



September 23, 2019

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

RE: Revision of Categorical Eligibility in the Supplemental Nutrition Assistance Program (SNAP) Proposed Rule RIN 0584-AE62; Docket No. FNS-2018-0037; 7 CFR Part 273 Citation 84 Fed. Reg. 142 (July 24, 2019)

Dear Sir or Madam:

Catholic Charities USA (CCUSA), the United States Conference of Catholic Bishops (USCCB), the Catholic Health Association of the United States (CHA), the National Council of the United States Society of St. Vincent de Paul (SVdP USA) and Catholic Rural Life (CRL) appreciate the opportunity to provide comments to the United States Department of Agriculture Food and Nutrition Service's above-referenced notice of proposed rulemaking. Brief descriptions of each group are provided at the end of this document.

We write to urge you not to finalize the proposed rule because it would make the SNAP program less efficient, discourage personal savings, undermine the ability of states to respond to local needs, and cause millions of individuals to lose needed nutrition assistance.

As informed by Catholic Social Teaching, we are committed to advancing policies that support the integral development of individuals, families, and communities. Healthy food is absolutely necessary to sustain human life, making access to adequate food and nutrition a fundamental human right:

Because each person's life is a sacred gift from God, all people have a right to life that must be defended and protected from its beginning to its end. . . . In light of our commitment to the right to life of every person, we believe all people also have basic

rights to material and spiritual support, including the right to food, which are required to sustain life and to live a truly human existence.¹

In partnership with communities and families, government has a role in ensuring that all people who face hunger are able to meet this most basic need.

The Supplemental Nutrition Assistance Program is the first line of defense against hunger for those struggling to make ends meet. Last year alone, SNAP served 40.3 million people.² The program aims to improve food security by providing consistent, adequate access to enough food to support an active, healthy life.³ Beyond addressing food insecurity, SNAP bolsters the economy, generating \$1.54 billion in economic activity for every \$1 billion spent,⁴ and reduces health care costs.⁵ SNAP serves households who are most in need, with nearly 40% of SNAP households having incomes below 50 percent of the Federal Poverty Guideline.⁶

Eligibility for SNAP benefits can be determined “categorically,” or automatically, based on receiving benefits from other specified low-income assistance programs. Receipt of both cash and non-cash TANF benefits can confer eligibility for SNAP. Current categorical eligibility rules for non-cash benefits give states the flexibility to design their SNAP programs to meet the needs of their citizens. Forty-three states are using this flexibility to provide needed nutrition assistance to low-income families.

The proposed rule would limit the TANF-funded cash and non-cash benefits that can lead to categorical eligibility. The proposed rule would (1) cause millions of individuals to lose needed nutrition assistance (2) make the SNAP program less efficient, (3) discourage saving, (4) undermine the ability of states to respond to local needs, and (5) contradict the clear intent of Congress to maintain categorical eligibility.

¹ *For I Was Hungry & You Gave Me Food*, A Document Issued by the Committee on Domestic Policy of the United States Conference of Catholic Bishops, (November 2003), <http://www.usccb.org/issues-and-action/human-life-and-dignity/agriculture-nutrition-rural-issues/for-i-was-hungry.cfm>

² Congressional Research Service, *The Supplemental Nutrition Assistance Program (SNAP): Categorical Eligibility* 1 (August 1, 2019), <https://fas.org/sgp/crs/misc/R42054.pdf>

³ Alisha Coleman-Jensen *et al.*, United States Department of Agriculture Economic Research Service, *Household Food Security in the United States in 2014* (September 2015), <https://www.ers.usda.gov/publications/pub-details/?pubid=45428>

⁴ Patrick Canning & Brian Stacy, *The Supplemental Nutrition Assistance Program (SNAP) and the Economy: New Estimates of the SNAP Multiplier* (July 2019), <https://www.ers.usda.gov/webdocs/publications/93529/err-265.pdf?v=8010.7>

