



Association of Arizona Food Banks

340 E. Coronado Road, Suite 400 | Phoenix, AZ 85004-1524
602.528.3434 | 800.445.1914 | Fax 602.528.3838
www.azfoodbanks.org

September 13, 2019

Program Design Branch
Program Development Division
Food and Nutrition Service
U.S. Department of Agriculture
3101 Park Center Drive
Alexandria, VA 22302

Re: Revision of Categorical Eligibility in the Supplemental Nutrition Assistance Program (USDA Docket Number FNS-2018-0037)

Dear Sir or Madam:

On behalf of the Association of Arizona Food Banks (AAFB) and our member food banks, we **strongly oppose** the proposed revision of categorical eligibility in the Supplemental Nutrition Assistance Program (SNAP), published in the federal register on July 24, 2019 (Docket ID: FNS-2018-0037). We respectfully request that the U.S. Department of Agriculture withdraw this proposed rule.

Based on data from our state agency and decades of experience working to alleviate hunger in Arizona, we estimate that this proposal would increase food insecurity for nearly 40,000 children, seniors, and working adults in Arizona by eliminating broad-based categorical eligibility (BBCE).¹ That includes 16% of SNAP households with earnings, 14% with seniors, and 11% with children.²

Food is a basic human right, but, in Arizona, more than 1 in 4 children and 1 in 6 adults still struggle with food insecurity.³ AAFB's five member food banks and nearly 1,000 partner agencies work to provide relief. Together, we served about 450,000 Arizonans per month in 2018, primarily working families, seniors, and people with disabilities. Although we distributed more than 175 million pounds of food statewide, our emergency hunger relief network cannot end hunger alone.⁴ SNAP is a critical support for working families and other low-income individuals to put food on the table. According to Feeding America, for every meal a food bank can provide, SNAP can provide nine. In 2018, SNAP helped an

¹ Estimate based on data provided through Public Records Request to Arizona's Department of Economic Security (DES), received on July 26, 2019, from Division of Business and Finance, Policy and Planning Administration.

² Mathematica: Progress Together, [State-by-State Impact of Proposed Changes to "Broad-Based Categorical Eligibility in SNAP."](#) Accessed Sept. 13, 2019.

³ Feeding America, [Map the Meal Gap 2018](#). Published May 2018.

⁴ AAFB's calculations based on data collection from five member food banks: Community Food Bank of Southern Arizona, HonorHealth Desert Mission Food Bank, St. Mary's Food Bank Alliance, United Food Bank, and Yuma Community Food Bank.

Excellence through Collaboration

Community Food Bank of Southern Arizona, Tucson | Desert Mission Food Bank, Phoenix
St. Mary's Food Bank Alliance, Phoenix | United Food Bank, Mesa | Yuma Community Food Bank, Yuma

average of 845,000 Arizonans access food each month, and more than 50 percent of them were children.⁵

Eliminating BBCE Will Cause Nearly 40,000 Arizonans to Lose Needed Food Assistance. These proposed rule changes would effectively eliminate food assistance for an estimated 40,000 Arizonans, including more than 12,000 working families (i.e., 17,735 children and 14,704 adults) and nearly 7,000 seniors and people with disabilities.⁶ The proposed rule would directly affect people with either a modest income (i.e., between 131% and 185% of the federal poverty line) or a modest amount of savings or assets. This means that a family of three earning between \$27,940 and \$39,460 a year or an older adult that owns a car would be ineligible for SNAP under these new rules.

AAFB strongly opposes the proposed rule's intention to punish these workers and older adults by eliminating their access to food assistance. Based on the USDA's own assessment, this rule change would increase food insecurity and "impact the savings rates of low-income Americans."⁷ AAFB finds this not only unacceptable but also concerning, given that the subsequent increase in demand is likely to overwhelm our food banks.

Eliminating BBCE Reduces Access to School Meals thereby Increasing Child Hunger. The proposed rule would also take free school meals away from thousands of children across Arizona whose enrollment is linked to their families' SNAP participation. Increasing access to school meals has been proven to reduce childhood food insecurity and improve children's health and academic performance.⁸ Instead, this proposal goes in the opposite direction by restricting children's access to nutritious school meals and jeopardizing health outcomes. We know that 17,735 children would lose access to free school meals immediately if these rules were implemented. In addition, the broader impact to schools that currently provide free school meals for all students based on various community eligibility provisions in the National School Lunch Program could impact up to 142,000 children in Arizona in future years.⁹

Eliminating BBCE Reduces Economic Activity Statewide. In an average month in 2018, SNAP infused \$169,896,290 into Arizona's economy, reaching 3,990 retailers, including superstores, farmers' markets, and independent grocers statewide.¹⁰ By USDA's own estimates, the proposed rule would cut SNAP benefits—and the associated economic activity in local communities—over five years by \$10.543 billion nationally, while increasing the costs to state budgets to administer the SNAP program by \$2.314 billion.

