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September 23, 2019

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

Re: **Opposition to** Proposed Rule Making: Revision of Categorical Eligibility in the Supplemental Nutrition Assistance Program (SNAP) RIN 0584-AE62

Dear SNAP Program Design Branch:

On behalf of Heartland Alliance, we appreciate the opportunity to comment on USDA's Notice of Proposed Rule Making on a Revision of Categorical Eligibility in the Supplemental Nutrition Assistance Program (SNAP). The proposed changes would cause serious harm to Heartland Alliance participants, Illinoisans experiencing hunger and poverty—including hundreds of thousands of working Illinoisans who are not earning enough to make ends meet—and millions of people across the country. In addition to taking away food assistance from millions of individuals, this proposed rule would make it more difficult for low-income individuals to save for the future, inequitably harm people of color and especially women of color, and greatly increase administrative burdens on agencies already operating at capacity. For these reasons, the proposed rule should be withdrawn.

Headquartered in Chicago and serving over 100 communities nationwide, [Heartland Alliance](#) sees the difference the SNAP program makes in the lives of our participants every day—especially in Illinois. Heartland Alliance is grounded in over 130 years of experience providing housing, healthcare, jobs, and justice to individuals living in poverty and extreme poverty. As a result, we have a unique understanding of the program, policy, and systems-level barriers that can prevent people living in poverty from getting ahead.

Heartland Alliance's [Research & Policy Division](#) leverages this experience in combination with cutting-edge research to identify and advance proven solutions to poverty. Within this division, our [Policy and Advocacy Team](#) plays a strong state-level leadership role in advancing anti-poverty work by developing and advancing innovative policy proposals, building strategic alliances, and pursuing legislative and budgetary action. For years, we have worked at the state level to ensure that people living in Illinois have access to basic assistance programs,

HEARTLAND ALLIANCE

including SNAP. Also within this division, our [National Initiatives \(NI\) on Poverty & Economic Opportunity Team](#) is dedicated to ending chronic unemployment and poverty. Through field building work across the country, NI provides support and guidance that fosters more effective and sustainable workforce development approaches for people facing barriers to employment. NI's federal policy and advocacy work advances solutions to the systemic issues that drive chronic unemployment and poverty. Finally, our division's [Social IMPACT Research Center](#) conducts research with and about people experiencing poverty and inequity and on social issues. IMPACT has expertise on income supports, service delivery, documenting public processes, and translating information and data into actionable next steps for policies, systems, and programs.

Heartland Alliance is deeply concerned by the Administration's persistent attempts to restrict access to food and nutrition assistance for people with low-incomes. SNAP is the country's most effective and efficient anti-hunger program: it helps people who have lost their job or are experiencing extreme hardship put food on the table. In Fiscal Year 2018, SNAP helped put food on the table for nearly 40 million people across the country,¹ and in Illinois over 1.8 million people received food assistance through SNAP each month.² The primary purpose and intent of the SNAP program is to ensure that people in the United States do not go hungry. Like the Administration's numerous other efforts to roll back access to nutrition assistance, this proposed rule runs counter to SNAP's purpose. By the Administration's own analysis, this proposed rule will, if implemented, take away food and nutrition assistance from approximately 3.1 million low-income individuals. Analysis by the Center on Budget and Policy Priorities finds that the people losing access to SNAP would "mainly be working families, seniors, and people with disabilities."³

If implemented, the proposed rule will curtail access to SNAP for millions of individuals by making substantive changes to the current SNAP eligibility determination policy, which has been in place for more than two decades. Known as "Broad-Based Categorical Eligibility" (BBCE or Cat-EI), this policy option gives states the flexibility to raise SNAP's gross monthly income limit so that many low-income working families who struggle to make ends meet—including for reasons such as the high cost of housing or child care—can afford to put food on the table. Under BBCE, states can also fully lift or adopt less restrictive asset tests so that families, seniors, and people who have disabilities can maintain modest savings while still being eligible for SNAP. In addition, BBCE allows children in SNAP households to be automatically eligible for free school meals without having to complete a separate application.

HEARTLAND ALLIANCE

As a human rights organization, Heartland Alliance believes that all people deserve access to the food they need to maintain their health and well-being. Grounded in our human rights values, Heartland Alliance helped lead the charge with partners across Illinois to raise the gross monthly income limit for SNAP eligibility from 130 percent to 165 percent of the federal poverty line (FPL). In addition, Heartland Alliance fully supported the state's decision to eliminate the asset test for SNAP eligibility. As a result of Illinois leveraging the flexibility under BBCE, tens of thousands of low-income Illinoisans—including myriad Heartland Alliance participants—have been able to keep themselves and their families fed even in the face of economic hardship. Illinoisans and Heartland Alliance participants have also been able to access nutrition assistance while maintaining modest assets, which are essential to being able to respond to unexpected expenses such as a medical bill or car repair as well as to exit poverty.

