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Eliminating SNAP Broad-Based Categorical Eligibility Prevents Hungry Children from Receiving Meals at Home and in School

Comments on Proposed Rule: Revision of Categorical Eligibility in the Supplemental Nutrition Assistance Program (SNAP) RIN 0584-AE62

The Kentucky Center for Economic Policy (KCEP) is a nonpartisan, nonprofit policy think tank that seeks to improve the quality of life for all Kentuckians. Since 2011, we have provided research, analysis and education on important policy issues, including those related to public assistance programs.

The Supplemental Nutrition Assistance Program (SNAP) has proven to be one of the most effective anti-hunger initiatives in the U.S. and as of 2017, helped 258,000 children in Kentucky get the food they need.¹ Kentucky is one of 42 states that have utilized Broad-Based Categorical Eligibility (BBCE) to waive asset testing and increase SNAP accessibility for over two decades.² We oppose the proposed changes that would eliminate our state's ability to waive asset tests, leading to 42,000 Kentuckians losing food assistance according to the Kentucky Cabinet of Health and Family Services (CHFS). And because a smaller share of families would participate in SNAP, many kids face losing access to free and reduced price meals at school through the National School Lunch Program (NSLP) and School Breakfast Program (SBP). In addition, some communities may lose their ability to automatically enroll all their students in those programs because they would no longer meet the criteria for what is called Community Eligibility.³

If implemented, this proposal would harm working families, older adults and persons with disabilities who participate in SNAP via BBCE. But it would be especially detrimental for households with children, both by reducing their families' household food budget and by limiting their access to subsidized school meals.⁴

Proposed Rule Would Mean Less Food for Kids at School and Home

Community Eligibility allows schools with at least 40% of their students certified for free or reduced price meals to allow all students to automatically participate in NSLP and SBP with no costs or additional applications.⁵ The program began in 2011 and has since expanded across Kentucky to include 985 schools spanning 115 counties.⁶ Currently 497,000 children receive free meals through this program – 77% of all schoolchildren in Kentucky (647,000). In addition, thousands of other Kentucky students take advantage of free and reduced price meals at 326 other public schools and meal sites including churches and community centers.

Households that qualify for SNAP under BBCE are disproportionately likely to have children and other competing expenses like child care, housing and utilities, leaving them with too little after these expenses to afford an adequate diet.⁵ If a portion of the estimated 4,300 households with children (as of 2017) lose their eligibility for SNAP, they will consequently lose their eligibility for subsidized meals at school.⁷ If fewer kids are eligible for subsidized meals at schools, fewer schools would qualify for Community Eligibility, meaning even more students losing access to free meals.⁸

Fewer free meals at school, and lower participation in SNAP would increase the current 15% of Kentuckians who are food insecure. A rise in food insecurity, particularly in children, has many long-term consequences, including an increased risk for serious and costly chronic health conditions like obesity,

cardiovascular disease and hypertension.⁹ Children who are able to participate in SNAP and other forms of food assistance have better long-term health outcomes, including lower rates of serious chronic disease like diabetes and obesity.¹⁰ There are many studies showing the links between food insecurity, poor child health and behavioral outcomes, as well. National data shows free or reduced price school meals improve mental health, including behavioral challenges, anxiety and depression and reduce rates of reported poor health by at least 29%.¹¹

As a result of improving the health and well-being of children, SNAP and school meals have long-term impacts on educational attainment and future earnings. Children that participate in school meal programs have improved attendance, behavior and academic performance and achievement.¹² Creating additional barriers to children's access to SNAP and thereby limiting the number of sites that make food available to more than just SNAP-participating children through Community Eligibility would hold back life-long learning and worsen quality of life for kids for years to come across the commonwealth.

Restricting BBCE Would Punish Working Families for Working

It is estimated that over 52% of the non-disabled adults participating in SNAP worked during the month they received benefits.¹³ SNAP supports working families by providing a gradual phasing out of benefits as their gross incomes rise up to 130% of the poverty line (or \$33,475 for a family of four).¹⁴ In some states, BBCE continues the gradual phased reduction of benefits based on income for households close to that.¹⁵ In other words, BBCE extends the resource limit and thereby allows recipients to work more or accept a small raise without losing their food assistance. Removing BBCE would punish these working families with low incomes for earning modest wage increases or working additional hours by eliminating their access to SNAP.¹⁶ Although Kentucky does not currently take advantage of this provision, the proposed rule would wrongly restrict the state from taking advantage of this option in the future.

