



September 23, 2019
SNAP Program Design Branch
Program Development Division
Food and Nutrition Service, USDA
3101 Park Center Drive
Alexandria, VA 22302

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

Dear SNAP Program Design Branch:

Thank you for the opportunity to comment on USDA's Notice of Proposed Rule Making on a Revision of Categorical Eligibility in the Supplemental Nutrition Assistance Program (SNAP).

The California Asset Building Coalition (CABC) is a statewide network of diverse organizations joined together to advance policies and programs that help Californians exit poverty by building assets, establishing and growing their savings and avoiding predatory financial practices. We connect stakeholders across practice areas, provide opportunities for engagement with policymakers, and develop leadership in the asset building field. We educate policymakers, community leaders and stakeholders on strategies that help low- and middle-income Californians climb the economic ladder, and break the cycle of poverty that plagues over 9 million residents (24%) across the state. Our organization pays very close attention to the Supplemental Nutrition Assistance Program (SNAP, CalFresh in California) because SNAP helps alleviate poverty, food insecurity, and promotes savings and asset building among low-income families and individuals.

We are deeply troubled the Department is proposing to take away a state option that would make eligibility for SNAP benefits more limited for working families, seniors, and people living with disabilities in more than 40 states, including California. When it comes to wealth, California is a state of stark wealth inequality. While 131 billionaires reside in California (more than in any other state or country, except China¹), 18.2% of its 40 million residents, or 7.3 million people, were experiencing poverty², the highest of any state in the United States³. One in three Californians lacks the means to afford basic necessities⁴ and 46% of households in California are liquid asset poor – meaning they do not have three

¹ Savchuk, Katia. (2015). "California Has More Billionaires Than Every Country Except the U.S. and China." Forbes. Accessible at: <https://www.forbes.com/sites/katiasavchuk/2015/03/04/california-has-more-billionaires-than-every-country-except-the-u-s-and-china/#2678476c637c>

² United States Census Bureau. (September 2019). "The Supplemental Poverty Measure: 2018." Accessible at: <https://www.census.gov/content/dam/Census/library/publications/2019/demo/p60-268.pdf>

³ Walter, Dan. (September 2019). "California still No. 1 in Poverty." CalMatters, Accessible at: <https://calmatters.org/commentary/high-cost-california-no-1-in-poverty/>

⁴ United Ways of California. (2019). "Struggling to Stay Afloat: The Real Cost Measure in California 2019." Accessible at: <https://www.unitedwaysca.org/realcost>

months of savings needed to subsist above the poverty level should they have a loss or disruption of income. Poverty in California means often paying two-thirds of family income towards housing, going hungry, and facing massive debts that erase the hope of a financially secure future. Furthermore, without assets, poor Californians are unable to weather financial downturns, invest in their child's education, move to a lower cost area or search for a new job. Because of everyday, common setbacks, such as an illness or a car towed, families without assets face multiple and severe consequences such as eviction and hunger, as well as mental and physical stress that makes it nearly impossible for children to see a brighter future. Yet working-class families with financial assets can escape and stay out of poverty. Low-income children with a savings accounts in their name are 3 times more likely to enroll in college and 4 times more likely to graduate than low-income students without an account⁵. When families are connected to asset-building tools like earned income tax credits and retirement savings accounts, family economic security becomes feasible.

SNAP currently helps 40 million low-wage individuals and families in the United States, including low-wage 4 million Californians, gain food assistance⁶. The proposed rule change would terminate SNAP eligibility for more than 3 million people⁷ nationwide. An estimated 120,000 California households, the majority of whom are working families already struggling to meet their families basic needs, would lose access to critical food benefits.⁸ SNAP is one of the most important economic supports for families across the United States and helps increase the purchasing power for the most vulnerable populations in our communities. We strongly oppose such a change and urge the Department withdraw its proposed change to this policy.

Assets are Important for the Most Vulnerable Low-Income Populations

Broad-based categorical eligibility lets states lift SNAP's very low and harmful asset test⁹, which disqualifies individuals and families from food assistance if they've been able to save \$2,250 (or \$3,500 for households with elderly or disabled members, who are very unlikely to be able to replenish any assets they spend down.) Building assets can help low-wage families and individuals invest in their future, avoid and respond timely to a financial or health crisis that could push them deeper into poverty or into homelessness, and avoid accumulating debt that can impede economic mobility. Assets can help people who are self-employed build their business to the next level and can help people gain employment and education necessary to exit poverty. These asset tests are known to be harmful limitations to working individuals and families attempting to build up their financial stability for any unexpected economic shocks¹⁰. Policies that support asset-building are particularly important for people of color, who have historically been disadvantaged in accumulating wealth due to systemic