⁵ Seth A. Berkowitz, *et al.*, “Supplemental Nutrition Assistance Program (SNAP) Participation and Health Care Expenditures Among Low-Income Adults”, *177 JAMA Internal Medicine*, 1642, 1642-1649 (November 2017), <https://www.ncbi.nlm.nih.gov/pubmed/28973507>

⁶ Kathryn Cronquist & Sarah Lauffer, Project Officer, Jenny Genser, U.S. Department of Agriculture, Food and Nutrition Service, Office of Policy Support, *Characteristics of Supplemental Nutrition Assistance Program Households: Fiscal Year 2017* 13 (February 2019), <https://www.fns.usda.gov/snap/characteristics-supplemental-nutrition-assistance-program-households-fiscal-year-2017>

1. The proposed rule would cause millions to lose access to basic nutrition assistance

The Department of Agriculture (USDA) estimates that approximately 9 percent of currently participating SNAP households will lose eligibility for SNAP under the proposed rule. Approximately 1.7 million households, containing 3.1 million individuals, would lose needed nutrition assistance.⁷ The 17.2 million households that do not lose categorical eligibility, and all new SNAP applicants, would face a more burdensome and costly application process.⁸

Children will be especially impacted by this rollback. Those whose families lose access to SNAP benefits will also risk losing access to free and reduced school meals, as children in SNAP households are automatically eligible to receive free breakfast and lunch in their school.⁹ This direct certification reduces paperwork for both parents and school systems and saves families from paying for school meals, which can be difficult for many, even at a reduced rate. While the Agency's Regulatory Impact Analysis does not include any information about the impact of the proposal on the School Breakfast Program and the School Lunch Program, previous analysis of categorical eligibility demonstrates that changes to this policy will result in fewer students receiving free school meals.¹⁰ It has been reported that the proposed rule could result in 500,000 children losing direct certification for free school meals.¹¹ Taking away this vital resource puts children's growth, development, and ability to learn at risk.

Catholic schools are aware of this challenge. During the 2018-2019 school year, Catholic elementary and secondary schools served 133,104 breakfasts and 210,084 lunches in 2,756 schools. In order to serve as many children as possible, Catholic schools need access to the best data possible to determine how many students are eligible to receive free and subsidized school meals, often relying on data about SNAP eligibility. The loss of direct certification for students will make it more difficult for Catholic schools to provide nutritious meals to children in need.

As a result of the rule, local service providers, such as SVdP USA and CCUSA, will face increased demands for assistance. These organizations currently feed millions of people per year. Even with this assistance over 14 million households are still food insecure. Our organizations already struggle to meet the needs in our communities and are forced to turn away many for lack of resources. The proposed rule, if implemented, will only add to a demand that we cannot meet.

The increase in food insecurity as a result of this rule will also impact individual and community health. Food insecurity has long been identified as one of the major drivers of social determinants of health. Food insecurity among seniors, for example, is linked to poorer diets,

⁷ USDA Food and Nutrition Service, Regulatory Impact Analysis, *Revision of Categorical Eligibility in the Supplemental Nutrition Assistance Program (SNAP)*, 7 CFR Part 273, 15-18 (2019), <https://www.regulations.gov/document?D=FNS-2018-0037-0002>

⁸ *Id.*

⁹ Crystal Fitzsimons & Ellen Vollinger, *Food Research & Action, Broad-Based Categorical Eligibility and School Meals* (Aug. 9, 2019), <https://frac.org/blog/broad-based-categorical-eligibility-and-school-meals>

¹⁰ Tia Caldwell, *et al.*, Congressional Budget office, Cost Estimate, H.R. 2 Agriculture and Nutrition Act of 2018 13 (May 2, 2018), https://www.cbo.gov/system/files/2018-07/hr2_1.pdf

¹¹ Lola Fadulu, "500,000 Children Could Lose Free School Meals Under Trump Administration Proposal," *The New York Times* (July 30, 2019), <https://www.nytimes.com/2019/07/30/us/politics/free-school-meals-children-trump.html>

chronic conditions such as diabetes, anemia and poorer quality of life.¹² In addition, food insecurity is associated with increased risks of hypertension, coronary heart disease, hepatitis, stroke, cancer asthma, diabetes, arthritis, chronic obstructive pulmonary disease and increases in some birth defects. These risks result in higher likelihood of hospitalization and poor overall health.¹³ As a consequence, the greater demand on health care services increases health care costs for all people while compelling health care providers to direct resources to addressing the negative health outcomes which result when people are food insecure.

