



Friends Committee on National Legislation

A Quaker Lobby in the Public Interest

November 26, 2019

SNAP Certification Policy Branch,
Program Development Division
Food and Nutrition Services
3101 Park Center Drive
U.S. Department of Agriculture
Alexandria, VA 22302

Re: Notice of Proposed Rule Making Regarding Supplemental Nutrition Assistance Program (SNAP)
Standardization of State Heating and Cooling Standard Utility Allowances – RIN 0584-AE69

Dear SNAP Certification Policy Branch:

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

On behalf of FCNL we appreciate the opportunity to comment on USDA's Notice of Proposed Rulemaking regarding Supplemental Assistance Nutrition Program (SNAP) Standardization of State Heating and Cooling Standard Utility Allowances (SUA). According to the Department's own estimates, the proposed rule would cut SNAP benefits by \$4.5 billion over five years.¹ This would cause 19% of households receiving SNAP to get lower monthly SNAP benefits. While some households would see a modest benefit increase under the proposal, it would still result in a net reduction in SNAP benefits for households nationwide.² The proposed rule would exacerbate the struggles many low-income people have paying for food and utilities.

We oppose this proposed rule because it fails to adequately explain the rationale behind its changes, forces low-income families to spend even more on necessary costs like utilities, rent, and child care, causes negative health outcomes, depresses the economy, disproportionately impacts marginalized populations, and sidesteps congressional intent. FCNL believes this proposed rule is morally unjust, flawed, and should be withdrawn.

¹ USDA, Regulatory Impact Analysis 7 CFR Part 273, *Supplemental Nutrition Assistance Program: Standardization of State Heating and Cooling Standard Utility Allowances*, ID: FNS-2019-0009-0002
<https://www.regulations.gov/document?D=FNS-2019-0009-0002>

² Supplemental Nutrition Assistance Program (SNAP) Standardization of State Heating and Cooling Standard Utility Allowances, 84 FR 52809 (proposed October 3rd, 2019) to be codified at 7 CFR part 273

USDA fails to adequately explain the rationale for its changes in the proposed rule

Policymakers recognize that household resources needed to pay for basics such as shelter, utility costs, and childcare can't be used to purchase food. Under current law, SNAP takes into account the utility expenses of each household receiving benefits. States adjust household benefits based on a state-specific SUA calculated by the state and approved by the USDA. The current policy allows variances in SUAs to accommodate for differences in utility costs and rates, and allows states flexibility in how they calculate those costs. Households with no elderly or disabled individuals have a cap on excess shelter costs. States are required to update their SUA annually and can revise their methodology, pending USDA approval.

The proposed rule would standardize and cap SUA calculations across the country based on survey data. It would cap the largest component of the state's SUA at the 80th percentile of utility expenditures among low-income households in the state. It would also cap other SUA components as well. This is lower than existing SUAs in over two-fifths of states. However, USDA provided no adequate explanation for this significant proposed change nor for the arbitrary caps set on other components of the SUAs.

The proposed rule merely asserts that it calculated calibrating to the 50th percentile compared to the 80th percentile. Furthermore, the proposed rule failed to adequately explain whether USDA analyzed impacts calibrated to the 85th or higher percentiles and what the results of those estimates were. The lack of such explanation is particularly concerning given research shows that 21 states had SUAs exceeding the 85th percentile estimates.

Considering USDA Food and Nutrition Service's (FNS) intent to revoke heating and cooling costs in the electricity allowance where cooling expenses are minimal, FNS has not adequately clarified the threshold for "minimal" cost. Households with limited income may not be able to adequately off-set this difference as a percentage of their earnings in feeding their families and children.

The proposed rule also fails to adequately explain why states' current method for calculating SUAs, which USDA must approve annually, needed to be changed. Finally, FCNL finds it particularly concerning that the proposed rule omits any opportunity for states to appeal the decision or provide more accurate state data.

The proposed rule would force low-income families to spend even more income on necessary expenses like utilities, rent, and child care

Most people accessing public benefits like SNAP work, but in jobs where, unconstrained by an adequate minimum wage and robust protections for workers, employers pay low wages, provide few benefits, and offer unstable work hours.³ This low-wage work is typically volatile, has high turnover rates, and involves inconsistent and insufficient hours. The budgets of many SNAP recipients are further strained because of a disproportionate lack of access to affordable, high-quality child care, transportation, and more. People don't use SNAP because they don't want to work – they turn to SNAP because they cannot put food on the table with their paychecks alone. SNAP is a critical support for ensuring that people who cannot or are unable to find work can access basic supports like food assistance.

