September 23, 2019

Program Design Branch
Program Development Division, FNS
USDA, 3101 Park Center Drive
Alexandria, VA 22302

Submitted electronically through regulations.gov

Re: Comments on Proposed Rule: Revision of Categorical Eligibility in the Supplemental Nutrition Assistance Program (SNAP)

Dear Certification Policy Branch:

Policy Matters Ohio is a nonprofit, nonpartisan policy research organization. Our mission is to create a more prosperous, equitable, sustainable and inclusive Ohio. Our work focuses on strengthening Ohio’s workforce and ensuring all Ohioans are healthy, stable and secure. Basic food security is a crucial foundation for health, security, and a strong workforce. Thank you for the opportunity to submit comments regarding the proposed changes to categorical eligibility.

Broad-based categorical eligibility makes it easier for people to access basic food assistance. It allows households that are eligible for other public programs, including Social Security Income and Temporary Assistance for Needy Families (TANF), to be automatically enrolled in SNAP without having to go through an additional eligibility process, including income and asset tests. We are writing to express our concern with the United States Department of Agriculture’s (USDA’s) proposal to narrow categorical eligibility for SNAP and implement a more onerous eligibility process. Removal of broad-based categorical eligibility will:

- Increase food insecurity of children, adults, and families;
- Create barriers to workforce participation
- Increase healthcare costs and worsen health outcomes;
- Increase administrative costs and create barriers to accessing food assistance; and
- Negatively impact Ohio’s economy

Thus, we ask that the USDA not move forward with this proposed change.

The Proposed Rule Would Increase Food Insecurity of Americans

All Americans need access to nutritious food. Millions of low-income people rely on SNAP to get a nutritious diet. Roughly two-thirds of program participants are children, seniors, or people with disabilities. In Ohio, over 1.69 million people struggle with hunger and food insecurity, including over 500,000 children. Food insecurity is a lack of consistent access to enough food for an active, healthy life.

Food insecurity and poverty hurt entire households. When one member of a household loses food assistance, the entire household is affected. Evidence shows that food insecurity hurts everyone

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1 Feeding America, Hunger in Ohio, https://bit.ly/2zocERk
but is especially harmful to children’s development and well-being.\(^2\) Children who experience hunger and food insecurity are more likely to face toxic stress and have poor educational, health, and employment outcomes.\(^3\) SNAP helps reduce childhood hunger and improves outcomes for children. SNAP participation is linked with better health for children throughout their life span, and also has positive impacts on their caregivers, including improved maternal health.\(^4\)

Broad-based categorical eligibility allows children to be automatically enrolled in free and reduced school lunch programs. An estimated 265,000 children are enrolled in free school lunches because of this automatic eligibility.\(^5\) While families would still qualify for free or reduced lunch with the proposed elimination of broad-based categorical eligibility, these families will face an additional burden of qualifying for the program, which could leave more children hungry across the nation. The detrimental effects of poor nutrition in children and the elimination of free school lunches for a quarter of a million children would harm the well-being of children in Ohio and nationwide.\(^6\)

Additionally, broad-based categorical eligibility allows seniors and people with disabilities to build their savings. Under the current broad-based categorical eligibility, states have the choice to raise the extremely low asset limit of $3,500 for seniors and people with disabilities, which Ohio has done.\(^7\) In Ohio, households with seniors and people with disabilities with gross income under 200 percent of the federal poverty level don’t face an asset limit, which allows them to plan ahead and build savings.\(^8\) This proposal penalizes seniors and people with disabilities for building savings and assets, decreasing their ability to respond to a crisis or unexpected emergency. This is particularly worrisome as the Ohio Association of Foodbanks report a growing demand for food assistance among seniors. In the past four years, Ohio’s statewide network of foodbanks has seen a 25 percent increase in seniors at food pantries.\(^9\)

**The Proposed Rule Would Create Barriers to Workforce Participation**

New research that analyzed the state level impact of this proposal found that 108,803 individuals could lose SNAP benefits in Ohio if the proposed rule is implemented.\(^10\) In Ohio, SNAP participants all have incomes of 130 percent of the federal poverty level or below.\(^11\)

Too many Ohioans already experience food insecurity, in part because Ohio’s low-wage job market doesn’t pay enough to support thousands of working families. Six of the ten most common jobs in Ohio pay too little to feed a family of three without food assistance.\(^12\) As the cost of food, housing, and other necessary items continue to increase, children and families who are already struggling will face even greater challenges. Eliminating SNAP’s broad-based categorical eligibility from the state would especially harm Ohio children who are just on the edge of insecurity.


\(^{5}\) Congressional Budget Office, H.R. 2, Agriculture and Nutrition on Act of 2018, As ordered reported by the House Committee on Agriculture on April 18, 2018, https://bit.ly/2kkzGFg


childcare, and healthcare continue to rise, more low-wage workers need support from local foodbanks and SNAP to get by.

Taking food away from people will not help them become more self-sufficient, and it won’t help low wage workers or underemployed people move up a career ladder. To the contrary, removing access to food creates additional barriers for workers to get or maintain employment. Many adults participating in SNAP already have difficulty working due to barriers, such as unstable housing, lack of transportation or childcare, or health challenges. This change will add an additional barrier on people’s path to economic opportunity and work.

**Access to SNAP Benefits Impacts Healthcare Costs and Outcomes**

Nutrition is directly connected to health. Research demonstrates the impact that access to sufficient SNAP benefits has on health outcomes. SNAP has long-term health benefits for growing children. Research has shown that SNAP can improve short-term and long-term health, academic performance, educational attainment, and economic opportunity.