This proposed rule change is both unnecessary and unwanted. Congress has already rejected efforts to gut BBCE, including during its consideration of 2005 budget reconciliation and, more recently, the 2018 Farm Bill. This USDA rulemaking is an attempt to side step Congress and is outside USDA's authority. More importantly, if implemented, this proposed rule will cause undue and long-lasting harm to millions of individuals and greatly increase the administrative burden on public agencies whose capacity is already maxed out. The harsh and wide-reaching consequences of this proposed rule are discussed in greater detail below.

I. The Proposed Rule Will Take Away Food Assistance to Millions of Low-Income Individuals, Including Working Families Struggling to Make Ends Meet

As noted, the Administration estimates that, if implemented, this proposed rule will take away food and nutrition assistance from about 3.1 million low-income individuals across the country. State-level data analysis concludes that 9 percent of SNAP households in Illinois—or nearly 85,000 households—will lose access to the basic assistance that helps them put food on the table.⁴ Additionally, about half a million children nationwide would lose automatic eligibility for free school meals because of the changes in the proposed rule.⁵

Because of how BBCE works, the rule change will have a particularly harmful impact on low-wage workers who simply are not paid enough to support themselves and their families. As discussed above, BBCE allows states to raise the gross monthly income limit for SNAP eligibility—and Illinois raised this limit from 130 percent to 165 percent of the FPL. “Gross monthly income” is the amount of household income *prior* to paying for essential living expenses

HEARTLAND ALLIANCE

including the cost of rent, utilities, child care, and medical bills. To be eligible for SNAP, what's left over ("net income") must be at or below the FPL. By giving Illinois the flexibility to raise the gross monthly income limit from 130 percent FPL to 165 percent FPL (\$27,729.00 to \$35,194.50 for a family of three in 2019⁶), BBCE helps a greater share of low-income, working Illinoisans who have high cost-of-living expenses feed their families. Nationwide, about 90 percent of SNAP benefits provided to low-income households that qualify for SNAP because of BBCE go to working families who have children.⁷

For anyone living in the United States in 2019, it should come as no surprise that the cost of housing, childcare, healthcare, and other basic needs have continued to accelerate—all while most workers' wages have stagnated for decades.⁸ What's more, millions of workers—and especially women and people of color—have low-wage jobs with unstable schedules, few if any benefits, and limited opportunities for advancement.⁹ The reality is that the earnings from low-wage work compared to the high cost of basic needs leave many individuals and families struggling to get by.

The cost of housing exemplifies why policies such as BBCE are essential to families across the country and in Illinois. In 2019, a worker earning the federal minimum wage of \$7.25 per hour would have to work more than three full time jobs to afford a two bedroom rental unit.¹⁰ Recent data show that, nationally, 31.5 percent of households (37.8 million households) are rent burdened, meaning they pay more than 30 percent of their total household income for housing.¹¹ About 15.2 percent of households (18.2 million households) are severely rent burdened, paying over half of their income for housing.¹²

In Illinois, where 34 percent of people are renters, the annual income needed to afford a two bedroom rental is \$43,366¹³—thousands of dollars more than Illinois' *current* gross monthly income limit under BBCE for SNAP eligibility.ⁱ This suggests that Illinoisans who are currently eligible for SNAP under BBCE are likely struggling to pay their housing costs. An analysis of available state-level data conducted by Heartland Alliance's [Social IMPACT Research Center](#) confirms this: among Illinoisans who work, 271,605 have family incomes between 130% and 165% of FPL. Of households that are at high risk of losing SNAP were this proposed rule change to go into effect, 36 percent are already rent burdened and 12 percent are already severely rent burdened. Taking away food assistance

ⁱ Again, under BBCE, Illinois' gross monthly income limit for SNAP is 165 percent FPL, or \$35,194.50 for a family of three in 2019.

HEARTLAND ALLIANCE

from these low-income workers and their families will cause irreparable harm.

Moreover, housing is only one of the many costs that families across the country and in Illinois have to manage. The sky high costs of essentials such as child care and healthcare also cut into the amount of money that low-income families have to put toward food. For example, roughly a third of families with young children are pushed into poverty by child care expenses alone.¹⁴ More than 40 percent of single mothers living in poverty pay for child care; for a third of these mothers, child care costs consume more than half of their income.¹⁵ In Illinois, the average annual cost of infant care is \$13,802, or \$1,150 per month¹⁶—already out of reach for far too many families who are receiving SNAP under BBCE. Implementing this proposed rule change will leave millions of low-income individuals facing the impossible choice of having to choose between keeping themselves and their families housed, cared for, or fed.