⁵ Quinton, Sophie. (July 2014). "One Good Idea: A College Savings Account for Every Child." The Atlantic. Accessible at: <https://www.theatlantic.com/politics/archive/2014/07/one-good-idea-a-college-savings-account-for-every-child/431142/>

⁶ See: https://www.cbpp.org/sites/default/files/atoms/files/snap_factsheet_california.pdf

⁷ <https://www.regulations.gov/document?D=FNS-2018-0037-0002>

⁸ <http://www.cafoodbanks.org/sites/default/files/CA%20Joint%20Statement%20on%20Cat%20EI%20Proposed%20Rule%20072319.pdf>

⁹ U.S. Department of Agriculture. (2016). "Asset Limits, SNAP Participation and Financial Stability." Accessible at: <https://fns-prod.azureedge.net/sites/default/files/ops/SNAPAssets.pdf>

¹⁰ Sargent Shriver National Center on Poverty Law. (October 22, 2013). "Encouraging Savings: How Hawaii and Illinois Eliminated their TANF Asset Tests." [Webinar] Retrieved from: https://www.youtube.com/watch?v=QV_7z5UD1ic and <https://prosperitynow.org/blog/2013-action-eliminate-asset-limits>

discrimination and racism. More than 40 states have used BBCE to drop the asset test in SNAP, thereby eliminating the program's savings deterrent and encouraging savings as a means to support long-term financial wellness. These flexibilities are important for vulnerable populations, including:

Asset Building is Vital for Seniors' Long-term Wellness

The proposed rule would eliminate SNAP benefits for 13.2 percent of all SNAP households with elderly members (at least 660,000 seniors by USDA's own estimates), and punish seniors for having meager savings. A recent Urban Institute study estimates about 757,000 households with a senior will lose SNAP benefits under the proposed rule, estimating 323,000 will fail the asset test.¹¹ Seniors are often faced with high medical expenses due to severe illnesses. A brief or long hospital stay forces many seniors to rely on any financial reserves for steep medical co-pays and out-of-pocket expenses.¹² If the elderly do not have enough funds to pay for these costs, they may be forced to forgo life-saving care or medication. Seniors need to have the ability to save for these and other unexpected costs. The proposed rule will put the lives of our elderly population in grave danger.

Savings are Lifesaving for People Living with Disabilities

Under the proposed rule, 150,000 people with disabilities would lose SNAP benefits because of the changes to categorical eligibility. People with disabilities consistently face unforeseen expenses due to medical emergencies. These unexpected costs (typically ranging between \$1,000 to \$7,000 per year) can be devastating for a family. What's more, people living with a disability already experience higher levels of poverty and their ability to save modest amount of money is crucial so they can stay afloat¹³. Categorical eligibility in SNAP allows families with a person living with a disability to save money, when they can, to prepare for future emergencies and unexpected costs. The proposed rule would eliminate this option and impose a strict asset limit on households that include people with disabilities.

Access to Savings is Crucial for Low-wage, Working Families

The current flexibility BBCE states provide to working families, helps lift working families out of poverty by allowing low-wage households to save money, promote economic mobility, and improve their families' overall financial security during unexpected economic shocks like a natural disaster¹⁴, unexpected job loss or health emergency.¹⁵ Harsh income and asset tests do not promote economic mobility and force families in need to spend their small savings before they can qualify for assistance, leaving them vulnerable to financial emergencies and preventing them from moving along the path to financial security.¹⁶

¹¹ Waxman, Elaine & Joo, Nathan. (September 2019). "How Households with Seniors and Adults with Disabilities Are Affected by Restricting Broad-Based Categorical Eligibility for SNAP". Urban Institute. Retrieved from: https://www.urban.org/sites/default/files/publication/101028/how_households_with_seniors_and_adults_with_disabilities_are_affected_by_restricting_broad-based_categorical_eligibility_for_snap_1.pdf

¹² See reference here: <https://www.medicaid.gov/medicaid/cost-sharing/out-of-pocket-costs/index.html>

¹³ Altiraifi, Aza. (July 2019). "Advancing Economic Security for People with Disabilities." Accessible at: <https://www.americanprogress.org/issues/disability/reports/2019/07/26/472686/advancing-economic-security-people-disabilities/>

¹⁴ See: <https://talkpoverty.org/2018/11/15/california-already-housing-crisis-fires-just-made-worse/>

