



October 29, 2019

The Honorable Sonny Perdue, Secretary
U.S. Department of Agriculture
Washington D.C.

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

Dear Secretary Perdue,

United Way of Kentucky, in partnership with Metro United Way, United Way of the Bluegrass, and United Way of Greater Cincinnati, appreciates the opportunity to comment on the proposed rule change to categorical eligibility for the Supplement Nutrition Assistance Program (SNAP). We are deeply concerned about the impact that this rule change to SNAP will have on working families who are already struggling.

United Way of Kentucky brings together the caring power and resources of over 400 communities and 120 counties across the Commonwealth. We fight for the health, education and financial stability of every person in every community, which includes ensuring everyone has access to affordable, nutritious food.

SNAP is a vital, short-term lifeline that keeps food on the table for 1 in 7 Kentuckians, whose limited budgets force them to make tough decisions every day between food, medicine, rent, and gas to get to work. In Kentucky, SNAP provides approximately \$1.33 per meal and brings back \$944 million in federal funding, which is spent on groceries at 4,700 retailers across the state. Across the Commonwealth, SNAP helps 308,642 households in an average month afford healthy, nutritious meals. In the proposed rule change, the policy known as Broad-Based Categorical Eligibility would be eliminated, resulting in over 3 million struggling Americans and 650,825 Kentuckians becoming more food insecure and less financially stable. Because of this rule change, children already facing hunger at home would no longer be able to access free school meals.

State Flexibility and Administrative Efficiency

Eligibility for SNAP is determined at the household level, which is defined as a single individual or a group of individuals living together. As SNAP is a mandatory program, any household that meets the eligibility criteria is granted access to benefits. The level of support a household receives depends on household size and income and is structured to target the neediest households¹.

The two primary mechanisms for determining SNAP eligibility are *financial* and *categorical*. Applicants are **financially eligible** if they meet federal gross and net income levels, and certain asset limits. **Categorical eligibility** enables states to allow households that participate in means-tested programs like Temporary Assistance for Needy Families (TANF), Supplemental Security Income (SSI), or state General Assistance (GA), to automatically enroll in SNAP, without determining their financial eligibility.

Beyond traditional categorical eligibility, states also have the option to implement **Broad-Based Categorical Eligibility (BBCE)**, whereby households that receive a TANF *benefit or service* can also automatically enroll in SNAP. As these participants have already met the eligibility requirements for the means-tested programs, BBCE enables state agencies the flexibility to streamline the administrative process for SNAP – preserving often limited resources and capacity.

Additionally, states can set the income limit for households to receive TANF benefits or services; limits vary but may not exceed 200 percent of Federal Poverty Level, or about \$42,600 for a family of three. States that choose to implement **BBCE**, which allows SNAP enrollment for households that receive a TANF-funded *benefit or service*, are therefore drawing on the guidelines already determined to best suit the needs of the state.

Further, those that qualify for SNAP through BBCE must still meet the federal income limit for SNAP benefits but are simply exempted from asset-limit tests (unless prescribed by the state). Kentucky is one of 43 states that have utilized Broad-Based Categorical Eligibility (BBCE) to waive asset testing and increase SNAP accessibility. The Kentucky Cabinet for Health and Family Services estimates 40,000 Kentuckians, or 8% of SNAP recipients, would be at risk of losing SNAP if the proposed changes to eliminate the state's ability to waive asset tests were imposed.

In the proposed rule change, the resulting increase in administrative review for SNAP eligibility would increase costs, and the system carefully constructed to encourage efficiency in the SNAP program would suffer.

Broad-Based Categorical Eligibility Helps Struggling Families to Make Ends Meet

BBCE eligibility allows states to structure asset limit tests so that families, seniors and people with disabilities can maintain modest savings or own their own home, while continuing to combat food insecurity.

SNAP makes targeted, temporary support available to recipients in times of hardship and helps people afford nutritious food so they can stay healthy, which makes it easier to get and keep a job and take care of their families. Children with consistent access to nutritious food have better educational, behavioral and health outcomes. Food security ensures pregnant mothers give birth to healthier babies and older Americans who receive SNAP benefits can better afford their prescription medications. And, more than 96 percent of SNAP benefits are issued accurately because of the program's rigorous system to determine eligibilityⁱⁱ.

Conclusion

In implementing states, like Kentucky, BBCE has not only ensured access to food for hungry families but allowed for simplified processes that create consistency across public assistance programs and reduce administrative costs. Elimination of BBCE would overwhelmingly affect working families, children, seniors and people with disabilities – and would punish those seeking to work more hours or establish meager savings in order to become more financially stable and independent. United Way estimates about 3.1 million Americans would lose SNAP benefits, nearly 1 million children will lose automatic eligibility for free school lunch programs, and administrative costs would increase by \$2.314 billion as a result of the rule change. Further, main-street economies, participating retailers, and agricultural producers will be adversely affected.

United Ways in Kentucky are committed to preserving access to nutritious food, fighting hunger, and supporting working families. However, SNAP makes food accessible to hungry families more cost-effectively and at a scale that no independent nonprofit can match. SNAP is a \$65 billion program; United Ways raises \$3.6 billion each year across the United States. A 5 percent cut to SNAP would be equivalent to eliminating United Way's entire footprint across America. If SNAP benefits are restricted, food banks that are already stretched thin will be overrun with demand.

We oppose this rule change and ask that the Administration withdraw the proposed change and continue to work with the non-profit sector on strategies to combat hunger in all corners of the country.



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ⁱ This brief does not discuss the benefit calculation and redemption rules. For a primer on benefit calculation and redemption, see pages 14-20 of "Supplemental Nutrition Assistance Program (SNAP): A Primer on Eligibility and Benefits"

<http://www.nationalaglawcenter.org/wp-content/uploads/assets/crs/R42505.pdf>

ⁱⁱ <https://fns-prod.azureedge.net/sites/default/files/snap/2014-rates.pdf>