2. The proposed rule would make the SNAP program less efficient

Categorical eligibility makes it easier for individuals and families in need to access food assistance. It simplifies the application process and reduces red tape. Reducing the administrative burden for low-income households is significant. Applying for public benefits can be time consuming, stress inducing, and can interfere with work or caregiving commitments. Categorical eligibility allows states to limit duplicative application processes to save families the difficulties of multiple applications and encourages participation in a program that eases food insecurity.

The proposed regulation will create additional administrative costs to federal and state governments as well as for the 34.7 million individuals currently on or applying for SNAP. Under the Administration's own analysis, the proposed rule would increase administrative costs by 7.1% per year. Collectively, this increase in administrative burden would cost federal and state governments an additional \$2.1 billion over five years.¹⁴ These changes mean governments, rather than investing in food benefits that assist those in need and support greater demand for agriculture products, will instead be spending additional money on bureaucratic administration of the program.

SNAP's rigorous program integrity standards are not undermined by categorical eligibility. Categorically eligible households must have a net income no more than 100 percent of the federal poverty guideline¹⁵ and no state is allowed to raise its SNAP gross income threshold above 200 percent of the federal poverty guideline.¹⁶ In an analysis of SNAP categorical eligibility, the Congressional Research Service points out that "[c]ategorically eligible households have their SNAP benefits determined under the same rules as other households."¹⁷ All SNAP households are required to document their expenses and provide information about their household size and income to ensure they are receiving the appropriate amount of aid. These processes and safeguards ensure that SNAP continues to target nutrition assistance to those most in need.

¹² Barbara A. Laraia, "Food Insecurity and Chronic Disease," 4 *Advances in Nutrition: an International Review Journal*, 203, 203-212 (2013), <http://advances.nutrition.org/content/4/2/203.full>

¹³ Christian A. Gregory & Alisha Coleman-Jensen, United States Department of Agriculture Economic Research Service, *Food Insecurity, Chronic Disease, and Health Among Working-Age Adults* (July 2017), <https://www.ers.usda.gov/webdocs/publications/84467/err-235.pdf?v=42942>; Craig Gundersen & James P. Ziliak, "Food Insecurity and Health Outcomes," 34 *Health Affairs*, 1830, 1830-1839 (2015), [http://gatonweb.uky.edu/Faculty/Ziliak/GZ_HealthAffairs_34\(11\)_2015.pdf](http://gatonweb.uky.edu/Faculty/Ziliak/GZ_HealthAffairs_34(11)_2015.pdf)

¹⁴ USDA Food and Nutrition Service, Regulatory Impact Analysis, *Revision of Categorical Eligibility in the Supplemental Nutrition Assistance Program (SNAP)*, 7 CFR Part 273, at 32 (2019)

¹⁵ USDA FNS, Regulatory Impact Analysis, *supra* note 14, at 6-7.

¹⁶ *Id.* at 2

¹⁷ Congressional Research Service, *The Supplemental Nutrition Assistance Program*, *supra* note 2 at 2

Categorical eligibility simplifies SNAP program administration, reducing the amount of information that must be verified if a household is already deemed eligible for another assistance program.¹⁸ In sharing application information, low-income assistance programs better coordinate efforts, increase their productivity, and reduce their potential for errors in determining eligibility. Categorical eligibility helps prevent SNAP recipients from experiencing brief periods of ineligibility, known as churn. Fluctuations in income and assets cause households to stop participating in SNAP for a short period before reentering the program. These fluctuations are all too common and are caused by a variety of factors, including unstable and unpredictable work schedules, unexpected legal payments, and short-term or seasonal work.¹⁹ Churn is costly for states, creating added work for administrators.²⁰ SNAP households in states that employ categorical eligibility are 26 percent less likely to experience churn.²¹

