COALITION ON HUMAN NEEDS
1825 K Street, NW · Suite 411 · Washington, DC 20006 · 202.223.2532 · Fax 202.223.2538 · www.chn.org

December 2, 2019

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

Re: Notice of Proposed Rule Making Regarding Supplemental Nutrition Assistance Program (SNAP) Standardization of State Heating and Cooling Standard Utility Allowances -- RIN 0584-AE69

Submitted via Regulations.gov

Dear SNAP Certification Policy Branch:

I am writing on behalf of the Coalition on Human Needs to comment on the U.S. Department of Agriculture's Notice of Proposed Rule regarding Supplemental Assistance Nutrition Program (SNAP) Standardization of State Heating and Cooling Standard Utility Allowances. We appreciate the opportunity to comment, and strongly urge that the proposed rule, which USDA estimates would cut SNAP benefits by $4.5 billion over five years, be withdrawn.

The Coalition on Human Needs is an alliance of more than 100 national-scope organizations, including human service providers, religious groups, policy experts, and labor, civil rights and other advocates concerned with meeting the needs of low-income and vulnerable people. Our members are well aware of the important role SNAP plays in protecting health and providing income security for people of any age, and of its special role in promoting children's health and development. In this regard, any proposal that has the impact of significantly reducing SNAP benefits to millions of people is unacceptable. On the contrary, there is considerable evidence that SNAP's benefits are too low. Research has shown that low SNAP benefits result in declines in caloric intake, dietary quality, eating occasion frequency, and shopping frequency at the end of the monthly SNAP benefit cycle. Hospital admissions for hypoglycemia (i.e., low blood sugar) are higher at the end of the month for low-income individuals with diabetes than high-income individuals with diabetes, likely to result from the deterioration in diet that comes from SNAP benefits running out. Children tend to do worse on math and reading achievement tests in the third to eighth grades when the tests are administered at the end of the monthly SNAP benefit cycle, according to studies in North and South Carolina. We would urge that USDA develop proposals to increase monthly benefits instead of its repeated efforts to reduce assistance by billions of dollars.

The current proposal to reduce states' flexibility to set the Standard Utility Allowance (SUA) would affect about three-quarters of the households receiving SNAP, according to the Urban Institute. In 2018, 63 percent of SNAP households received a heating and cooling standard utility allowance (HCSUA); additional households received utility allowances for telephone or other limited forms of utilities. While the proposed rule would increase benefits in 21 states plus D.C. while decreasing benefits in 29 states, the monthly decreases are close to twice the size of the increases. The Urban Institute's estimates are quite comparable to USDA's; they find that if the proposal were in effect in 2018, 13 percent of households would have higher benefits, with an average gain of $14, and 16 percent would have lower benefits, with an average loss of $33. They found a net loss of $786 million (1.5 percent) in that year, consistent with USDA's estimate of $4.5 billion in SNAP cuts over five years into the future.

Under current law, SNAP takes into account the utility expenses of each SNAP household. States adjust household benefits based on a state-specific Standard Utility Allowance (SUA) calculated by the state and approved by USDA. The current policy allows variances in SUAs to accommodate for differences in utility costs and rates and allows states flexibility in how they calculate those costs.

The proposed rule would standardize and cap SUA calculations across the country based on survey data. The proposed rule does not adequately explain USDA's rationale for capping the largest of the SUA components by calibrating to utility expense survey data for those no higher than the 80th percentile of low-income people and then capping other SUA components as well. The proposed rule merely asserts that it calculated calibrating to the 50th percentile compared to the 80th percentile. The proposed rule does not adequately explain whether USDA analyzed impacts calibrated to the 85th or higher percentiles and what the results of those estimates were. The lack of such explanation is particularly concerning given research documented that 21 states had SUAs exceeding the 85th percentile estimates, possibly because in their efforts to mitigate benefit loss for households with very high utility costs. Further, we question whether USDA's use of survey data adequately distinguishes between commercial or industrial uses of energy sources and household uses in states.

If USDA's purpose is to increase the value of SUA's in certain states, it is certainly possible to do so without reducing benefits in the majority of states. If USDA's purpose is to find a way to reduce SNAP benefits overall, that would be contrary to SNAP's purpose as Congress has defined it in statute. Under law, SNAP's purpose is "to promote the general welfare, to safeguard the health and well-being of the Nation's population by raising levels of nutrition among low-income households. Congress finds that the limited food purchasing power of low-income households contributes to hunger and malnutrition among members of such households. Congress further finds that increased utilization of food in establishing and maintaining adequate national levels of nutrition will promote the distribution in a beneficial manner of the Nation's agricultural abundance and will strengthen the Nation's agricultural economy, as well as result in more orderly marketing and distribution of foods. To alleviate such hunger and malnutrition, a supplemental nutrition assistance program is herein authorized which will permit low-income households to obtain a more nutritious diet through normal channels of trade by increasing food purchasing power for all eligible households who apply for participation." (7 U.S.C. section 2011).

The Urban Institute's analysis finds that households with an adult age 60 or older or someone with a disability would most likely be affected by the proposed change to the SUA. The change would reduce benefits for 25 percent of households that include someone with a disability, with an average reduction of $36 a month. Twenty-two percent of elderly households would have a reduction, with an average reduction of $38 a month. Following the overall pattern of smaller increases for those who would gain and larger decreases for those whose SNAP would decline, benefits would increase for 20.7 percent of households that include someone with a disability and 17.5 percent of elderly households, with average increases of $15.

Fifteen percent of households with children would receive lower benefits (on average, $27 lost per month) and 13 percent would receive a benefit increase (averaging $13 gained per month). While the percentage of affected households with children is lower, since the majority of households receiving SNAP include children, the absolute number of children affected would be high.

Studies by the young children's health researchers at Children's Health Watch have repeatedly shown that SNAP helps children, and that when families experience benefit cuts, there are serious consequences to child health. Compared to young children whose families consistently received SNAP, young children in households whose SNAP benefit had been reduced were: 55% more likely to be child food insecure; 36% more likely to be in poor health; 70% more likely to be at risk of developmental delays; and 12% more likely to be hospitalized. This evidence of harm when benefits are reduced should be reason enough to withdraw the proposed rule. Similarly, the research cited above showing increased harm from diabetes-related conditions after SNAP runs out each month indicates that adults and especially seniors would be vulnerable to adverse health impacts should this rule go forward.

USDA should not seek to reduce the value of the SUA in any state, but should consider appropriate steps to increase benefits in certain states. At a time when extreme weather events appear to be on the rise, states should have maximum flexibility to help low-income households to manage increased heating and cooling costs without having to go without food. Maintaining and (preferably) increasing

SNAP benefits builds on SNAP's demonstrably positive role in protecting families while also contributing to economic growth. During the Great Recession, SNAP was a top contributor to boosting the faltering economy (with $1 of SNAP benefits leading to between $1.50 - $1.80 in total economic activity).

It is very troubling that this proposed rule is the latest in a series of USDA proposals that would reduce SNAP benefits for millions of people, contrary to the intent of Congress as expressed in the 2018 Farm Bill. Congress reviewed SNAP policy through the 2018 legislation and retained in the law that states have options that may produce differences in SNAP eligibility benefit amounts from state to state, just as it rejected other proposed SNAP restrictions.

USDA should be strengthening the positive impacts of SNAP for health, well-being and economic activity, not making cuts to SNAP benefits. The members of the Coalition on Human Needs strongly oppose the proposed rule and request the USDA withdraw the rule and work with states to improve their SUA's under existing flexibility.

Sincerely,

Deborah Weinstein
Executive Director