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**RE: Docket ID Number [FNS-2018-0037], “Revision of Categorical Eligibility in the Supplemental Nutrition Assistance”**

Dear Food and Nutrition Service,

Thank you for the opportunity to comment on the proposed revision to the rules governing categorical eligibility for SNAP. I am a doctoral candidate in the department of public policy at the University of North Carolina, Chapel Hill, currently working on my dissertation regarding state administration of federal assistance programs since the passage of PRWORA (P.L. 104-193) in 1996. I would like to register my concern regarding the proposed revision to rules governing categorical eligibility for SNAP.

Eliminating broad-based categorical eligibility (BBCE) for food stamps would be ill advised, not only from the perspective of the many American who stand to lose access to a vital portion of the social safety net, but also in regards to the state and county agencies and departments of social services who administer the safety net programs. The use of BBCE to ease the administrative burden of these social service employees is a vitally important tool to which state governments should retain access. Furthermore, the statutory requirements mandated in the block grant funding structure mean that continuing to allow certain households access to SNAP, even if they are not in continuous receipt of TANF funds or services, is in a state’s interest. FNS, and USDA more broadly, seem to indicate their opposition to patchwork rules governing eligibility for SNAP, preferring instead to reabsorb this decision-making authority to the federal level. This is a hypocritical stance that flies in the face of Conservative ideology as well as the recent trend (and the current administration’s stated goal) of moving funding in the direction of block grants.

The proposed regulation will, per the summary given in the public notice, supposedly “maintain categorical eligibility’s dual purpose of streamlining program administration while ensuring SNAP benefits are targeted to the appropriate households.” The “devolution revolution” that resulted in the creation of the TANF block grant in the 1990s would indicate that Republicans, Conservatives and even some across the aisle believe strongly in the ability of states to make their own decisions regarding their administrative capacity and who should be targeted for receipt of benefits, as well as the desirability of this condition.

USDA's own data on SNAP eligibility rules ([SNAP Policy Database](#)) shows that, since BBCE began, the uptake by states has been immense. As of 2018, 40 states and the District of Columbia are currently utilizing some form of BBCE. There is only one instance of a state choosing to implement BBCE before reversing course and going back to more traditional eligibility standards, and that is Louisiana, which had BBCE from June of 2010 until July of 2014. It is clear that states have found this policy effective and desirable; taking away their ability to choose it contradicts the oft-stated desire for smaller government.

USDA is clearly not opposed to some devolution: it has been granting waivers to states for a number of reasons since the introduction of welfare reform. As of May 2018, per FNS's latest [State Options Report](#), 36 out of 53 eligible jurisdictions (jurisdictions include US states, DC, USVI and Guam) have a statewide or partial waiver of the time limit on SNAP receipt for able-bodied adults without dependents (ABAWDs). USDA and FNS allow states to make their own decisions regarding how to run the SNAP program when it comes to a number of measures to lighten administrative load, for example joint processing for SNAP and Medicaid or TANF. According to the State Options Report, only 12 states have neither joint processing nor joint application for SNAP and Medicaid and only Alabama fails to allow either (or both) for SNAP and TANF.

FNS itself says, in their proposal, that BBCE “reduces administrative burden for State agencies and households, and particularly benefits working households.” The uptake by states and territories of BBCE shows that they appreciate this reduction in the burden of certification for SNAP eligibility. More stringent restrictions equate to more arduous certification processes, for recipients as well as agencies. As it stands, there are a large number of SNAP-eligible households that do not currently receive benefits. Attrition of applicants occurs at each hurdle placed in their way during the process; with every barrier to entry, more and more individuals who might actually be eligible are culled from the SNAP applicant pool. Increasing the administrative burden not only on those administering the program but also on those applying for the program will ultimately lead to an increased number of SNAP-eligible households who fail to receive the benefits to which they are entitled.

The bureaucratic increase that will accompany this rule change will likely outweigh any possible benefit accrued by taking SNAP away from people the USDA considers too well-off. USDA's own estimates state that this change would only affect about 9% of current SNAP households, estimated to be 1.7 million households in FY2020. And yet 17.2 million households who receive SNAP benefits through BBCE currently will be subject to this additional burden. The disproportionate effect on certain groups, particularly those with earnings, would indicate that it is actually the “working households”, referenced above as the great beneficiaries of BBCE, who would in fact be the target of this regulation. This contradicts the goal of making families self-sufficient and channeling them into work; instead of supporting families with earnings, FNS proposes taking away their benefits.

