health. SNAP participants are more likely to report excellent or very good health than low-income non-participants. Early access to SNAP among pregnant mothers and in early childhood improved birth outcomes and long-term health as adults. Elderly SNAP participants are less likely than similar non-participants to forgo their full prescribed dosage of medicine due to cost. SNAP may also help low-income seniors live independently in their communities and avoid hospitalization.

SNAP is linked with reduced health care costs. On average, again after controlling for factors expected to affect spending on medical care, low-income adults participating in SNAP incur about \$1,400, or nearly 25 percent, less in medical care costs in a year than low-income non-participants. The difference is even greater for those with hypertension (nearly \$2,700 less) and coronary heart disease (over \$4,100 less).³⁴

Other studies have found positive health benefits in other areas. Mothers who receive food stamps while pregnant have a reduced risk of having a low-birth weight infant. This is particularly true for African-American women and mothers living in high-income areas. While the program does not target pregnant mothers, the introduction of food stamps has been shown to improve newborn health. Those health benefits continue later in life. Individuals who had access to food stamps in early childhood have a lower risk of obesity, high blood pressure, heart disease, and diabetes as adults. The greatest lifelong gains come when children benefit from food stamps starting in utero up to age five.³⁵

Beyond its health and nutrition benefits, SNAP participation has broader positive effects on economic productivity. Because SNAP primarily serves lower-income Americans whose budgets are stretched thin—including families with children, individuals with disabilities, low-paid workers, and workers between jobs—benefits are generally spent quickly: 80 percent of monthly benefits are spent within the first two weeks of the month. This money is pumped into the local economy, helping businesses expand and supporting jobs at local retailers and farms.

Moody’s Analytics estimates that in a weak economy, \$1 in SNAP benefits generates \$1.70 in economic activity. Households receive SNAP benefits on electronic benefit transfer (EBT) cards, which can be used only to purchase food at one of the 263,100 authorized retail locations around

³⁴ Steven Carlson and Brynne Keith-Jennings, “SNAP Is Linked with Improved Nutritional Outcomes and Lower Health Care Costs,” *Center on Budget and Policy Priorities*, January 17, 2018:

<https://www.cbpp.org/sites/default/files/atoms/files/1-17-18fa.pdf>

³⁵ Northwestern Institute for Policy Research, “SNAP’s Short- and Long-Term Benefits,” Policy Research Brief, January 2017: <https://www.ipr.northwestern.edu/publications/policy-briefs/SNAP-policy-research-brief-Schanzenbach.pdf>

the country, including some 1,600 in Maine.³⁶ In fact, as a result of this so-called fiscal multiplier effect, every additional \$1 in SNAP benefits generates more than \$1 in economic activity. Princeton economist Alan Blinder and Moody's Analytics Chief Economist Mark Zandi estimated that in early 2015, SNAP had a fiscal multiplier of 1.22. This meant that every additional \$1 policymakers allocated to SNAP created \$1.22 in gross domestic product (GDP)—giving it the greatest “bang for the buck” of the 22 spending and tax policy tools that Blinder and Zandi examined.³⁷

In addition to boosting economic growth, SNAP enables hundreds of thousands of American workers to find or keep jobs by sustaining demand for groceries in businesses across the nation. The Center for American Progress found that \$1 billion spent by SNAP recipients supports 12,748 jobs. In 2018, that means that more than 782,600 workers were employed because of the SNAP program. If Trump's proposed rule goes into effect next year, cutting \$1.5 billion per year from SNAP, it would result in nearly 18,900 jobs lost in 2020 alone, and more than 178,000 job-years lost over the next decade. Applying this analysis to the larger proposed cuts to SNAP in Trump's latest budget proposal—totaling \$17.1 billion in 2020 and \$220 billion over the next 10 years—would result in 221,815 jobs lost in 2020 alone, and more than 2.8 million job-years lost over the next decade. A job-year is one year of one full-time job.³⁸ SNAP has a significant and positive effect on the economy. Making it less effective will do irreparable harm to the US economy.

SNAP already alleviates poverty and improves self-sufficiency. Food aid is one of the best tools in the federal arsenal for helping struggling families to lift themselves out of poverty and into independence. Giving people food to eat, and children especially, is a way to shore up the economy, to look at the program through a narrow financial lens. According to the Center on Budget and Policy Priorities, 93 percent of SNAP spending goes directly to households for food purchase. In other words, any changes to the program that add administrative costs or hurdles take food off people's plates. And SNAP caseloads and spending alike are falling already after reaching a peak in 2013, so the program is not adding to budgetary pressures.

The U.S. saves money by helping people to eat rather than watching them go without or sacrifice other essentials like housing or healthcare. By receiving SNAP, some of the family's resources are freed up for other necessities, such as clothing, housing, and medical expenses.

SNAP benefits helped 8.4 million people leave poverty behind in 2015. For families with children, food aid helped to reduce the poverty gap—the distance between a family's income and the federal poverty line—by 37 percent the same year. Food assistance is especially important in alleviating deep poverty, which is when families make less than half of the federal poverty level. SNAP benefits helped to cut the number of children living in deep poverty by half. The SNAP program should not be folded, hedged, or otherwise reformed. Since the Great Recession especially, food assistance has helped millions of households climb out of poverty—across race, region, household composition,

³⁶ Catlin Nchako and Lexin Cai, “A Closer Look at Who Benefits from SNAP: State-by-State Fact Sheets,” *Center on Budget and Policy Priorities*, December 3, 2018: <https://www.cbpp.org/research/food-assistance/a-closer-look-at-who-benefits-from-snap-state-by-state-fact-sheets#Maine>