¹⁵ <https://www.urban.org/urban-wire/reviving-snap-asset-limits-could-backfire-families-finances>

¹⁶ <https://www.povertylaw.org/clearinghouse/webcast/limits>

Economic Security is critical for Domestic Violence Survivors

Income supports are critical for domestic violence (DV) survivors and can influence whether or not a survivor stays or exists an abusive relationship with a partner.¹⁷ Receiving SNAP benefits for DV households ensures survivors can build up their own independence and can help them regain economic stability.¹⁸ The proposed rule will inhibit DV survivors from saving a modest amount of money, and remove food benefits for them and/or for their impacted family. The current flexibility broad-based categorical eligibility offers survivors is vital and the proposed rule changes will put survivors in jeopardy.

Savings help keep Low-Income, First-Generation College Students in School

A significant number of college students across the United States are struggling every day to meet their basic needs to stay in school¹⁹. California is not unique to that problem and in fact, students in California must allocate for the high cost of living on top of steep college costs²⁰. For many low-income students, access to financial aid helps them get through the school year. The proposed rule will restrict college students from saving and budgeting any extra money they make from jobs not classified as federal work study, money that helps them get through the school year. Already, students experience significant barriers because they must verify and document “allowable educational expenses²¹” when using their financial aid dollars. The proposed rule will increase the amount of paperwork students, SNAP on-campus outreach coordinators, and SNAP agency administrators will have to complete to enroll and retain student SNAP clients.

We strongly oppose any administrative action by USDA that would reduce states’ flexibility to extend SNAP eligibility to low-wage working households. Working families already struggle to afford food, clothing, housing, child care, medical care costs for themselves and their families. Any change that would restrict, impede, or add uncertainty to our state’s ability to provide SNAP benefits to our low-income families must not be pursued.

¹⁷ National Women’s Law Center. Help More Domestic Violence Survivors Survive by Strengthening Food Assistance. (2018) Retrieved from: <https://nwlc.org/blog/help-more-domestic-violence-survivors-survive-by-strengthening-food-assistance/>

¹⁸ Shaina Goodman, *Difference Between Surviving and Not Surviving* (2018), available at https://vawnet.org/sites/default/files/assets/files/2018-10/NRCDDV-TheDifferenceBetweenSurvivingandNotSurviving-UpdatedOct2018_0.pdf and Institute for Women’s Policy Research, *The Economic Cost of Intimate Partner Violence, Sexual Assault, and Stalking* (Aug. 2017), available at https://iwpr.org/wp-content/uploads/2017/08/B367_Economic-Impacts-of-IPV-08.14.17.pdf; Kali Grant et al., Georgetown Center on Poverty and Inequality, *Unworkable & Unwise: Conditioning Access to Programs that Ensure a Basic Foundation for Families on Work Requirements* 57 (Feb. 1, 2019), available at <http://www.georgetownpoverty.org/wp-content/uploads/2019/02/Unworkable-Unwise-GCPI-ESOI.pdf>.

¹⁹ U.S. Government Accountability Office, Report to Requesters. Food Insecurity: Better Information Could Help Eligible College Students Access Federal Food Assistance Benefits. GAO-19-95. (December 2018). GAO estimated the SNAP-eligible student population to include undergraduates attending private and public colleges who appear eligible for federal financial aid. Retrieved from: <https://www.gao.gov/assets/700/696254.pdf>

²⁰ https://www2.calstate.edu/impact-of-thecsu/student-success/basic-needs-initiative/Documents/BasicNeedsStudy_phaseII_withAccessibilityComments.pdf and Student Food Security and Access,” <http://regents.universityofcalifornia.edu/regmeet/july16/e1attach.pdf> <https://www.ucop.edu/global-food-initiative/files/food-housing-security.pdf> and https://hope4college.com/wpcontent/uploads/2019/03/Hope_realcollege_report_CCC_appen_checkedFIN3.6.19.pdf

²¹ See: MPP § [63-502.2\(e\)\(4\)](https://www.cdss.ca.gov/foodstamps/entres/getinfo/pdf/fsman5.pdf#page=35). <https://www.cdss.ca.gov/foodstamps/entres/getinfo/pdf/fsman5.pdf#page=35>

We Oppose the Proposed Rule and Urge the Administration to Withdraw It

CABC believes every single individual and family should have the ability to secure equitable financial wellness, free from systemic barriers. The only action we encourage USDA to take with respect to this option is to encourage more states to adopt broad-based categorical eligibility. If you have any questions about our comments, feel free to contact me at: Sabrina Hamm
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Sincerely,



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