USDA's own analysis recognizes that categorical eligibility lowers administrative costs. States save 7.1% on administrative expenses per SNAP case when they introduce categorical eligibility.²² Conversely, under the proposed rule the increase in paperwork from SNAP applicants will create a burden for administrative systems. The proposed rule will raise federal and state administrative costs by \$2.314 billion over the next 5 years.²³

3. The proposed rule would discourage saving and worsen the “benefit cliff”

Categorical eligibility allows SNAP benefits to slowly phase out so a family does not abruptly lose all of their assistance because of a small earnings increase that pushes their gross income above the eligibility cutoff. Categorical eligibility is designed to guard against this “benefit cliff” by allowing states to raise the gross income cutoff above 130 percent of the federal poverty guidance. This encourages work and supports workers as they move towards self-sufficiency. Categorical eligibility is a tool to help ensure overall family resources will not decrease because they work more hours or seek higher wages.

The “benefit cliff” can provide a major hurdle to individuals looking to move from needing assistance to self-sufficiency. The categorical eligibility option allows states to lift gross income limits to reduce the impact of the benefit cliff. For example, a single mother of two

¹⁸ USDA Food and Nutrition Service, Revision of Categorical Eligibility in the Supplemental Nutrition Assistance Program (SNAP), 84 Fed. Reg. 35,570, at 35,571 (July 24, 2019)

¹⁹ Anna Walther, University of Wisconsin-Madison Institute for Research on Poverty & Morgridge Center for Public Service, *Poverty Fact Sheet: Unstable Jobs, Unstable Lives: Low-Wage Work in the United States (December 2018)*, <https://morgridge.wisc.edu/students/poverty-fact-sheets/unstable-jobs-unstable-lives-low-wage-work-in-the-united-states-2/>

²⁰ USDA FNS, Regulatory Impact Analysis, *supra* note 14, at 19-20

²¹ Caroline Ratcliffe *et al.*, Urban Institute, *Asset Limits, SNAP Participation, and Financial Stability* (June 2016), <https://www.urban.org/sites/default/files/2000843-asset-limits-snap-participation-and-financial-stability.pdf>; Dorothy Rosenbaum, Center on Budget and Policy Priorities, *SNAP's “Broad-Based Categorical Eligibility” Supports Working Families and Those Saving for the Future* 11 (July 30, 2019)

²² USDA FNS, Regulatory Impact Analysis, *supra* note 14, at 27; D. Geller, J. Isaacs, B. Braga, & B. Zic, Prepared by Manhattan Strategy Group and the Urban Institute for the U.S. Department of Agriculture, Food and Nutrition Service, *Exploring the Causes of State Variation in SNAP Administrative Costs* 42 (February 2019), <https://www.fns.usda.gov/snap/exploring-causes-state-variation-snap-administrative-costs>

²³ USDA FNS, Regulatory Impact Analysis, *supra* note 14, at 5

making \$12.75 per hour would receive a SNAP benefit of \$96 per month. However, if this same individual received even a 50-cent increase in pay per hour they would lose SNAP eligibility and would have their overall household income reduced by \$10 per month.²⁴ Categorical eligibility allows states to create flexibility to minimize these cliffs so that individuals are encouraged to work and move towards self-sufficiency.

Categorical eligibility also allows states to relax the asset test requirement, allowing households with modest savings to qualify and save for future needs. A few thousand dollars in the bank can make a world of difference for a low-income household. Unexpected emergencies may require a family to buy a new car, pay medical bills, or weather the loss of a job. When large expenses arise, adequate savings can keep low-income individuals and families from turning to predatory loans, which often trap customers in repeat cycles of borrowing with costly consequences.²⁵ The SNAP asset test does not allow families to accrue enough savings to support themselves during many difficult situations.