³ Lauren Bauer, *Workers Could Lose SNAP Benefits Under Trump's Proposed Rule*, The Hamilton Project, Dec. 20 2018. <http://www.hamiltonproject.org/blog/workers-could-lose-snap-benefits-under-trumps-proposed-rule>

Because of these inconsistent schedules, low wages, and high turnover rates, many individuals and families have to spend more of what little income they have on necessary goods like rent, child care, utilities, etc. As just one example, housing costs comprise a significantly larger share of low-income households' budgets, on average, than they do for middle- and upper-income households.⁴ This is also true for other necessary expenses like child care and transportation.

As a result of this, these households have less money to spend on food. By cutting SNAP benefits, the proposed rule change makes it even harder for people who are already struggling to make ends meet.

Systematically reducing benefits for people who are already struggling to make ends meet is morally unfair. If anything, we should be seeking to invest in programs like SNAP so individuals and families can lift themselves out of poverty.

The proposed rule would lead to negative health outcomes

The food security and health implications of the proposed rule are serious and disturbing. Food insecurity has direct and indirect impacts on the health and well-being of people of all ages. Food insecurity – and even marginal food security (a less severe level of food insecurity) – is especially detrimental to the health, development, and well-being of infants, children, and adolescents.

For example, studies have shown that when compared to children who are eligible but don't receive SNAP, children in households that do receive SNAP benefits are less likely to be underweight, have a lower risk of developmental delays, earn more as adults, are less likely to be obese as adults or suffer from heart disease, perform better in school, and are more likely to graduate from high school.^{5,6}

Furthermore, those impacted by food insecurity are likely experiencing additional resource-related hardships, such as housing instability and energy insecurity. An emerging body of evidence demonstrates that SNAP supports housing stability and alleviates the trade-offs that families often are forced to make between food, health care, and other basic necessities.

By cutting SNAP benefits, this proposed rule would have harmful impacts on the health and well-being of many SNAP recipients, as well as increasing their health care costs.⁷

⁴ Aviva Aron-Dine, Matt Broaddus, *Poverty Line Proposal Would Cut Medicaid, Medicare, and Premium Tax Credits, Causing Millions to Lose or See Reduced Benefits Over Time*, Center on Budget and Policy Priorities, May 22, 2019. <https://www.cbpp.org/research/poverty-and-inequality/poverty-line-proposal-would-cut-medicaid-medicare-and-premium-tax>.

⁵ Hilary W. Hoynes, Diane Whitmore Schanzenbach, Douglas Almong, *Long Run Impacts of Childhood Access to the Safety Net*, Nov. 2012, <http://www.nber.org/papers/w18535>.

⁶ Steven Carlson, et al. *SNAP Works for America's Children*, Center on Budget and Policy Priorities, Sept. 29, 2016, <https://www.cbpp.org/research/food-assistance/snap-works-for-americas-children>.

⁷ Christian A. Gregory and Deb Partha, *Does SNAP Improve Your Health?*, 50 Food Policy 11 (2015); Seth Berkowitz, et. al., *Supplemental Nutrition Assistance Program (SNAP) Participation and Health Care Expenditures Among Low-Income Adults*, 177 JAMA Internal Medicine 1642 (2017); Hillary K. Seligman et. al., *Exhaustion of Food Budgets at Month's End and Hospital Admissions for Hyperglycemia*, 33 Health Affairs 116 (2014).

The proposed rule would have negative economic outcomes

The cuts to SNAP benefits will reduce the economic stimulative effect of SNAP, particularly during recessionary periods. If individuals have additional income that they can spend on food, they can use the rest of their income to pay for other necessary expenses like housing, child care, and transportation costs. If this proposed rule were implemented, more people would have to spend more of their income on food instead of other expenses that would help stimulate the economy.

USDA's Economic Research Service has reported that new SNAP spending has relatively large effects on businesses of all shapes and sizes. Food and beverage manufacturers, packaging manufacturers, grocery stores, food wholesalers, and trucking and rail freight industries all benefit from the economic impact SNAP provides. SNAP dollars help many food retailers operating on thin margins to remain in business, which improves food access for all residents. Local farmers' markets receive revenue from SNAP purchases, and many of those markets also participate in incentive programs that provide SNAP shoppers with bonuses for purchasing fruits and vegetables.

