



The Food and Nutrition Service of the United States Department of Agriculture is now soliciting public comment on a proposed rule to eliminate current state flexibility administering waivers for Able-Bodied Adults Without Dependents and Supplemental Nutrition Assistance Program eligibility. The Georgia Budget and Policy Institute has a long history of monitoring, reporting and critiquing Georgia's use of a three-month time limit and presented the following comments as part of the official public registry.

February 28, 2019

Secretary Sonny Perdue United States Department of Agriculture 1400 Independence Ave., S.W. Washington, D.C. 20250

Dear Secretary Perdue,

The United States Department of Agriculture (USDA) has requested feedback on a **proposed rule change** to the Supplemental Nutrition Assistance Program (SNAP). The Georgia Budget and Policy Institute opposes this proposal because, as written, it will restrict state options to waive the three-month time limit for able-bodied adults without dependents (ABAWDs) and lower the threshold for waiver approval to a 7 percent unemployment rate over 24 months. In other words, a county would now have to demonstrate economic hardship by showing that the unemployment rate is higher than 7 percent. This rate is to serve as an indicator of strain on the labor market in an area, alerting the USDA that it is difficult to find a job within three months or less.

More than one million Georgians rely on SNAP as a vital source of assistance that helps put food on the table. The program also provides a financial benefit to communities throughout the state, pumping \$2.3 billion into the Georgia economy during the 2018 federal fiscal year. However, the proposed rule change threatens food assistance for hundreds of thousands of Georgians, many of whom already struggle financially while meeting work activity reporting requirements.

While recognizing that SNAP provides a significant boost to the state's economy as well as to the health and well-being of low-income individuals and families, there are opportunities for improvements. The USDA must exercise caution against deepening existing economic hardship and food insecurity by weakening waivers that exempt ABAWDs from the three-month time limit. These Georgians already confront many barriers





to work including lack of reliable transportation, criminal records, inadequate housing and limited education. Although many SNAP participants have multiple odd jobs to afford daily necessities, they still do not work enough hours to meet requirements.

According to the proposed rule, "the waiver criteria should be updated to ensure States submit data that is more representative of the economic conditions in the requested areas." Although the Georgia Budget and Policy Institute agrees with this statement, it is a poor indicator of economic health in many parts of the state. Unemployment rates often offer an illusion of economic security but do not provide a complete picture of what it takes for individuals to be self-sufficient without relying on SNAP. This change would be harmful for the following reasons:

<u>The 7 percent floor threatens food assistance for 118,000 Georgians already</u> <u>faced with barriers.</u>

Currently, states can request to waive the work requirements for ABAWDs in areas where the unemployment rate is 20 percent or more above the national average. The proposed rule would restrict time-limit waivers to areas where the unemployment rate is no less than 7 percent. Should this rule go into effect, only an alarming 2 percent of ABAWDs in the state will live in counties that qualify for waivers.

Persistent racial inequities in employment pose significant challenges for people of color who fall within the ABAWD category. Immediately following the recession, the unemployment rate for black Georgians was 16 percent compared to 8 percent for white Georgians. Working-age black people in Georgia face unemployment rates more than double those of their white counterparts, 6 percent and 3 percent respectively, with Latinx unemployment at 3 percent. The economic realities for people of color become clearer when examined at the county level. In Georgia's Bibb County, the unemployment rate for white residents is 6 percent, compared to a staggering 16 percent for black residents.

People of color facing the time limit often encounter subconscious bias or outright discrimination that contributes to higher-than-average joblessness rates. Even when education and skills are equal, white job applicants are more likely to receive callbacks for job interviews than black applicants, research shows. People of color are also more likely to carry criminal records for minor or nonviolent infractions. These large racial disparities and stubborn inequities make finding a job within three months a more substantial burden for Georgians of color who are also ABAWDs.

The statewide 24-month average unemployment rate of 3.9 percent is higher in 82 percent of the state's counties. Only 40 percent of the state has returned to pre-recession employment levels. The proposed rule change will make it harder for those with the most challenging barriers to employment, especially low-income families of color, by threatening





to take away food assistance from thousands of Georgians who are working hard to navigate a difficult labor market.

Joblessness seems low, but low wages reign making work requirements counter-productive.