Mandating Asset Tests Would Limit Families from Building Savings

BBCE also allows states, including Kentucky, to waive asset tests to calculate eligibility based on income without including assets, like savings accounts. Working families, seniors and persons with disabilities in states like Kentucky who utilize BBCE are able to build assets and savings.¹⁷ These households are more likely to have a bank account and to have a minimum balance of \$500, allowing them to invest in their future and avert a financial crisis that could otherwise push them deeper into poverty.¹⁸

Families with low incomes, particularly many people of color, have historically faced barriers to accumulating wealth and building assets.¹⁹ Policies that support savings and other forms of asset-building among low-income households, like BBCE, decrease their risk of food insecurity, improve a family's ability to withstand unexpected costs, and begin to address long-entrenched inequities.²⁰

Savings are also critical to the economic well-being of Kentucky's seniors and people with disabilities.²¹ These savings can help people on fixed incomes prepare for environmental or medical emergencies or pay for rising routine housing and medical costs.²² Eliminating BBCE decreases the ability of older adults and people with disabilities to buy groceries and weather an emergency by preventing them from saving any more than \$3,500 (compared to \$2,250 for all other households) in countable assets, like savings accounts.²³

Eliminating BBCE Would Have a Significant Administrative Costs

In addition to the \$2.3 billion in SNAP administrative costs that the USDA estimates the rule would increase, there would be an additional administrative increase for schools and parents participating in free school meals.²⁴ Families struggling to pay for school meals will have to navigate new individual applications and schools will have to process many more of them. This additional burden to schools and low-income families will lead to hungry children falling between the cracks, losing access to daily nutrition.²⁵

In implementing states, like Kentucky, asset-based BCCE has not only ensured access to food for hungry children and families but allowed for simplified processes that create consistency across public assistance and school nutrition programs and reduce administrative costs.²⁶ Elimination of BBCE would create additional administrative costs and procedural burden on implementing agencies and staff in Kentucky and 41 other states.²⁷

BBCE is an essential component of SNAP, with a history of providing children a door to school meal programs and a wide range of Kentuckians with the ability to build savings and get needed help with groceries. The USDA should abandon the unnecessarily harmful proposed regulation.

¹ Dustin Pugel, "SNAP is good for Kentuckians' Health," Kentucky Center for Economic Policy, Oct. 23, 2019, https://kypolicy.org/snap-is-good-for-kentuckians-health/#_edn39.

² United States Department of Agriculture, Food and Nutrition Service, "SNAP State Options Report," Program Development Division Fourteenth Edition, October 2017, <https://fns-prod.azureedge.net/sites/default/files/snap/14-State-Options.pdf>.

³ Billy Kobin, "Thousands of Kentuckians Could Lose Food Stamps Under Trump Plan to Tighten SNAP Rules," *Courier-Journal*, Jul. 31, 2019, <https://www.courier-journal.com/story/news/2019/07/31/snap-benefits-40000-kentucky-residents-could-lose-food-stamps-under-new-rule/1865273001/>.

⁴ Kathryn Cronquist and Sarah Lauffer, "Characteristics of Supplemental Nutrition Assistance Program Households," U.S. Department of Agriculture, February 2019, <https://fns-prod.azureedge.net/sites/default/files/ops/Characteristics2017.pdf>. Elaine Waxman, "The Importance of Broad-Based Categorical Eligibility in SNAP," Statement before the Subcommittee on Nutrition, Oversight and Department Operations, Committee on Agriculture, U.S. House of Representatives, Hearing on Categorical Eligibility for the Supplemental Nutrition Assistance Program, Jun. 20, 2019, <https://agriculture.house.gov/uploadedfiles/hhrg-116-ag03-wstate-waxman-20190620.pdf>. Crystal FitzSimons and Ellen Vollinger, "Broad-Based Categorical Eligibility and School Meals," *Food Research & Action Center*, Aug. 9, 2019, <https://www.frac.org/blog/broad-based-categorical-eligibility-and-school-meals>.

⁵ United States Department of Agriculture, Food and Nutrition Service, "National School Lunch Program, Community Eligibility Provision," Apr. 19, 2019, <https://www.fns.usda.gov/school-meals/community-eligibility-provision>.

⁶ Kentucky Department of Education, Division of School and Community Nutrition, "Qualifying Data Report 2018-2019," Jul. 18, 2019, <https://education.ky.gov/federal/SCN/Pages/Qualifying-Data.aspx>.

⁷ Kobin, "Thousands of Kentuckians Could Lose Food Stamps Under Trump Plan to Tighten SNAP Rules." Waxman, "The Importance of Broad-Based Categorical Eligibility in SNAP."

⁸ FitzSimons and Ellen Vollinger, "Broad-Based Categorical Eligibility and School Meals."

⁹ Alisha Coleman-Jensen, Matthew P. Rabbitt, Christian A. Gregory and Anita Singh, "Household Food Security in the United States in 2018," ERR-270, U.S. Department of Agriculture, Economic Research Service, September 2019, <https://www.ers.usda.gov/webdocs/publications/94849/err-270.pdf?v=963.1>.