Financial assets play a unique role in establishing a family's financial security and contributing to child well-being and development. Unfortunately, asset poverty is very high among families in the United States, only 48 percent of SNAP households have *any* liquid assets; those that do average cash savings of only \$250.²⁶ Categorical eligibility offers a tool to encourage savings, allowing families to build modest assets. Households in states that have used categorical eligibility to raise the SNAP asset limit are more likely to have \$500 and a bank account.²⁷ Asset building should be encouraged in low-income communities, yet USDA acknowledges that the proposed rule will reduce savings rates.²⁸

4. The proposed rule would undermine the ability of states to respond to local needs

Most states have opted to make small adjustments to SNAP eligibility guidelines using categorical eligibility to best serve their low-income residents. By modestly adjusting the gross income and asset limits for the program, states can fine-tune the program to fit their unique circumstances and needs. This flexibility is particularly important for states with higher costs of living, where low-income families struggle to cover their basic needs. In these situations, essentials like childcare, health insurance, and housing can take up most of the family budget. This leaves few resources for anything else, including adequate nutrition. Without the help of SNAP, families will be forced to make difficult tradeoffs. The flexibility offered by categorical eligibility to raise gross income limits in these states helps compensate for high expenses.

²⁴ United States. Cong. House Subcommittee on Nutrition, Oversight and Department Operations, *Hearing on Categorical Eligibility for the Supplemental Nutrition Assistance Program*, 30 June 2019, 116th Cong. 1st sess. Washington: (statement of Elaine Waxman, Senior Fellow, Income and Benefits Policy Center, Urban Institute).

²⁵ Nick Bourke, *et al.*, Pew Charitable Trusts, *Payday Lending in America: Who Borrows, Where they Borrow, and Why* (July 2012),

https://www.pewtrusts.org/~media/legacy/uploadedfiles/pes_assets/2012/pewpaydaylendingreportpdf.pdf

²⁶ Ratcliffe *et al.*, *supra* note 21

²⁷ Caroline Ratcliffe *et al.*, Urban Institute, *The Unintended Consequences of SNAP Asset Limits* (July 2016), <https://www.urban.org/sites/default/files/publication/82886/2000872-The-Unintended-Consequences-of-SNAPAsset-Limits.pdf>

²⁸ USDA FNS, Regulatory Impact Analysis, *supra* note 14, at 19

Since the SNAP program uses the federal poverty level in helping determine benefits, this local flexibility is critical for responding to local needs. For example, the Census Bureau, using the Supplemental Poverty Measure found that in 2018 16 states plus the District of Columbia had supplemental poverty rates that were higher than official poverty rate, 22 states had supplemental poverty rates below official poverty measures and 12 states had differences that were not statistically different.²⁹

5. The proposed rule ignores Congressional intent not to include changes to categorical eligibility

During debate on the 2014 Farm Bill and Agriculture Improvement Act of 2018, similar proposals to either eliminate or significantly change categorical eligibility were debated and rejected in the full law of both program reauthorizations. In the House-passed version of the 2014 Farm Bill, Congress would have eliminated broad-based categorical eligibility. However, the House-passed provisions were not included in the final law. In addition, the 2018 House-passed version would have made significant changes to broad-based categorical eligibility.³⁰ However, yet again these changes were ultimately rejected by the bipartisan and bicameral conference agreement which passed both chambers of Congress and was signed by the President.³¹

The proposal to change categorical eligibility therefore clearly ignores the clear intent of Congress, which has twice considered and rejected changes similar to those in the current proposed rulemaking. The proposed rule therefore goes beyond the scope of the rulemaking authority granted by Congress.

Conclusion

The economic growth of recent years has not been broadly shared: 40 million Americans are food insecure and over 12 million of those are children. Over 40 percent of households report financial status so fragile they would not be able to handle an unexpected expense of just \$400. This is a profound failure. Reducing food assistance for low-income people and families in the face of such need will only make matters worse.

The proposed rule, if implemented, will mean that millions of families will find it harder to meet their nutrition needs. They will look for help from faith-based providers such as Catholic Charities and the Society of St. Vincent de Paul, which are already struggling to meet the current needs of those they serve. We urge the Administration not to finalize the proposed rule.