Diet-related chronic diseases such as heart disease, stroke, and diabetes are among the most common, costly and preventable of all health problems in Ohio and the United States. Obesity and diet-related diseases are the second leading cause of preventable deaths. Obesity, diabetes, and heart disease alone cost the U.S. healthcare system economy over $583 billion each year.

Food insecurity increases the incidence of many diet-related conditions, including diabetes, obesity, hypertension, depression, and pregnancy complications. We know that food insecure households ration medicine, go without healthcare, and have challenges adhering to prescribed diets, often due to their lack of financial capacity. We also see hospital admissions for low blood sugar increase at the end of the month (when SNAP benefits run out) in low-income populations that participate in SNAP. Food insecurity leads to worse health and higher long-term costs of treatment. SNAP increases food security and helps reduce these diet-related healthcare costs.

**The Proposed Rule Would Increase Administrative Burdens and Barriers for Benefits**

Ohio uses broad-based categorical eligibility to reach low-income communities in an effective and low-cost way. Categorical eligibility reduces bureaucratic red tape and allows people who are recipients of other public benefits like Temporary Assistance for Needy Families and Supplemental Security Income to have a more streamlined process for qualifying for food assistance.

Ohio’s experience shows that removing the asset test can reduce paperwork, administrative cost, and the risk of agency error. A program administrator in Ohio said, “Moving to expanded

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13 Center for Budget and Policy Priorities (CBPP), *Unemployed adults without children who need help buying food only get SNAP for three months (Barriers to Work)*. [https://bit.ly/3lby7ch](https://bit.ly/3lby7ch)
categorical eligibility policy did save in administrative expenditures as county workers now have less verification to gather. In addition, documentation of some assets can be difficult to obtain and even harder to determine an accurate value which was at times quite time consuming for our counties.\footnote{Black, Rachel, Asset Limits in the Supplemental Nutrition Assistance Program, New America Foundation, https://bit.ly/2md5l24}

Removal of broad-based categorical eligibility would add costly administrative burdens to Ohio. Our state would have to increase staff and spend more money and time establishing eligibility for some SNAP participants. The proposal would require expensive changes in information systems, training, and eligibility processing procedures. For instance, the SNAP asset test requires state agencies to spend a substantial amount of time investigating and verifying asset information and training staff on asset rules. This change would create a higher administrative burden and greater opportunities for error.

Just as eliminating categorical eligibility will create an expensive and cumbersome burden for administrators, it will also create additional barriers for people who rely on food aid. Children who receive food assistance are categorically eligible for free and reduced school lunch. Eliminating categorical eligibility could make it harder for hungry children to qualify for free and reduced lunch, resulting in thousands of children losing access to the program. It also creates an additional barrier for eligible adults, seniors and people with disabilities who could fail to complete the application process.


In Ohio, regulatory analysis of the rule estimates that between 2.9 and 7.6 percent of households would lose benefits.\footnote{USDA, (AE62) Revision of Categorical Eligibility in SNAP Regulatory Impact Analysis, https://bit.ly/2kMd4yR} Based on those estimates, we anticipate that between 19,000 and 52,000 Ohio households (or between 37,000 and 101,000 individual Ohioans based on the average household size of 1.95 people) could lose access to SNAP if the proposal is enacted.\footnote{USDA, (AE62) Revision of Categorical Eligibility in SNAP Regulatory Impact Analysis, https://bit.ly/2kMd4yR}

The proposal to remove broad-based categorical eligibility would also increase program “churn,” where people move on and off SNAP over a short period, which will increase costs for individuals and the state. States with broad-based categorical eligibility have reduced churn by 26 percent.\footnote{Estimate based on May 2019 data on number of SNAP households in Ohio, SNAP Data Tables (Households - PDF), FNS, https://bit.ly/2ujE2int} This proposal will complicate the administrative processes, drain state and federal resources, and limit the ability of states to increase food security and access to basic food and nutrition assistance.
Eliminating Categorical Eligibility Would Negatively Impact the Economy
SNAP boosts the economy in struggling areas because people who participate spend those dollars at local grocery stores. In 2016, 9,644 retailers in Ohio redeemed over $2.4 billion in SNAP benefits. SNAP dollars spent locally boost local economies.

Decisions to limit federal resources for food aid hurts local economies. For instance, in 2014, the state of Ohio did not apply for work requirement / time limit waivers in 72 qualifying counties. The rollback cost Ohio's economy $464 million in SNAP benefits that would have gone to businesses that support jobs and local economies. As a result, Vinton County and Carroll County, both rural communities, lost their only grocery stores. If this proposed rule is enacted, it will mean less money going into local economies across the nation.

Conclusion
This proposal was already rejected by Congress during the 2018 Farm Bill discussion. Congress rejected it because it would have negatively impacted the health and food security of Americans and increased administrative costs and burdens in the SNAP program. We ask that the USDA not move forward with this proposal for the same reasons.

An overwhelming amount of evidence shows that SNAP improves the health and food security of vulnerable populations. The impact of the proposed rule change on children, seniors, and people with disabilities is particularly onerous. Broad-based categorical eligibility ensures that the people who qualify for food assistance are able to receive it without unnecessary administrative burdens. We also know that SNAP boosts local economies and a rule change that removes people from SNAP will have a negative impact on local economies across the nation. We strongly urge you to maintain broad-based categorical eligibility, recognizing the critical role food plays in the health of Americans, our workforce, and local economies. An elimination of broad-based categorical eligibility for SNAP is misguided and would have devastating impacts on health and hunger of thousands of low-income people in Ohio.

Thank you for your consideration.

Respectfully submitted,

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