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Gale A. Brewer, Borough President

Gale A. Brewer, Manhattan Borough President Testimony to The U.S. Department of Agriculture on the Proposed Rule Change for Broad-Based Categorical Eligibility for the Supplemental Nutrition Assistance Program September 23, 2019

I, Gale Brewer, the Manhattan Borough President, strongly oppose the revision of Broad-Based Categorical Eligibility (BBCE) in the Supplemental Nutrition Assistance Program (SNAP). The proposed change would take SNAP benefits away from 3.1 million Americans nationwide – primarily working families, senior citizens, children, and disabled individuals. This proposal harms America’s most vulnerable populations, in addition to farmers, distributors, and retailers, negatively impacting the nation’s economy. Those most impacted by the rule change are not only the working families, seniors, and children – but families with even the most modest savings. In New York City, six to eight percent of SNAP households have savings which put them over the limit set by the proposed rule. Accruing savings is an essential component in preventing debt, and preparing for aging and emergencies. Changing the BBCE would discourage the practice of savings in low income households, moving individuals away from the “self-sufficiency” this change purportedly strives to create.

In New York City, the BBCE allows SNAP benefits to assist households who cope with the City’s high cost of living, allowing participants to remain eligible up to 150% of the Federal Poverty Level (FPL). New York is not alone in utilizing the flexibility of the BBCE to address discrepancies in living costs, as over 90 percent of benefits resulting from the BBCE go to individuals who pay more than half their income in rent and utilities¹. In New York City alone, 19,193 SNAP households, which includes 47,257 people, would immediately become ineligible because their income exceeds 130% of the FPL². Hunger Solutions New York, a New York State-wide nonprofit organization dedicated to alleviating hunger and food insecurity, predicts that in the whole of New York State, changing the income test would immediately cut benefits to 87,835 individuals and re-imposing the asset test would deny 88,000 people SNAP benefits – almost of half of whom are children³. The idea that eliminating benefits will nudge families towards “self-sufficiency” disregards the developmental importance of food for children.

¹ Waxman E., and Joo N. (September 2019). *How Working Families Are Affected by Restricting Broad-Based Categorical Eligibility for SNAP*. Washington, DC: The Urban Institute.

² (September 2019). *NYC Comment. Re: Revision of Categorical Eligibility in the Supplemental Nutrition Assistance Program*. New York: The City of New York. Page 4.

³ (August 2019). *Proposed Elimination of SNAP Categorical Eligibility*. New York: Hunger Solutions.

With the proposed rule change, SNAP households with school age children that no longer qualify will lose automatic eligibility for free school meals. An estimated 500,000 children will no longer have access to free school meals, with 39,000 of those children in New York State⁴. With fewer students qualifying for free meals, many schools will lose their community eligibility – when at least 40 percent of school’s student automatically qualify – increasing the administrative burden on schools and families in vulnerable communities⁵. Limiting the number of students categorically eligible for free meals will shift the burden of cost onto the City. Cutting free school meals has long-term developmental and financial consequences. Children in food insecure households have higher rates of asthma, and greater risks of hospitalization and mental health problems, which all impact school attendance⁶. Going to school hungry hinders learning by negatively impacting cognitive skills, interpersonal skills, self-control, attentiveness, and persistence⁷. Studies from The Urban Institute show that students who come from families receiving food benefits result in higher adulthood economic self-sufficiency⁸.

The proposed change will hinder the economic potential of food insecure children, in addition to grocery retailers and agricultural producers, while dramatically increasing administrative costs. SNAP benefits extend far beyond helping low-income families by stimulating an entire chain of food production. The USDA refers to SNAP as an “automatic stabilizer” to the economy, providing more assistance during economic downturn, increasing SNAP⁹ expenditures which stimulate the economy, resulting in fewer households requiring benefits. The USDA report, “The SNAP and the Economy: New Estimate of the SNAP Multiplier,” estimates that an increase of \$1 billion in SNAP benefits during an economic downturn is returned in a \$1.54 billion increase in GDP, which supports an additional 13,560 jobs¹⁰. The \$2.5 million New York City stands to lose in SNAP benefits from the proposed rule translates into a \$4.4 million loss to the local economy when considering reduced spending, lower business revenue, and losses in job creation¹¹. To accommodate for the rule change, existing and new staff need to be trained and forms, procedures, and resources will need to be redeveloped, causing administrative costs to soar. The USDA estimates SNAP administrative costs will increase by \$2.314 billion, with fifty percent of that falling onto States¹². The New York City Department of Social Services estimates

⁴ (August 2019). *Proposed Elimination of SNAP Categorical Eligibility*. New York: Hunger Solutions.

⁵ Waxman E., and Joo N. (September 2019). *How Households with Children Are Affected by Restricting Broad-Based Categorical Eligibility for SNAP*. Washington, DC: The Urban Institute.

⁶ Waxman E., and Joo N. (September 2019). *How Households with Children Are Affected by Restricting Broad-Based Categorical Eligibility for SNAP*. Washington, DC: The Urban Institute.

⁷ Waxman E., and Joo N. (September 2019). *How Households with Children Are Affected by Restricting Broad-Based Categorical Eligibility for SNAP*. Washington, DC: The Urban Institute.

⁸ Waxman E., and Joo N. (September 2019). *How Households with Children Are Affected by Restricting Broad-Based Categorical Eligibility for SNAP*. Washington, DC: The Urban Institute.

⁹ (August 2019). *Economic Linkages: Supplemental Nutrition Assistance Program (SNAP) Linkages with the General Economy*. Washington, DC: The United States Department of Agriculture.

¹⁰ (August 2019). *Economic Linkages: Supplemental Nutrition Assistance Program (SNAP) Linkages with the General Economy*. Washington, DC: The United States Department of Agriculture.

¹¹ (September 2019). *NYC Comment. Re: Revision of Categorical Eligibility in the Supplemental Nutrition Assistance Program*. New York: The City of New York. Page 4.

¹² (September 2019). *Re: Notice of Proposed Rule Making – Revision of Categorical Eligibility in the Supplemental Nutrition Assistance Program*. Austin, Texas: Center for Public Policy Priorities.

that even if the rule change adds even five minutes to each SNAP application and recertification, administrative costs would increase by about \$2 million annually¹³.

Eliminating benefits for millions of people nationwide does not encourage self-sufficiency. It creates sick and hungry children who perform worse in schools and have worse long-term economic outcomes. SNAP benefits the nation by balancing economic downturns, providing spending power to low-income households, who stimulate their local economy. This proposed rule change will have consequences which reach beyond low-income families, impacting individuals along the chain of food production, and the American economy.

¹³ (September 2019). *NYC Comment. Re: Revision of Categorical Eligibility in the Supplemental Nutrition Assistance Program*. New York: The City of New York. Page 13.