²⁹ Liana Fox, U.S. Department of Commerce: U.S. Census Bureau, *The Supplemental Poverty Measure: 2018* (September 2019), <https://www.census.gov/content/dam/Census/library/publications/2019/demo/p60-268.pdf>.

³⁰ See Agriculture and Nutrition Act of 2018, H.R. 2, 115th Cong. § 4015 (F)(III) (as passed by House, June 21, 2018)

³¹ Agriculture Improvement Act of 2018. Pub. L. 115-334, 20 Dec. 2018. See also “The Supplemental Nutrition Assistance Program (SNAP): Categorical Eligibility,” Congressional Research Service 1 (August 1, 2019), <https://fas.org/sgp/crs/misc/R42054.pdf>

Thank you for the opportunity to share our comments. We stand ready to work with work with the Administration to pursue policies that improve the financial and economic security of low- and moderate-income families.

Respectfully submitted,



Anthony R. Picarello, Jr.
Associate General Secretary
and General Counsel
United States Conference of Catholic Bishops



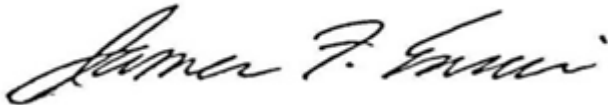
Brian Corbin
Executive V.P. for Member Services
Catholic Charities USA



Ralph Middlecamp
National President
National Council of the United States
Society of St. Vincent de Paul



Lisa A. Smith, MPA
Vice President, Advocacy & Public Policy
Catholic Health Association
of the United States



James F. Ennis
Executive Director
Catholic Rural Life



Working to Reduce Poverty in America.



CCUSA Overview

CCUSA is a national membership organization representing more than 167 diocesan Catholic Charities member and affiliate agencies. These member agencies operate more than 3,000 service locations across the 50 states and five U.S. territories. The diverse array of social services offered by agencies reached more than 10 million individuals in need last year almost half of whom came in need of food and nutrition assistance.

CCUSA believes that access to food is a fundamental human right and basic need. While Catholic Charities agencies across the country provide critical services to those struggling to make ends meet, federal assistance programs such as the Supplemental Nutrition Assistance program that allows participants of TANF categorical eligibility are crucial to ensuring that all individuals in need have access to adequate food. Federal nutrition programs deliver more than 10 times the amount of food assistance as charitable sources. Catholic Charities agencies across the country provide food assistance to more than 5 million people per year.

SVdP USA Overview

The Society of St. Vincent de Paul is a national network of more than 98,000 volunteers committed to growing in holiness and building a more just world through personal relationships with and service to people in need. In 2017, Vincentians in over 4,400 communities served 5.4 million people with over \$3.4 billion in cash, in kind, and volunteer services combined, including over \$88 million in food assistance.

USCCB Overview

The U.S. Conference of Catholic Bishops (USCCB) is a nonprofit corporation whose members are the active Catholic Bishops of the United States. USCCB advocates and promotes the pastoral teachings of the U.S. Catholic Bishops in diverse areas of the nation's life. USCCB's Committee on Domestic Justice and Human Development assists the bishops in advancing the social mission of the Church through policy advocacy, education, and outreach in support of the Church's anti-poverty efforts. Catholic schools comprise the nation's largest private K-12 educator, with almost 6,300 schools educating nearly 1.8 million children in the United States today.

CHA Overview

The Catholic Health Association of the United States is the national leadership organization of

the Catholic health ministry, representing the largest not-for-profit provider of health care services in the nation. The Catholic health ministry includes more than 2,200 hospitals, nursing homes, long-term care facilities, health care systems, sponsors, and related organizations serving the full continuum of health care across our nation.

Catholic Rural Life Overview

Catholic Rural Life (CRL) is a national, membership-based nonprofit organization applying the teachings of Jesus Christ for the social, economic, and spiritual development of rural America, strengthening and sustaining the Church in the countryside by educating and inspiring leaders and advocating on their behalf. CRL has members in 46 states and works with over 80 dioceses.