¹⁰ Food Research & Action Center (FRAC), "The Role of the Federal Child Nutrition Programs in Improving Health and Well-Being," Dec. 2017, <https://frac.org/wp-content/uploads/hunger-health-role-federal-child-nutrition-programs-improving-health-well-being.pdf>. Dustin Pugel, "SNAP is good for Kentuckians' Health."

¹¹ Food Research & Action Center (FRAC), "The Role of the Federal Child Nutrition Programs in Improving Health and Well-being."

¹² Food Research & Action Center (FRAC), "The Role of the Federal Child Nutrition Programs in Improving Health and Well-being." Dustin Pugel, "Tracking SNAP in Kentucky," Kentucky Center for Economic Policy, Jul. 15, 2019, <https://kypolicy.org/tracking-snap-in-kentucky/>. Dottie Rosenbaum, "SNAP's 'Broad-Based Categorical Eligibility' Supports Working Families and Those Saving for the Future," Center on Budget and Policy Priorities, Jul. 30, 2019, <https://www.cbpp.org/research/food-assistance/snaps-broad-based-categorical-eligibility-supports-working-families-and>.

¹⁴ Rosenbaum, "SNAP's 'Broad-Based Categorical Eligibility' Supports Working Families and Those Saving for the Future."

¹⁵ Rosenbaum, "SNAP's 'Broad-Based Categorical Eligibility' Supports Working Families and Those Saving for the Future."

¹⁶ Rosenbaum, "SNAP's 'Broad-Based Categorical Eligibility' Supports Working Families and Those Saving for the Future."

Waxman, "The Importance of Broad-Based Categorical Eligibility in SNAP."

¹⁷ United States Department of Agriculture, "SNAP State Options Report."

¹⁸ United States Department of Agriculture, "SNAP State Options Report." United States Department of Agriculture, Food and Nutrition Service, "Proposed Rule: Revision of Categorical Eligibility in the Supplemental Nutrition Assistance Program (SNAP) RIN 0584-AE62," ID: FNS-2018-0037-001, Jun. 24, 2019, <https://www.regulations.gov/document?D=FNS-2018-0037-0001>.

¹⁹ Rosenbaum, "SNAP's 'Broad-Based Categorical Eligibility' Supports Working Families and Those Saving for the Future."

²⁰ Caroline Ratcliffe, "Reviving SNAP Asset Limits Could Backfire on Families' Finances," *Urban Institute*, May 14, 2018, <https://www.urban.org/urban-wire/reviving-snap-asset-limits-could-backfire-families-finances>. Katherine S. Mielitz, Joy Clady, Meghaan Lurtz and Kristy Archuleta, "Barriers to Banking: A Mixed-Methods Investigation of Previously Incarcerated Individuals' Banking Perceptions and Financial Knowledge," *Journal of Consumer Affairs*, November 2017, <https://onlinelibrary.wiley.com/doi/abs/10.1111/joca.12158>.

²¹ Signe-Mary McKernan, Caroline Ratcliffe and Katie Vinopal, "Do Assets Help Families Cope with Adverse Events?" November 2009, *Urban Institute*, <https://www.urban.org/sites/default/files/publication/33001/411994-Do-Assets-Help-Families-Cope-with-Adverse-Events-PDF>.

²² United States Department of Agriculture, "SNAP State Options Report." Rosenbaum, "SNAP's 'Broad-Based Categorical Eligibility' Supports Working Families and Those Saving for the Future."

²³ United States Department of Agriculture, "SNAP State Options Report."

²⁴ Rosenbaum, "SNAP's 'Broad-Based Categorical Eligibility' Supports Working Families and Those Saving for the Future."

²⁵ Emily Pickren, "Proposed Changes to SNAP Could Leave Nearly 1 Million Children Without Access to Free School Meals," Food Research & Action Center (FRAC), Oct. 17, 2019. <https://www.frac.org/news/proposed-changes-to-snap-could-leave-one-million-children-without-access-to-free-school-meals>.

²⁶ Robert Greenstein, "Misguided Trump Administration Rule Would Take Basic Food Assistance from Working Families, Seniors, and People with Disabilities," Center on Budget and Policy Priorities, Jul. 23, 2019, <https://www.cbpp.org/press/statements/misguided-trump-administration-rule-would-take-basic-food-assistance-from-working>. Julia Cusick, "Statement: Trump Administration's Latest Rule Will Take Food Off the Tables of Millions, Says CAP's Ben Olinsky," Center for American Progress, Jul. 23, 2019, <https://www.americanprogress.org/press/statement/2019/07/23/472507/statement-trump-administrations-latest-rule-will-take-food-off-tables-millions-says-caps-ben-olinsky/>.

²⁷ Julia Cusick, "Statement: Trump Administration's Latest Rule Will Take Food Off the Tables of Millions, Says CAP's Ben Olinsky."