Many Georgians potentially affected by the SNAP time limit are employed in jobs with unsteady hours, have unstable living situations, deal with unreliable transportation or face undiagnosed medical problems that affect their ability to get or keep a job. Many ABAWDs are forced to accept jobs that do not promote economic mobility because of the three-month time limit. The pressure to do so is particularly burdensome for Georgians who live in rural parts of the state. The hourly living wage required to afford basic needs in Georgia is \$24.14 per hour which is more than triple the federal minimum wage of \$7.25 per hour, four times the state's minimum wage of \$5.25 per hour and higher than the state's median hourly wage of \$16.85.

Outside metro Atlanta, ABAWDS make up a larger share of the SNAP population. These adults make up 12 percent of SNAP recipients in Taliaferro, Wilkinson, Terrell, Crawford, McIntosh, Talbot and Lincoln counties, the highest percentages seen in Georgia. Counties with unemployment rates below the 7 percent threshold limit workforce opportunities. For example, retail is the top industry in Macon, GA, according to the U.S. Bureau for Labor Statistics. This industry employs 140,000 residents, yet the median hourly wage is about \$9 per hour. ABAWDS often fill jobs with low wages, inconsistent schedules and no benefits such as paid sick leave. All these make it difficult to maintain the three-month time limit.

Many proponents of the time limit cite the Temporary Assistance for Needy Families (TANF) model to advocate for stronger requirements under SNAP. Researchers find that the program's work requirements do not significantly reduce chronic unemployment and poverty. In contrast, TANF recipients not subject to the work requirements demonstrated better employment outcomes. In a 2018 study conducted by the Center for State and Local Finance at Georgia State University, most of Georgia's cash assistance recipients who find work - many of whom also receive SNAP - are guided into low-skill jobs that pay well below the poverty threshold. According to the report, "TANF leavers appear to graduate into the ranks of the working poor, and the very poor at that, with only 13-15 percent rising above the poverty line."

Limited access to training, investment must include wraparound services.

States are grappling with lower-than-expected participation rates in job training or workbased learning opportunities, according to a USDA evaluation of SNAP Employment and Training (E&T) pilot projects. The assessment shows that less than half of Georgia's





participants have completed at least one job search and that transportation remains a significant barrier.

The lack of mobility in Georgia's rural areas is particularly challenging for ABAWDS who need to meet the time-limit requirement to maintain food assistance and avoid hunger. According to the USDA's evaluation, "participants often drop out because there is no public transportation in the area, and they do not have a reliable car." For example, the nearest E&T provider for an ABAWD in Crawfordville, GA is about one hour away. The lack of accessible wraparound support signals again that the criteria for evaluating waiver eligibility should extend beyond a 7 percent unemployment rate and include access to essential support services such as transit and child care.

The 50-50 federal funding match for E&T services is not sufficient to train all ABAWDS in the state for meaningful work that pays enough to support a family. Work programs now cost from \$7,500 to \$14,000 per participant. Work requirements administered under TANF cost about \$5,000 per year. Based on that example, states might spend nearly \$15 billion a year to provide employment services. And many of these programs will not lead to the sustainable employment needed to improve economic mobility. In 2012, the Georgia Department of Audits and Accounts estimated the cost to pilot and administer new SNAP work programs at \$772 million per year including costs for child care, transportation, and the administrative monitoring of work requirements.

Conclusion

Most SNAP recipients who can work, do work. The program is highly effective and targeted to people who need help to meet their basic food needs. Decades of research show that harsh work requirements do not improve the economic security of individuals and families.

Food assistance is a proven tool to help individuals and families mitigate food insecurity. The abrupt loss of food assistance is harmful to ABAWDs who already cope with little to no supplemental income and is linked to life-threatening health conditions, including obesity, diabetes and hypertension. The Georgia Food Banks Association estimates that about 16 percent of the state's households struggle to afford enough nutritious food. Georgia ranks seventh nationally for food insecurity.







Too many Georgians are still struggling, and SNAP remains critical for ABAWDs in communities left out of the recovering economy. People who get food assistance and are subject to the time limit carry a higher risk of losing assistance and suffering from hunger. The waivers play a critical role in helping childless adults mitigate those hunger risks. To that end, we must oppose USDA's proposal.

Sincerely,

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Register your comments or share a story on the record as a part of this public comment period. Visit: <u>https://www.federalregister.gov/documents/2019/02/01/2018-</u> <u>28059/supplemental-nutrition-assistance-program-requirements-for-able-bodied-adults-</u> <u>without-dependents</u>