



September 5, 2019

Secretary Sonny Perdue

United States Department of Agriculture

1400 Independence Ave., S.W.

Washington, D.C. 20250

Dear Secretary Perdue,

The Supplemental Nutrition Assistance Program (SNAP) is a vital source of assistance that helps put food on the table for 1.5 million Georgians. It is also an economic benefit to communities throughout the state, pumping \$2.3 billion into the Georgia economy during the 2018 federal fiscal year. But the USDA's proposal to eliminate state options to use categorical eligibility puts those that use food assistance to get back on the path to economic security at great risk. We must ask that the agency withdraw this proposed rule.

The proposal seeks to eliminate SNAP benefits for 3.1 million individuals nationwide and punish people attempting to save even a little money. By USDA's own estimates, the proposed rule would cut SNAP benefits over five years by \$10.543 billion, while increasing SNAP administrative costs by \$2.314 billion. Furthermore, USDA concedes that "the proposed rule may also negatively impact food security and reduce the savings rates among those individuals who do not meet the income and resource eligibility requirements for SNAP or the substantial and ongoing requirements for expanded categorical eligibility."

The cuts to SNAP benefits will reduce the economic stimulus effect of SNAP, particularly during recessionary periods. According to recent studies, it is estimated that \$1 of SNAP benefits leads to between \$1.50 and \$1.80 in total economic activity during a recession. Economists find SNAP to be a stimulus policy with one of the highest returns on investment.

## Georgia Impact

The proposed rule would eliminate Georgia's option to forego the SNAP asset and income tests to serve more working households that are attempting to build savings or have significant expenses for housing or child care. If the rule were to go into effect, nearly all of Georgia's SNAP households would be impacted since Georgia elects to disregard assets when reviewing eligibility. Georgia would have to develop a new and potentially costly way to determine and redetermine eligibility for SNAP households. This



is concerning given Georgia's governor has requested agency budget cuts beginning in this fiscal year (2020) and continuing to the next fiscal year (2021) that will impact staff and resource capacity at the Department of Human Services, which oversees SNAP administration. In response to the governor's order to cut the state budget, the Department had to propose eliminating 105 new positions that are meant to strengthen the agency's ability to effectively screen and determine eligibility for SNAP.

## The Benefits Cliff

Categorical eligibility allows Georgia to raise income cutoffs by aligning SNAP's income limit to that of a household's Temporary Assistance for Needy Families-funded benefit. This option is widely used to prevent an abrupt end to benefits for households close to SNAP's federal income thresholds. The benefits cliff is an issue that is taken seriously here in Georgia and leaders are actively working to find solutions. In 2018, Georgia's state lawmakers identified the benefits cliff as a key issue, and it was flagged as a significant challenge in a report to the legislature developed by the Georgia House Rural Development Council. This proposed rule would significantly undermine legislative efforts to help more families, particularly those in rural communities.

## School Meals

The proposed rule could also have a negative impact on the ability of high-needs schools to offer free breakfast and lunch to all students. USDA's community eligibility provision uses the number of children directly certified for free school meals, primarily due to participation in SNAP, to determine if a school is eligible to implement the provision and to set the federal funding for school breakfast and lunch that a school will receive. Community eligibility's reliance on SNAP direct certification means that some high-needs schools may no longer be eligible or may not find it financially viable to adopt community eligibility. This issue needs to be explored further since the Regulatory Impact Analysis of the proposed rule failed to determine the impact of the proposed rule on community eligibility.

## Conclusion

Food assistance is a proven tool to help individuals and families mitigate food insecurity. The abrupt loss of food assistance is harmful for families who already cope with little to no supplemental income. The loss of food assistance 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.

Congress has repeatedly rejected efforts to gut the categorical eligibility option, including



as recently as the bipartisan 2018 Farm Bill enacted last December. This USDA rule would sidestep Congress. USDA should strengthen the positive impacts of SNAP on health, financial well-being and economic activity, rather than eliminating eligibility for 3.1 million and slashing food assistance spending. We strongly oppose the proposed rule and request it be withdrawn.

Sincerely,

Alex Camardelle

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Georgia Budget and Policy Institute