September 12, 2019

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

Dear SNAP Program Design Branch:

As President and CEO of Lutheran Services in America, I write to offer comments on the Department of Agriculture's Notice of Proposed Rule Making -- Revision of Categorical Eligibility in the Supplemental Nutrition Assistance Program (SNAP) RIN 0584-AE62. We urge you not to implement this rule that will take away food assistance from vulnerable Americans.

For context, Lutheran Services in America leads one of the largest health and human services networks in the U.S., made up of over 300 Lutheran social ministry organizations that operate with over $22 billion in annual revenue. Efforts of the dedicated people who make up our national network help improve the lives of 1 in 50 Americans each year. Guided by God’s call to love and serve our neighbors, we empower our faith-based member organizations in their mission to lift up the nation’s most vulnerable people. In providing services to seniors, children and people with disabilities, along with veterans, refugees and the homeless, our members work in 1,400 communities throughout the country—in rural and urban areas—as shown on this map: http://bit.ly/LSA_member_map.

Administered by the Department of Agriculture (USDA), the Supplemental Nutrition Assistance Program (SNAP), also known as food stamps, provides food-purchasing assistance for low- and no-income people. It is a federal aid program, although benefits are distributed by each U.S. state’s Division of Social Services or Children and Family Services. Roughly 40 million Americans in 2018 received SNAP benefits. Approximately 9.2% of American households obtained SNAP benefits at some point...
during 2017, with approximately 16.7% of all children living in households with SNAP benefits.

In addition to its critical role in reducing hunger, food insecurity, and poverty, SNAP is also a critical health intervention and support for low-income individuals and families. Research shows that food insecurity increases the risk of negative physical and mental health outcomes. SNAP decreases food insecurity and is associated with decreased health care costs and improved physical and mental health. Children receiving SNAP are automatically eligible for free school meals through a direct certification process without their family having to complete a separate application. This helps children succeed at school, as hungry children cannot focus on learning.

While SNAP generally operates under a consistent set of federal eligibility rules, “broad-based categorical eligibility” (BBCE) gives individual states the flexibility to effectively raise SNAP income eligibility and asset limits for certain applicants. Low-income households receiving certain forms of government cash assistance, including Aid to Families with Dependent Children (AFDC), have long been considered automatically (or “categorically”) eligible for SNAP, which means they do not separately have to meet SNAP’s asset or gross income limitations. Passage of the 1996 law that replaced AFDC with Temporary Assistance for Needy Families (TANF), whereby states gained the flexibility to offer non-cash benefits under TANF, therefore broadened avenues for qualifying for SNAP categorical eligibility. This policy is known as “broad-based categorical eligibility” (BBCE) to distinguish it from traditional cash assistance-linked categorical eligibility.

States using BBCE have elected to offer a TANF-funded benefit with a less restrictive asset or income limit to many or all households that apply for SNAP, thereby allowing more people to qualify for the program while simplifying its administration. Regular federal SNAP rules require families with no elderly or disabled members to have gross income below 130 percent of the poverty line. BBCE lets states import a higher gross income limit (up to 200 percent of poverty) from a TANF-funded program. Further,
BBCE lets states align their SNAP asset test with their TANF-funded programs to
determine the amount of financial resources – and/or what vehicle – a household may
own and remain eligible. For example, Texas has used this flexibility to allow SNAP
households to own one vehicle worth up to $15,000 and have savings of up to $5,000.
Under regular federal SNAP rules, countable assets cannot exceed $2,250 for most
households and $3,500 for households with members who are elderly or have a
disability, and vehicles count toward the asset test to the extent their resale value
exceeds $4,650. Finally, without BBCE, children whose families lose SNAP when their
incomes rise above the program threshold also would lose their automatic eligibility for
free school meals.

Other SNAP eligibility and benefit rules continue to apply under BBCE, including
application requirements and limits on the amount of the benefits themselves. BBCE
does not cause substantial SNAP benefits to go to non-needy families because
households can only qualify for a sizable SNAP benefit if they have high expenses that
leave them with little income available for food. As a result of this two-decade-old
policy, more than 40 states effectively use less restrictive income and asset tests in
SNAP to provide help to low-income working families that face costly housing or child
care expenses; enable families, seniors, and people with disabilities to have modest
savings without losing SNAP; make additional children eligible for free school meals;
and improve state administration while lowering administrative costs.

However, the Trump Administration on July 23 of this year issued a proposed rule to
everestially eliminate the policy through executive action. The proposed rule would
eliminate SNAP benefits for 3.1 million individuals, take free school meals away from
the children in those families, and punish people with even meager savings. By USDA’s
own estimates, the proposed rule would cut SNAP benefits over five years by $10.543
billion, while increasing SNAP administrative costs by $2.314 billion. During
consideration of the 2018 Farm Bill, which reauthorized SNAP, Congress considered
making changes to broad-based categorical eligibility but ultimately did not do so.

If finalized, this proposed regulation would make it harder for people to put food on the
table by taking away SNAP benefits from many of the vulnerable people Lutheran
Services in America member organizations serve. Given that national nutrition programs provide more than 10 times more food assistance than private nonprofits, these organizations will not be able to make up the gap left by cutting SNAP benefits, leaving millions of the working poor hungry with no place to turn. Only when nonprofit and federal programs work hand-in-hand can we begin to end the problem of the one in eight Americans who live at risk of hunger.

Congress has rejected ending states’ flexibility to allow modestly higher earnings and savings and still receive SNAP benefits. More than 40 states use this flexibility now. USDA should not attempt to overturn clear Congressional intent and should withdraw this proposed rule. We urge the Administration to reconsider this rule change and ensure that United States laws, processes and resources support much-needed food assistance for all those in need.

Respectfully,

Charlotte Haberaecker
President and CEO