According to recent studies, it is estimated that \$1 of SNAP benefits leads to between \$1.50 and \$1.80 in total economic activity during a recession.⁸ Economists find SNAP to be one of the stimulus policies with the greatest amount of value for the lowest cost.⁹ Cutting SNAP benefits by implementing this proposed rule would only stand to harm the overall economy and all of the industries that benefit from SNAP dollars.

The proposed rule would disproportionately impact already marginalized populations

In 2018 SNAP lifted the incomes of more than 3.1 million people above the poverty line.¹⁰ A large portion of this population is already marginalized: women, the elderly, people with disabilities, children, and Native Americans. This proposed rule would disproportionately impact these populations.

Women

SNAP is a critical support for low-wage working women, helping them feed themselves and their families amidst an economic system that leads them to struggle to meet other basic needs. Women account for 63% of adult SNAP recipients.¹¹ White, non-Hispanic women make up 25% of adult recipients, while women of color are 33% of adult recipients.¹² Because most adult SNAP recipients are women, they are likely to be disproportionately impacted by the proposed rule. This will make it harder for women to pay

⁸ Patrick Canning and Brian Stacy, *The Supplemental Nutrition Assistance Program (SNAP) and the Economy: New Estimates of the SNAP Multiplier*, USDA ERS, July 2019, <https://www.ers.usda.gov/webdocs/publications/93529/err-265.pdf?v=8010.7>.

⁹ Ibid

¹⁰ Liana Fox, *The Supplemental Poverty Measure: 2018*, U.S. Census Bureau, Oct. 2019 <https://census.gov/content/dam/Census/library/publications/2019/demo/p60-268.pdf>

¹¹ USDA FNS, *Characteristics of Supplemental Nutrition Assistance Program Households: Fiscal Year 2017*, at xvii (Feb. 2019), <https://fns-prod.azureedge.net/sites/default/files/ops/Characteristics2017.pdf>

¹² National Women's Law Center, calculations based on U.S. Census Bureau, 2019 Current Population Survey using Sarah Flood et. al., integrated public use microdata series (IPUMS): Version 6.0 [Machine-readable database] (Minneapolis: University of Minnesota, 2018).

for heating and cooling their homes and for food to feed their families. It is critical for women's health that women and their families have access to heating, cooling, and food.

Elderly & Disabled

SNAP also plays an important role in supporting the food security, nutrition, and health of older adults, allowing them to maintain their independence while also reducing their health care utilization and costs. People with disabilities are at higher risk of food insecurity, making SNAP a critical support for this vulnerable population as well.

While 19% of all households receiving SNAP would receive lower benefits under the proposed rule, nearly 26% of elderly households would experience a decrease in monthly SNAP benefits, with an average benefit loss of \$36 per month.¹³ An even greater proportion of households with a person with a disability would experience a decrease in monthly SNAP benefits (approximately 30%), with an average benefit loss of \$35 per month.¹⁴ USDA states that because these households do not face the excess shelter cost cap, they will face an even greater benefit loss.¹⁵ The USDA's Regulatory Impact Analysis even went so far as to state "households with members who are elderly or disabled are more likely than other households to claim an excess shelter deduction, and those deductions are larger on average than the shelter deductions of other households."¹⁶

Children

Children in the US already experience poverty and food insecurity at disproportionately high rates. SNAP benefited 18 million children in 2017,¹⁷ and households with children represented nearly 68% of total SNAP participants.¹⁸ As a result, this rule disproportionately targets children and their family members for cuts to food assistance.

Beyond its role in fighting food insecurity, SNAP significantly reduces child poverty, breaking the cycle of generational poverty as it helps struggling families make ends meet. Without SNAP, 1.4 million additional children (13.7%) would have lived under the poverty line in 2018 alone.¹⁹ Furthermore, households with children who participate in SNAP for six months have an 8.5 percentage point decrease in food insecurity.²⁰ Even then, monthly SNAP benefits, which average just \$1.40 per meal per person,

¹³ USDA, Regulatory Impact Analysis 7 CFR Part 273, *Supplemental Nutrition Assistance Program: Standardization of State Heating and Cooling Standard Utility Allowances*, ID: FNS-2019-0009-0002 (pg. 29, table 10)