³⁷ Rachel West and Rebecca Vallas, “Trump's Effort to Cut SNAP by Fiat Would Kill 178,000 Jobs Over the Next Decade,” *Center for American Progress*, March 14, 2019: <https://www.americanprogress.org/issues/poverty/news/2019/03/14/466700/trumps-effort-cut-snap-fiat-kill-178000-jobs-next-decade/>

³⁸ Ibid.

and ability status. These benefits are especially critical for households experiencing the worst poverty in the country.³⁹

A recent Georgetown University study⁴⁰ reveals that approximately 1 in 8 people in the U.S and 1 in 7 in Maine who are at greatest risk of experiencing hunger or poor nutrition purchase food. Benefits of adequate nutrition, long confirmed in thousands of studies, shows improved health, improved performance on the job (and in school), fewer sick days, fewer doctor visits, less psychological stress.⁴¹

Research on the effects of economic security programs strongly suggests that every individual and every family require a stable and strong foundation to be healthy and succeed in the labor market and beyond. That foundation, especially for people struggling in the labor market, is often ensured through public benefits and services like SNAP. By providing economic security for disadvantaged individuals, SNAP also advances economic opportunity. In 2017, SNAP kept 3.4 million out of poverty.⁴²

To summarize, SNAP is a highly effective program, and it has been shown to improve health outcomes, benefit the economy, and help alleviate poverty. But these positive effects only arise when the program addresses its primary statutory objective, which is to support individuals' and households' food and nutrition needs. Eliminating BBCE will inevitably reduce program takeup, effectively kicking millions of individuals off the program. Rather than moving individuals toward self-sufficiency, the administration's proposed rule change will have several negative consequences, as the program's positive economic, health, and poverty-relief effects will fail to materialize.

VII. Conclusion

Underlying this proposed change, as with many others put forth by this administration, is the age-old myth that people should work to support themselves, not rely on government benefits for their livelihood. Regardless of the evidence put forward, this myth persists and prevails.

A recently released report, confirms that most SNAP recipients are working, trying to support themselves and their families. It confirms what decades of previous studies have found: "Nearly three-quarters of adults who participated in SNAP in a given month worked either that month or worked in the year before or the year after. More than half worked during that month. Those adults who received SNAP at all during the three-and-a-half-year period tended to work most months of

³⁹ Kriston Capps, "Why Reform SNAP? Food Aid is Working" *City Lab*, February 16, 2018: <https://www.citylab.com/equity/2018/02/snap-benefits-and-anti-poverty-measures/553505/>. See also Laura Wheaton and Victoria Tran, "The Antipoverty Effects of the Supplemental Nutrition Assistance Program," *Urban Institute*, February 15, 2018: <https://www.urban.org/research/publication/antipoverty-effects-supplemental-nutrition-assistance-program>

⁴⁰ Kali Grant, et. al, "Unworkable and Unwise: Conditioning Access to Programs that Ensure a Basic Foundation for Families on Work Requirements," Georgetown Law Center on Poverty and Inequality, February 1, 2019: <http://www.georgetownpoverty.org/wp-content/uploads/2019/02/Unworkable-Unwise-20190201.pdf>

⁴¹ Center on Budget and Policy Priorities, "Chart Book: SNAP Helps Struggling Families Put Food on the Table," February 14, 2018: <https://www.cbpp.org/research/food-assistance/chart-book-snap-helps-struggling-families-put-food-on-the-table>

⁴² Kali Grant, et. al, "Unworkable and Unwise: Conditioning Access to Programs that Ensure a Basic Foundation for Families on Work Requirements," Georgetown Law Center on Poverty and Inequality, February 1, 2019: <http://www.georgetownpoverty.org/wp-content/uploads/2019/02/Unworkable-Unwise-20190201.pdf>

the period—but they were more likely to access SNAP when they were out of work, and needed help affording food.”⁴³

The economic costs of child poverty are massive; far greater than the \$3 billion per year the administration expects to save. (Federal Register p. 35576) The proposed rule will kick more than three million people off SNAP and take away school meals from half a million children, leaving them to struggle in poverty. One report by the Children’s Defense Fund’s estimated that the economic cost of lost productivity, worsened health, and increased crime rates that stem from child poverty totals roughly \$700 billion per year — 3.5% of GDP.⁴⁴ From an economic perspective, kicking millions struggling children, families, the elderly, and those with disabilities off critical food assistance is senseless. Morally, it is unconscionable.

Warnings of unintended consequences such as incurring costs greater than their savings conclude the 2018 Congressional Research Report: “Balancing program objectives such preserving recipient access to the program, must always be a consideration for policymakers in this area.”⁴⁵

Instead of punishing working families if they work more hours or must incur high child care costs in order to work, or penalizing seniors and people with disabilities who can save a meager amount for emergencies, the administration should seek to assist them with policies that help them afford the basics and save for the future. Given its overwhelming harm to low-income Americans’ food security, income, and wellbeing, we strongly oppose this proposed rule and urge the administration to withdraw it.

Thank you for the opportunity to provide these comments. Please contact us if you have any questions.

Sincerely,

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Disclaimer: The comments above represent our personal views and expertise. They do not represent the position of any of our employers or the University of Maine System.

⁴³ Brynne Keith-Jennings and Raheem Chaudhry, “Most Working-Age SNAP Participants Work, But Often in Unstable Jobs,” *Center on Budget and Policy Priorities*, March 15, 2018

⁴⁴ Children’s Defense Fund, “Ending Child Poverty Now,” p. 3: <https://www.childrensdefense.org/wp-content/uploads/2019/04/Ending-Child-Poverty-2019.pdf>

⁴⁵ Randy Alison Aussenberg, “Errors and Fraud in the Supplemental Nutrition Assistance Program (SNAP)” *Congressional Research Service*, p. 29: <https://fas.org/sgp/crs/misc/R45147.pdf>