

Comments on the Revision of Categorical Eligibility in the Supplemental Nutrition Assistance Program (SNAP)

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The United States Department of Agriculture (USDA) has requested public comment on potential changes to SNAP's broad-based categorical eligibility. Under the current policy, any recipient of TANF is, by definition, qualified to receive SNAP benefits. The Department proposes substantially limiting categorical eligibility to those receiving ongoing and substantial benefits,¹ which would nearly eliminate the policy. The justification is that the rule change would ensure SNAP goes only to those who are "deserving," and that the program as a whole would be streamlined.

We argue that the USDA has not meaningfully reviewed the overwhelming body of evidence that demonstrates this rule change will have a deleterious effect on millions of families and individuals across the United States who are living in economically challenging circumstances. Our evidence and findings are an important perspective that should be represented in the USDA's analysis of the potential costs and implications of this rule change because they will change the USDA's key conclusions on the effects of the rule change. The USDA has only considered narrow arguments that are contrary to widely accepted evidence, which diminishes the available information presented to the public and inhibits the public's ability to effectively engage on this rule change, develop their own evidence-based opinions, and respond. A meaningful review of the broadly-accepted evidence, some of which we present below, leads us to oppose this rule change.

Individuals living in or near poverty are operating in a context of scarcity—scarcity of time, resources, and attention. Various aspects of life in poverty interact with the mind in ways that make it more challenging to problem solve, plan effectively, and exert self-control (Damingier et al, 2015). Poverty literally captures the mind. It forces people to spend their limited cognitive resources solving immediate problems. This leaves fewer resources available for other tasks. It's difficult to complete SNAP recertification processes or enroll in TANF if you're completely preoccupied with where you're going to sleep that night. However, this is not a flaw inherent to people living with low incomes; anyone experiencing a context of scarcity, whether scarcity of time, resources, or attention, would be subject to the same effects (Mullainathan and Shafir, 2013, Mani et al, 2013). When assessing programs and their effectiveness at aiding those who live in poverty, we at ideas42 (a non-profit that applies behavioral science to complex social problems for social good) rely on three evidence-based principles:

¹ According to the USDA Fact Sheet, this means a TANF benefit valued at a minimum of \$50 per month, for at least 6 months, and for non-cash benefits, the benefit must support work or childcare. Retrieved from: <https://www.fns.usda.gov/resource/proposed-rule-revision-snap-categorical-eligibility>

1. Cut the time, attention, and resource costs for families and individuals to access beneficial programs, services and resources;
2. Help families build slack, that is, ensure that they have an adequate supply of key resources; and
3. Reframe programs and policies to promote dignity and eliminate bias, while also designing programs that empower families (Daminger et al, 2015).

The USDA has left out, ignored, or failed to consider evidence that shows that the rule change would violate each of these principles.

The USDA ignores evidence that the proposed rule change increases both the costs for families as well as costs for staff and state programs in terms of time, resources, and attention. If the proposed rules were to take effect, those who previously automatically qualified for SNAP because of TANF participation would no longer have that low-hassle channel, and we expect that many will lose their benefits because of added hassle. The economic, health, and food insecurity effects of being denied access to SNAP are well established: losing SNAP benefits only further hurts those families (FRAC, n.d, Hoynes et al, 2016). Additionally, being qualified for SNAP means that children in the household are automatically qualified for the National School Lunch Program (NSLP), an important program that ensures students have meals during the day and can focus on their education. Research has shown that free or reduced school lunches, such as those provided by the NSLP, reduce food insecurity, improve dietary intake, improve children's health, and promotes a healthier learning environment (FRAC, n.d.). Research on SNAP has also shown the power of food for children at school—when food stamps start to dry up at the end of the month, school performance declines significantly (Cotti et al, 2018). Taking away channels that make it easier to acquire SNAP benefits means that families will have to expend a lot more time and cognitive energy to get access to food, including through channels other than SNAP.

While forcing families to go through eligibility hurdles may seem like a small hassle given the enormous benefits of these programs, evidence shows us that even small hassles can derail our best intentions and people experiencing scarcity are most affected by hassles (Bertrand et al, 2006). We have seen large numbers of people dropping out of programs like SNAP since 2016 (USDA, 2019), but it's not because people no longer need the help; instead we attribute this decline to the hassles associated with enrollment and maintaining eligibility (ideas42, 2018). Removing low-barrier paths to establishing eligibility will only further exacerbate this and other negative program trends, including the higher administrative costs that results from SNAP churn (Mills et al, 2014), potentially putting a greater burden on state budgets. SNAP staff will also feel the effect of this rule change; the proposed rule change means new processes and systems, increased workload to process asset tests, retraining, and additional paperwork, which means less time and cognitive bandwidth for workers to serve families effectively.