II. The Proposed Rule Will Make It More Difficult for Low-Income Individuals to Save For the Future, Shutting Down Pathways out of Poverty for Millions

In addition to taking away states' flexibility to raise the gross monthly income limit for SNAP eligibility, another impact of this proposed rule would be rolling back states' ability to lift or adopt less restrictive asset tests for SNAP eligibility. Federal law sets the asset limit for SNAP at very low levels. Families and individuals are disqualified from accessing SNAP if they have managed to save as little as \$2,250 (or \$3,500 for households with elderly or disabled members, who are very unlikely to be able to replenish any assets they spend down). Under BBCE, states can extend SNAP eligibility to low-wage families with an income that qualifies them for SNAP, but who would otherwise be ineligible because they have managed to build modest savings above the restrictive federal limit. As noted above, Illinois leveraged the flexibility of BBCE to eliminate the asset test for SNAP eligibility.

Reinstating the asset test would negatively impact people and families with low-incomes across the country and the state of Illinois, including Heartland Alliance participants. For example, [Heartland Human Care Services](#) (HHCS), a company of Heartland Alliance, serves 1,200 people per year in its [asset building programs](#). HHCS' asset building programs primarily serve single women of color in their 30s and 40s raising children on their own. A large percentage of the families served through these programs access basic supports such as SNAP in order to help keep food on the table. For many heads of households struggling to make ends meet, SNAP is a vital support because their jobs do not pay

HEARTLAND ALLIANCE

sufficiently and do not offer benefits such as health insurance, and the high cost of housing, child care, and other bills—as discussed in the previous section, above—leaves families with limited resources to put toward food.

Although the families served through HHCS’ asset building programs are not experiencing a life threatening crisis such as homelessness, they are often one emergency or other unexpected but inevitable life event away from being destabilized. A family illness, a cut back in work hours, or a parking ticket can set off a cascade of negative consequences, such as an overdrawn bank account or a driver’s license suspension, which can, in turn, lead to job loss. Having the opportunity to build savings and other assets is essential for these families to protect themselves from experiencing catastrophic ripple effects as the result of one unanticipated life event. The opportunity to build savings and assets is also essential for these families to truly exit poverty.

This proposed rule change, if enacted, will make it all the more difficult for families who are striving to get ahead to exit poverty. As one Heartland Alliance staffer who works to help families build assets says, “Any changes that make it harder to get [SNAP] will put these families in a worse position. It’s a shame: they could get out of poverty, but these systems make it so hard.” Illinois chose to eliminate the asset test for SNAP eligibility in order to help reduce poverty and increase economic opportunity among low-income workers and their families, including Heartland Alliance participants. Enacting this proposed rule will undo that work and contribute to a system that perpetuates hardship and poverty across the country.

III. The Proposed Rule Will Inequitably Harm People and Communities of Color and Especially Women of Color

Of particular concern to Heartland Alliance is that if implemented, this proposed rule change will disparately harm communities and people of color—and especially women of color—therefore perpetuating and deepening racial and gender inequity. The most recent poverty data show that in 2018, poverty rates were more than twice as high among Black (20.8 percent) and Hispanic (17.6 percent) people as among non-Hispanic White people (8.1 percent).¹⁷ The racially inequitable experience of poverty is the result of past and present discrimination and structural barriers—including the impacts of racist policies across a number of domains—that have blocked pathways to economic opportunity for communities and people of color for generations.¹⁸ This inequity plays out in the experience of hunger, as well: in 2018, 21 percent of families with

HEARTLAND ALLIANCE

Black heads of households and 16 percent of families with Hispanic heads of household were food insecure.¹⁹

As it relates to gender inequity, while women generally are more likely than men to experience poverty, women of color are most impacted. For example, in Illinois, 28 percent of Black women and 17 percent of Latina women are in poverty, compared to 10 percent of White women.²⁰ In fact, women of color fare worse than White women across almost every domain: they're paid less, have less wealth, are more likely to be low-wage workers in jobs that lack key benefits, and have worse economic outcomes when experiencing disability, among other realities.²¹ Women of color make up 35 percent of nonelderly adult SNAP recipients.²² Moreover, 21 percent of women of color in the low-wage workforce have incomes between 130 and 200 percent of the FPL—the very group of people most likely to be hardest hit by decreasing the gross monthly income limit for SNAP.²³