<https://www.regulations.gov/document?D=FNS-2019-0009-0002>

¹⁴ Ibid

¹⁵ NPRM at 52813

¹⁶ USDA, Regulatory Impact Analysis 7 CFR Part 273, *Supplemental Nutrition Assistance Program: Standardization of State Heating and Cooling Standard Utility Allowances*, ID: FNS-2019-0009-0002 (pgs. 29-30)

<https://www.regulations.gov/document?D=FNS-2019-0009-0002>

¹⁷ Kathryn Conquist and Sarah Lauffer, *Characteristics of Supplemental Nutrition Assistance Program Households: Fiscal Year 2017*, USDA FNS, Feb 2019, Table 3.3

¹⁸ Ibid, Table 3.5

¹⁹ Liana Fox, *The Supplemental Poverty Measure: 2018*, U.S. Census Bureau, Oct. 2019

<https://census.gov/content/dam/Census/library/publications/2019/demo/p60-268.pdf>

²⁰ James Mabli, et. al., *Measuring the Effect of Supplemental Nutrition Assistance Program (SNAP) Participation on Food Security*, USDA FNS, Aug 2013, <https://fns-prod.azureedge.net/sites/default/files/Measuring2013.pdf>

are often too low to last families with children the entire month.²¹ Under this proposed rule, families with children would experience an average benefit loss of \$28 per month.²² Failing to invest in children will have a ripple effect that over time will lead to even larger negative impacts on our society.

American Indians and Alaska Natives

Based on data provided by the FNS, approximately 25% of American Indians and Alaska Native people rely on SNAP to provide food for themselves and their families. The average household costs for electricity in counties with tribal lands often far exceed state averages for low- and middle-income households. The state mean for electricity expenditures is a poor basis for calculating electricity expenditures in counties with tribal lands. Approximately 87% of these counties see average monthly electricity expenditures for low- and middle-income households exceed 80% the state mean for similar costs.²³ Of this number, nearly half (46%) of counties with tribal lands experience costs above their respective 100% state average. While we recognize that SUAs consider other utility costs, the rural locations of many tribal lands increase tribal household costs of other utilities in a similar manner.

The proposed rule directly contradicts congressional intent

This USDA rulemaking is yet another attempt for the Administration to side step Congress and make cuts to SNAP benefits. When considering the Farm Bill's reauthorization in 2018, Congress debated and subsequently rejected efforts to drastically change SNAP. Although the President's FY 2019 Budget included a request for a change similar to the proposed rule,²⁴ Congress did not include such a change in the 2018 Farm Bill. In fact, the final version of the 2018 Farm Bill rejected drastic changes like these and was passed by a bipartisan majority. Limiting state flexibility by standardizing SUA calculations in a way that dramatically lowers benefits for large numbers of participants not only contravenes Congress' most recent action around SNAP, it also undermines SNAP's statutory purpose.

We supported Congress's efforts to protect and strengthen SNAP in the Farm Bill, and we request that USDA focus its efforts on those provisions that will improve outcomes on hunger and poverty for low-income Americans, such as SNAP Employment & Training projects and SNAP nutrition incentives funding.

Conclusion

In conclusion, FCNL believes that God dwells in each human soul, and that each person has the right to live a life of dignity with access to basic necessities in a safe and sustainable environment. The Federal

²¹ Karen Hamrick and Margaret Andrews, *SNAP Participants' Eating Patterns Over the Benefit Month: A Time-Use Perspective*, PLoS One 11(7), 2016

²² USDA, Regulatory Impact Analysis 7 CFR Part 273, *Supplemental Nutrition Assistance Program: Standardization of State Heating and Cooling Standard Utility Allowances*, ID: FNS-2019-0009-0002 (pg. 29, table 10) <https://www.regulations.gov/document?D=FNS-2019-0009-0002>

²³ U.S. Department of Energy Office of Indian Energy, *Tribal Energy Atlas*, Tribal Energy Atlas. National Renewable Energy Laboratory, n.d. <https://maps.nrel.gov/tribal-energy-atlas/>.

²⁴ U.S. Office of Management and Budget, *2019 President's Budget – Explanatory Notes*, <https://www.obpa.usda.gov/32fns2019notes.pdf>

Government has a moral obligation to ensure that people have equal opportunity to fulfill their own potential and to contribute to their communities. The Federal Government should be looking at opportunities and ways to strengthen the positive impacts of SNAP, not making cuts to SNAP benefits.

We strongly oppose the proposed rule and request the USDA withdraw the rule and work with states to improve their SUA's under existing flexibility.

Sincerely,

The Friends Committee on National Legislation