⁵ State of Arizona, Department of Economic Security (DES), [Arizona Legislative Districts: DES Client/Provider and Community Demographics Summary Handbook 2018](#). January 2019.

⁶ Data provided through Public Records Request to Arizona's Department of Economic Security (DES), received on July 26, 2019, from Division of Business and Finance, Policy and Planning Administration.

⁷ USDA (US Department of Agriculture), [Regulatory Impact Analysis: 7 CFR Part 23: Revision of Categorical Eligibility in the Supplemental Nutrition Assistance Program](#). 24 July 2019. Pg. 6

⁸ USDA, Economic Research Service. [Children's Food Security and Child Nutrition Programs](#). June 2017.

⁹ ADE (Arizona Department of Education), [CEP Annual Notification of LEA and School level Eligibility for SY 18-19 \(revised 5/10/2018\)](#), accessed September 4, 2019.

¹⁰ State of Arizona, Department of Economic Security (DES), Family Assistance Administration. Statistical Bulletins January 2018–December 2018. Available for download here: <https://des.az.gov/documents-center>.

This means that Arizona taxpayers could be paying an additional \$1 in SNAP administration in order to eliminate \$5 of economic activity for the state. This is not a good deal for Arizona.

BBCE Improves the Pathway to Self-Sufficiency. As a provision used by 43 states, BBCE operates as intended—that is, it offers flexibility for states to help low-income participants avoid a “benefit cliff” and instead shift to self-sufficiency at a household income threshold that makes sense in context. In its own impact analysis, the USDA points to findings from a previously commissioned study that states: “SNAP households in expanded categorical eligibility States were more likely to have bank accounts and more likely to have at least \$500 in emergency savings compared to households in States without these policies. In other words, families living in States without expanded categorical eligibility policies are more likely to lack a savings cushion when income disruptions occur and may therefore be more likely to tap into public welfare programs.”¹¹ This means that if BBCE were eliminated according to the rules proposed in FNS-2018-0037, it would have the complete opposite effect of the USDA’s stated goal to meaningfully move families toward self-sufficiency. Instead of punishing families, we should be implementing policies to reward hard work and saving.

Eliminating BBCE Further Eradicates the Support System for Poor Families. The proposed rules would restrict the eligibility link between SNAP and TANF (Temporary Assistance for Needy Families) to households that receive (a) TANF cash benefits deemed “ongoing” and “substantial”¹² or (b) TANF non-cash benefits that focus on subsidized employment, work supports, and childcare. This change will have a disproportionate impact in Arizona, based on how our TANF block grant is allocated. According to the U.S. Department of Health and Human Services, in FY-2017 Arizona only spent 14.9% of its TANF block grant on benefits that would confer categorical eligibility under the proposed rule changes, including 10.5% on basic assistance; 4% on work supports and supportive services; and 0.4% on work, education, and training activities.¹³

An overwhelming majority of Arizona’s TANF and state maintenance-of-effort (MOE) expenditures go to the Department of Child Safety and program management (76.7%).¹⁴ As it is, fewer than 1 out of every 7 Arizona families living in poverty actually receives the direct cash assistance they’re eligible for.¹⁵ The proposed rule would only make things worse for these same families, by eliminating nutrition assistance as well.

Restricting BBCE would increase red tape and administrative costs. The increased bureaucracy and state administrative costs of implementing the proposed rule would cost the Arizona Department of Economic Security hundreds of thousands of dollars more. This includes staff time for income verification and enrollment procedures as well as changes to computer systems, revising and reprinting

¹¹ USDA, Regulatory Impact Analysis, pg. 19.

¹² The USDA defines “ongoing and substantial” as receiving at least \$50/month in TANF cash assistance for at least six months.

¹³ Administration for Children and Families, Department of Health and Human Services, [TANF and MOE Spending and Transfers by Activity, FY 2017: Arizona](#).

¹⁴ Ibid.

¹⁵ Children’s Action Alliance, *Growing Up Poor in Arizona: State Policy at a Crossroads*, May 2013.

applications and manuals, and retraining staff. Streamlined processes that reduced paperwork and eliminated duplicative enrollment procedures would end, at a time when agencies struggle to retain workers, survive on limited appropriations, and push up against error rates and eligibility timelines. This change would also mean that families would spend useless hours providing the same information to different programs, explaining income differences to multiple staff, or traveling great distances to get to an eligibility office. All time better served working to put food on the table.

Lastly, Congress has repeatedly rejected efforts to eliminate the categorical eligibility option, including as recently as the bipartisan 2018 Farm Bill enacted last December. We strongly oppose the proposed rule and request it be withdrawn.

Thank you for taking our comments into consideration during the rulemaking process.

Sincerely,



President and CEO
Association of Arizona Food Banks