In addition, reinstating the asset test for SNAP will also hurt people and women of color inequitably by exacerbating the racial wealth gap. Policies like BBCE allow people of color, who have historically been excluded from wealth-building policies, to build their assets while still being able to access nutrition assistance. Today, a significant racial wealth gap exists in the United States. In 2016, the median wealth of White households was almost 10 times greater than that of Black households (\$171,000 vs \$17,600) and over 8 times greater than that of Hispanic households (\$171,000 vs \$20,700).²⁴ White households living near the poverty line typically have about \$18,000 in wealth—due primarily to the cumulative effect of intergenerational wealth transfers—while Black households in similar economic conditions typically have a median wealth close to zero.²⁵ As discussed in the section above, building assets is a key component of truly exiting poverty. The ability for families of color to save money without losing SNAP benefits is one crucial part of what it will take to close the racial wealth gap. If implemented, this proposed rule will prevent people of color who are SNAP recipients from being able to build assets and save money—causing yet another barrier to wealth-building for people of color in this country.

Put simply, the changes that roll back SNAP eligibility put forward in this proposed rule are likely to cause significant and disproportionate harm to people of color and especially to women of color. Instead of making choices that deepen inequity and poverty among people and communities of color, this Administration should focus its attention on supporting families who are trying to build economic

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security by helping them keep food on the table.

IV. The Proposed Rule Will Greatly Increase Administrative Burdens on Agencies Already Operating at Capacity

Any changes to BBCE will require states to alter their SNAP eligibility rules, modify their computer systems, retrain staff, and revise applications and program manuals—all of which are time-consuming, costly, and confusing processes that will burden state administrative agencies, schools, and families with unjustified costs and red tape. Demonstrating their own lack of knowledge about how much it will actually cost states to administer this rule change, the Administration has requested that states using BBCE send estimates of what their information collection and verification burden will be if this proposed rule is implemented. Congressional testimony from state administrators and other SNAP experts indicates that implementing these types of processes will likely cost taxpayers millions of dollars and undermine SNAP's goal to reduce food insecurity.²⁶

Categorical eligibility simplifies the administration of SNAP and reduces the complexity of the application process for both states and people applying for assistance. Few low-income households that apply for SNAP have asset limits above the federal limit, but states that have not used BBCE to raise the asset limit must ask about assets during the application process and eligibility interview, even when assets are too small to disqualify the household from SNAP. Under the proposed rule, caseworkers will have to request and process documentation and verify assets for every household applying for SNAP. This means added work for state workers and it likely means slower processing times and potential benefit gaps for families struggling with hunger. Particularly in states like Illinois that are understaffed and already operating at or beyond capacity, a significant added administrative burden will cause harm and mean fewer families in need will have access to food assistance.

Adopting BBCE has made state operations more efficient. Because BBCE streamlines SNAP's recertification process, the policy has reduced unnecessary administrative burdens and costs for states and SNAP households. For example, research shows that more relaxed asset limits through BBCE reduce SNAP churn by 26 percent.²⁷ SNAP churn, or people having to leave the program for administrative reasons and then reentering shortly afterwards, is time-consuming and costly for state workers to manage. SNAP churn also hurts families who experience benefit gaps.

HEARTLAND ALLIANCE

Moreover, under BBCE, children who live in households that receive SNAP benefits become automatically eligible to receive free school meals. This option allows states to eliminate additional, unnecessary paperwork for low-income families and for schools. In Illinois, more than 63 percent of SNAP participants are in families with children.²⁸ While families struggling with hunger will be able to reapply to see if they qualify for free or reduced price school meals, there is no guarantee that they will. Similar to managing SNAP churn, this reapplication process will place time-consuming and expensive burdens on states and schools and will likely sow confusion among school administrators and families alike. Beyond these administrative impacts, it is also critical to note that the Administration estimates that, if implemented, the proposed rule will cause more than 500,000 children to lose access to free and reduced-priced meals at school—an outcome that is simply unconscionable.

Taken together, the negative impacts of this proposed rule on state agencies' time and bottom lines—in addition to its negative impacts on the lives of families with low incomes—make the implementation of this rule difficult if not impossible to justify.

* * *

As has been made clear throughout these comments, this proposed rule will hurt millions of people with low incomes, their families, and children. This proposed rule represents a completely unnecessary attempt to further destabilize people's lives by taking away their access to food as they work to support their families, save for the future, and exit poverty.

We urge the Administration to immediately withdraw its current proposal and dedicate its efforts to supporting policies that end poverty, advance equity, and open doors to economic opportunity for ALL.

Thank you for the opportunity to submit comments on the proposed rulemaking. Please do not hesitate to contact Caitlin C. Schnur at Heartland Alliance to provide further information.

Sincerely,

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HEARTLAND ALLIANCE

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²⁰ Buitrago, 2019.

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