The USDA has not sufficiently taken into account the evidence that the proposed rule change will cut the slack of families—their stock of time, money, and attention—which hurts their path to self-sufficiency. This happens in two ways: by creating unnecessarily tough financial choices, and by reducing the ability of families to accumulate resources to build assets. While government programs such as SNAP purport to assist families on a path to self-sufficiency, we know that path is not always straightforward. One major way that these programs interfere with people's ability to thrive is related to benefits cliffs, where small increases in income eliminate eligibility for programs, often leaving a family worse off than they were before. Under the proposed rule changes, even minor increases in income will force a family into a tough decision about work. An example from the Center on Budget and Policy Priorities illustrates how problematic even a \$0.50 per-hour raise becomes under this proposed rule (Rosenbaum, 2019). The conundrum: do I accept the raise in hopes that my family can weather the loss of food stamps for however long it takes me to

achieve a family-sustaining wage, or do I cut back my hours to suppress my earned income so that I can continue to provide for my family? These decisions are extremely difficult and complex, they tax people's cognitive bandwidth, and ultimately deter upward mobility instead of promoting it.

Additionally, the proposed rule change would reinstate SNAP asset limits. This is a confusing decision since over 40 states have already agreed that these limits are unnecessary, and only serve to harm the ability of families to save while on the program. Financial cushion is important for dealing with everyday life, and is critical for families living in poverty. Nearly half of families could not cover a \$400 expense in the face of a crisis (Federal Reserve System, 2018). Families who live in poverty are at the most risk of their lives being derailed by an unforeseen expense. Forcing them to forego even modest financial slack in the form of savings if they want to stay on food assistance seems like a policy designed to guarantee that they will never escape poverty.

Not only does financial slack help families economically, but it also increases cognitive slack that helps people plan effectively and exert self-control (Mullainathan & Shafir, 2013, Mani et al, 2013); just the things we all need to succeed at school, work and parenting. For children, it can mean all the difference in school performance (Frongillo et al, 2006). In sum, by limiting the slack of participants by forcing them into tough choices about income and asset building, this rule change may have broader unintended consequences that will further harm vulnerable individuals and families.

The USDA must take into account the evidence that the proposed rule change reduces families' autonomy and contributes to the systematic disempowerment of people who live in poverty. The proposed change would send a message to families that they cannot be trusted to know their own needs, and that our society is not interested in helping them. The false narrative that motivates this policy change, of undeserving people cheating their way to benefits, is a clear example of availability bias. The story of a millionaire accessing SNAP is sensational story, and its very titillating nature makes us overestimate the statistical probability of its occurrence. The main effect of this proposed rule change will be to knock families off SNAP that are struggling to make ends meet, not to prevent the rare brazen millionaire from signing up for benefits. Indeed, the majority of people who would lose access to SNAP are those experiencing scarcity—working families, seniors, and people with disabilities (Rosenbaum, 2019). To create a program that will lift families out of poverty, the framing and design of the program should send the message that we trust families to know their needs. This can reduce the stigma that comes from accessing important benefits, and authentically put families on a pathway to a better life.

We respectfully request the USDA reconsider its proposed rule change to nearly eliminate broad-based categorical eligibility. Instead, we ask the USDA to further streamline and improve the alignment of government programs so they can better serve families experiencing chronic scarcity. This may include: applying a behavioral lens to remove unnecessary hassles in the application and certification process, further building the data linkages across the diverse programs that are accessed by families, and further aligning eligibility criteria for SNAP and other critical programs, such as Medicaid and WIC.

This will help cut the high costs of poverty, and help families build slack in its various forms-- ultimately strengthening families' path to self-sufficiency.

As a separate point, we have observed that the USDA has made it difficult for the public to meaningfully comment on the proposed rule by making it challenging to navigate the federal register and regulations.gov for the Regulatory Impact Analysis (RIA), pertinent supporting material, for the majority of the comment window. The USDA must take into account evidence that even minor hassles may derail the public's best

intentions of submitting an informed public comment (Bettinger et al, 2009, Sunstein, 2019). Below is a summary of the issues in accessing the RIA:

1. From the start of the public comment period in July to at least September 3, 2019 when we last checked for it (40 days of the 60-day comment window), the RIA did not appear on the main federal register page of the proposed rule change, which is the expectation of the public. Because the RIA was not located where a person might expect and there was a lack of information about how to find it, a person without deep policy knowledge seeking to submit a comment may have assumed that it did not exist or was not available. They may therefore never access the important information contained in the RIA.
2. To date, the RIA does not appear on regulations.gov through the main search function. This holds true even if the exact title is entered. This is in part due to the fact that the web search filtering has a misleading default of excluding supporting materials. Defaults can be unethical if there is not transparency around why that default is put in place (Sunstein, 2015). In this case, it is unnecessary for the default to be set to remove supporting materials, and it's especially harmful because the default is not explained saliently on the webpage. In addition, the introduction to the proposed rule gives no indication that a full RIA exists. Again, someone without policy knowledge may assume the full RIA does not exist.
3. It is worth noting that the regulations.gov website was down on at least two occasions, and potentially more: Thursday, September 12th for 4 hours and the morning of Saturday, September 14th until 1:00pm (ET), further hampering the ability of the general public to access the RIA.

While it may not be intentional, such “government sludge”—or unnecessary burden on constituents to get what they want or do what they wish— can have a deleterious effect on the general public’s ability to navigate government rules and regulations (Sunstein, 2019). To have a fair process that allows the public to meaningfully engage on this rule change, the RIA should have been posted and made salient on the federal register website at the start of the comment period and should be easily searchable on the regulations.gov website.

Thank you for consideration of these comments.

Citations

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