It is clear that this proposed rule change was motivated by coverage of Minnesota millionaire [Rob Undersander](#)'s receipt of SNAP benefits despite his vast assets, as well as his congressional testimony regarding this attempt to shed light on the seeming absurdity of eligibility standards for the food stamp program. However, the underlying contention that having assets should render someone ineligible for assistance can have the unintended effect of discouraging low-income people from saving, as any assets they build up could render them ineligible for the assistance they need. This is why states exempt certain types of assets from the asset tests; the fact that one man took advantage of this does not constitute sufficient reason to punish millions of individuals. Eliminating BBCE represents a snap decision being made by FNS in an attempt to appease outrage generated by this seemingly outrageous loophole. This is a mistake.

Mr. Undersander might be a millionaire, and he might be outraged that he was allowed to receive SNAP benefits despite this, but the true problem is that he went ahead and did so. The mistake or "con" was his, not USDA's, not DHHS's and not the state of Minnesota's. Food and nutrition assistance is there for the people who need it, and the only people applying for it should be those individuals. It simply isn't practical for states to have to verify the assets and income of every single applicant for food stamps for fear of a few cases of wealthy individuals applying regardless of their assets. Just because Mr. Undersander *can* apply for and receive benefits does not mean that he *should*, and to punish every SNAP recipient and program administrator simply because of this man's actions, infrequent though his situation may be, is impractical, imprudent and potentially injurious to the US social safety net as a whole.

The obvious solution engendered by Mr. Undersander's testimony is that of asset testing all recipients. A good analogy for this is the idea of drug testing all TANF recipients. In cases where states require [suspicionless drug tests](#), the number of positive tests has generally been so low as to render the testing absurdly cost prohibitive. We can think of individuals with considerable assets who apply for SNAP benefits, and who receive them because they are otherwise eligible, as the drug users in this situation. Yes, "testing" all applicants' assets might weed these people out, but states will likely end up losing money when comparing administrative costs to potential savings. Furthermore, the only savings in this case would accrue to the federal government, as SNAP benefits are 100% federally funded but administrative costs are shared between the federal and state governments.

As of 2017, according to the Urban Institute's [Welfare Rules Database](#), eight states had eliminated the asset test for TANF applicants and recipients entirely, regardless of the type of TANF or MOE-funded service for which they are applying or receiving. Even if the proposed rule change is approved, the "ongoing and substantial benefits" that FNS claims represent the only assistance whose receipt should confer eligibility for SNAP would still fail to be limited by assets in these states even if categorical eligibility were sufficiently "narrow". FNS claims that the proposed regulation change will limit categorical eligibility because they can force states to eliminate seemingly absurd services such as hotline referrals or the receipt of pamphlets from conferring SNAP eligibility. It is true that of the 43 jurisdictions allowing BBCE in 2018, 37 of them had

no asset test. However, there is no requirement that *any* TANF or MOE-funded service have an asset test, and states would continue to have the option to eliminate this test for all cash and benefits.

One of the many reasons a state might wish for more of their lower-income citizens to receive SNAP is that it remains an entitlement program, with the attached funding, whereas the TANF block grant has remained stagnant at 1990s estimates of needy populations. The use of benefits that are even nominally TANF or MOE funded might seem like a way for recipients and state social services administrators to game the system. USDHHS-led programs have clearly been moving towards greater devolution, beginning with AFDC waivers under §1115 of the Social Security Act (SSA) and continuing with the creation of TANF in 1996. Even today the granting of waivers to states for their Medicaid programs demonstrates that the SSA and DHHS are committed to devolving authority to states, but the nature of the TANF block grant in particular means that states are hamstrung when it comes to funding assistance for all citizens in need.

This proposed rule change indicates a desire on USDA's part to move in the opposite direction, away from devolution of decision-making to states. This is perhaps understandable for a federal department when it comes to an entitlement program like SNAP, as the federal government bears the entire cost of benefits. But if the federal government will not also bear the entire cost of administration, including stringent asset tests and verification for all benefits and services which would confer SNAP eligibility on recipients, then it cannot require that states do it for them.

If states are unwilling to use their block grant or MOE funds to check on the assets of each applicant, then it is not the place of the Department of Agriculture to tell them otherwise, and eliminating broad-based categorical eligibility for SNAP can only make the job of states more difficult. If a state decides that its citizens need some sort of a social safety net, even above 130% of the federal poverty line, then perhaps that state should be allowed to provide it, even if some of that assistance comes from the federal SNAP program.

I would strongly urge FNS and USDA to reconsider the proposed course of action. This change serves only to greatly increase the administrative burden placed on states without offering any increased federal assistance in bearing that burden as well as increasing the barriers to entry for applicants who are genuinely eligible for SNAP benefits. It is also targeted to punish the working poor to a disproportionate extent, a group that surely FNS is not claiming is undeserving of assistance. Thank you again for the opportunity to comment, and I hope you will think carefully about the implications of this proposed regulation and why it is the wrong decision.

Sincerely,

Katherine Sacks