

THE U.S. DEPARTMENT OF AGRICULTURE
FOOD AND NUTRITION SERVICE

Notice of Proposed Rule Making
Regarding Supplemental Nutrition
Assistance Program (SNAP)
Standardization of State Heating and
Cooling Standard Utility Allowances

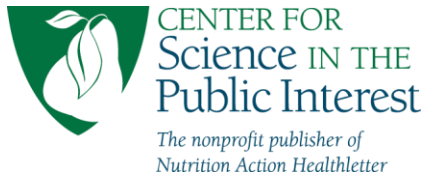
Docket No. FNS-2019-0009

COMMENTS OF THE
CENTER FOR SCIENCE IN THE PUBLIC INTEREST

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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

Dear SNAP Certification Policy Branch,

The Center for Science in the Public Interest (CSPI) greatly appreciates the opportunity to comment on the U.S. Department of Agriculture (USDA) Food and Nutrition Service (FNS) proposed rule for standardizing calculations for standard utility allowances (SUA) for beneficiaries of the Supplemental Nutrition Assistance Program (SNAP). As a nonprofit nutrition and consumer advocacy organization, we strongly oppose this proposed rule.

This proposed rule will impede SNAP by decreasing benefits by \$1 billion per year (\$4.5 billion over five years). Among the estimated 19 percent of households that will experience decreases in SNAP benefits, elderly and disabled individuals will be impacted disproportionately.¹

Policymakers understand that household resources are needed to pay for basic needs, such as housing and utilities, although for low-income families, these resources may not be available for food. SNAP is an essential program, especially for individuals and families living at or below the poverty level. SNAP helps to mitigate severe hunger and malnutrition for people experiencing hardships.

In 2016, SNAP prevented 7.3 million Americans, including 3.3 million children, from entering poverty.² SNAP also stimulates economic activity during recessions; \$1 in SNAP benefits translates to \$1.50-1.80 in gross domestic product during economic downturns.³ A decline in SNAP allotment makes already vulnerable families even more vulnerable to the effects of financial difficulties.

Under current law, SNAP takes utilities expenses per household into account when determining the amount of benefits to be distributed. In lieu of each household calculating their own utilities costs, which can be difficult to determine, each state applies its own calculation to develop a SUA. This amount is approved annually by the USDA and helps determines how much SNAP benefits households receive.

Current policy gives states important flexibility in how SUAs are calculated. The largest SUA is the heating and cooling standard utility allowance (HCSUA), which includes household expenses for heating and air conditioning, plus other living expenses, including water and trash collection.

This proposed rule would cap HCSUAs at 80 percent of the state's utility costs for low-income households. The HCSUA would also cap other utility allowances; a state's limited utility allowance (LUA), which incorporates at least two utilities expenses, would be capped at 70 percent of the HCSUA under the proposed rule. Standardizing the calculation of HCSUAs thus directly impacts factors that determine the amount of SNAP benefits that households receive, even if the household uses a different SUA to qualify for benefits.

This proposal is guided by findings in the 2017 SUA report by Holleyman *et al.* that utilize American Community Survey (ACS) data to calculate the utilities costs for low-income households and compares this to the HCSUAs used by each state.⁴ That report concluded that the average (50th percentile) low-income household utility costs are below the state HCSUAs.

Recognizing that state HCSUAs may be set higher so that households with very high utility expenses do not lose benefits, the proposed rule claims that capping HCSUAs at 80 percent of the utilities costs per state will reduce the amount of variation between utility costs and HCSUA amounts; yet this cap fails to account for low-income households with high utility costs. Twenty-one states were found to have HCSUAs exceeding the 85th percentile of ACS-based utilities costs, but the proposed rule fails to evaluate whether states with such high utility expenses will face decreases in SNAP benefits.⁴

Importantly, the 2017 SUA study makes clear that ACS data are based on customer recall surveys rather than actual utility bills.⁴ Consumer recall is a notoriously unreliable data collection mechanism, and the U.S. Department of Housing and Urban Development has previously reported that respondents to the Census Bureau do not have good recall about their utilities expenses and may not consider seasonal fluctuations.⁵ It would be arbitrary for the USDA to rescind states' ability to adjust HCSUAs based on a study with such a major limitation.

U.S. Secretary of Agriculture Sonny Perdue stated that "Americans have the right to expect a program like SNAP to operate fairly and consistently across the country."⁶ When considering the rights of Americans, we urge the USDA and FNS to bear in mind the low-income Americans who will suffer as a consequence of implementing this change to SNAP. The proposed rule's Civil Rights Impact Analysis states, "Households with an elderly or disabled individual will be disproportionately affected by changes to HCSUAs, both positively and negatively, because these households do not face the cap on excess shelter costs and therefore would experience a greater benefit increase or decrease."¹ Among the 19 percent of households who will see decreases in SNAP benefits, the elderly and disabled will be most affected, undermining the protected groups that SNAP is meant to serve.¹

Further, placing a cap on utilities allowances disregards low-income households' disproportionate struggle with energy burden, the allocation of income towards energy costs. Persons with lower socioeconomic status tend to dwell in less energy-efficient homes, use faulty

energy-consuming appliances, and are ill-equipped to adapt to large fluctuations in energy pricing.⁷ In a study examining 48 major metropolitan studies in the U.S., researchers demonstrated that low-income households had over twice the energy burden compared to the U.S. median burden, and had an energy burden three times compared to high-income homes.⁸ This proposed rule weakens the abilities of the states to adjust residents' HCSUAs according to their changing energy needs.

The President's Fiscal Year 2019 Budget requested a cut to SNAP funding that was similar to this proposed rule.⁹ Congress reviewed SNAP policy during the 2018 Farm Bill, including state-by-state variation in eligibility for SNAP benefit amounts, and decided not to include SUA standardization. Evening out benefit amounts across states lowers benefits for many participants and does not promote SNAP's statutory purpose, but instead, undermines it. Strikingly, the limit on HCSUAs in the House's proposed 2018 Farm Bill would have increased the percentage of SNAP recipients living below the poverty level by 3 to 6 percent.¹⁰ For these reasons, standardizing HCSUAs is a misguided change to SNAP that would harm families and increase poverty.

Instead, the USDA should be strengthening the positive impacts of SNAP. SNAP increases social welfare as the program decreases food insecurity and keeps millions of Americans above the poverty line.¹¹ SNAP increases public health as participants report higher health outcomes and increased spending on foods with high nutritional quality.¹¹ SNAP improves the economy as participants incur less health care costs and children with SNAP access are more likely to complete high school.¹¹

In contrast, the proposed rule undermines access to nutrition through SNAP benefits for low-income households, especially those with elderly and disabled individuals in them. We strongly oppose this proposed rule altering SNAP, and request that the USDA withdraw the rule.

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