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April 1st, 2019

Certification Policy Branch
SNAP Program Development Division
Food and Nutrition Service, USDA
3101 Park Center Drive
Alexandria, Virginia 22302

RE: Proposed Rule: Supplemental Nutrition Assistance Program (SNAP): Requirements for Able-Bodied Adults without Dependents RIN 0584-AE57

Dear Certification Policy Branch:

The California Association of Food Banks represents 41 food banks and 6,000 charitable partners working to end hunger in California. We stand on the front lines of hunger and see first-hand the challenges low-income Californians face to afford food and make ends meet. Yet, as hard as we work to help those struggling with hunger in our communities, we could never meet the need without robust anti-hunger programs like SNAP.

We take the opportunity to comment in opposition to USDA's Proposed Rulemaking on SNAP requirements and services for Able-Bodied Adults without Dependents (ABAWDs). According to recent estimates from USDA, the proposed changes would take food assistance from approximately 570,000 Californians (See Appendix 1), weakening long-standing protections against work requirements (See Appendix 2) and causing serious harm to our clients and low-income communities, all while doing nothing to improve the health and employment of those impacted by the proposed rule.

We strongly urge the Department to consider all of the information in our comments and all of the information provided in the attached appendices.

In California, SNAP is Achieving its Mission to Fight Hunger

SNAP is California's first line of defense against hunger reaching nearly 4 million low-income Californians. Statewide, households participating in SNAP comprise a diverse demographic with more than 73% of SNAP participants in families with children, nearly 11% in families with members who are elderly or have disabilities and over 48% in working families (See Appendix 3) with more than 6% deemed as Able-Bodied Adults Without Dependents under the current caseload and poised to be impacted by the proposed rule should it move forward.

Federal anti-hunger programs are essential to preventing hunger and some of the worst outcomes of poverty, both during economic downturns or when disaster strikes. In 2015, SNAP moved 800,000 Californians out of poverty, more than any other safety net program and proved an effective intervention to mitigate poverty and respond to increased hunger for 3.8 million Californians during the recession (See Appendix 4). SNAP also improves health outcomes and is associated with better nutrition (See Appendix 5). While SNAP provides only a modest benefit — just \$1.49 per person per meal in 2017 in California— it is an essential foundation for health, wellbeing and improved food security. Additionally, programs like California's Market Match help stretch SNAP benefits for low-income households by providing a dollar-for-dollar match up to ten dollars that enhances access to healthy food, increases consumption of fruits and vegetables and benefits local farmers and communities. In 2018, the University of Southern California conducted an evaluation on the impact of the FINI Grant on its Market Match program. The study surveyed 2,351 shoppers and 96 farmers and noted the following outcomes:

- Increased fruit and vegetable purchase and consumption
- Strong benefit to farmers and their communities
- Increased access to fresh fruits and vegetables led to improved consumer health.

Researchers also found that changes in dietary intake likely to result from such programs were sufficient to result in a 1.7% reduced incidence in type 2 diabetes, which in California translates into a health care savings approaching \$469 million a year (See Appendix 6)

SNAP benefits are also linked with lower healthcare costs. Research shows that low-income adults participating in SNAP incur about \$1,400, or nearly 25 percent less in medical care costs in a year than low-income non-participants. In contrast, when SNAP benefits run out at the end of the month, hospital admissions rise and demand for food from emergency food providers like soup kitchens and food pantries increase. In fact, a research study documented that risk for hypoglycemia admission increased 27 percent in the last week of the month compared to the first week for inpatient admissions from 2000-2008 in California, illustrating how exhaustion of food budgets at month's end is an important factor in driving health inequities (See Appendix 7).

Current SNAP Rules Provide Critical Protections to Prevent Hunger & Support Employment in California

In 1996, Congress established a time limit in the Food Stamp Program, now known was the Supplemental Nutrition Assistance Program (SNAP,) through the <u>Personal Responsibility and Work Opportunity Reconciliation Act</u> (PRWORA) that is applied to adults without dependents between the ages of 18 and 49, also known as able-bodied adults without dependents or ABAWDs. An individual deemed as an ABAWD is limited to receiving SNAP benefits for just three months out of any thirty-six month period unless they are able to obtain and maintain an average of 20 hours a week of employment. The proposed rule would expose even more low-income people to the time limit, by denying them food benefits at a time when they need it most, without resulting in increased employment and earnings.

Nationwide, <u>California has the highest poverty rate in the country</u> when the cost of living is taken into consideration California is home to two of America's hungriest cities--Bakersfield (1) and Fresno (3). (See Appendix 8) During the Great Recession, California adopted austerity measures that slowed our state's recovery efforts and California's high cost of living and housing

burden have only further compounded the state's hunger crisis, with far too many working Californians struggling to make ends meet.

SNAP is an important public-private partnership that provides low-income households with the dignity and purchasing power to afford a basic diet, while supporting our local economies. Nationwide, approximately 260,000 retailers participated in SNAP in 2017, with 25,354 authorized retailers operating in California, redeeming an estimated \$6.8 billion in benefits (See Appendix 9). According to the Department's own estimates, the proposed rule is expected to reduce benefit payments by \$1.7 billion a year. While the Department has characterized this as an extremely modest loss in revenue for small retailers—roughly \$100 per month per small store—small groceries, convenience stores and specialty stores accounted for over three quarters of SNAP retailers in FY 2017.

In sharp contrast, the proposed rule does not promote self-sufficiency, well-being or economic mobility; rather it targets our poorest and most vulnerable communities, by proposing to make these individuals hungrier, poorer and less able to work. Further, there is no evidence that work requirements lead to increased work (See Appendix 10) or that individuals deemed as ABAWDs who want to find work will be able to find work, get the number of work hours needed or properly document work. In fact, by imposing a time limit on nutrition assistance the rule will worsen hunger, and in turn making it more difficult for low-income Californians to find and maintain work. Research shows that childhood exposure to adverse childhood experiences (ACEs) like living in poverty or with household substance abuse or mental illness, witnessing domestic violence or having a family member incarcerated is associated with adverse experiences well into adulthood resulting from toxic stress (See Appendix 11). This includes poorer health outcomes, low academic achievement and financial stress with the research highlighting that young women and girls, particularly girls and young women of color, are more likely to shoulder the burdens of toxic stress (See Appendix 12).

Under the law, states have some flexibility to ameliorate the impact of the cutoff. They can request a waiver of the time limit for areas within the state that have 10 percent or higher unemployment rates or, based on other economic indicators, have "insufficient jobs." Further, the proposed rule ignores core parts of the problem sought to be addressed by the previous agency policy concerning the ABAWD waiver: namely the impact on general health and welfare that would be caused by a potential chilling on individuals' participation in the food program, including public health, work access, hunger, cost-benefits of implementing the rule and administrative ease of the rule.

Moreover, states have discretion to exempt individuals from the time limit by utilizing a pool of exemptions (referred to as "15 percent exemptions). While the 2018 Farm Bill modified the number of exemptions that states can receive each year from 15 percent to 12 percent, it did not change their ability to carry over unused exemptions forward.

In California, SNAP Benefits Create Economic Activity and Jobs

SNAP is one of our nation's most important anti-hunger programs. Last year, SNAP delivered \$6.5 billion in 100 percent federally funded benefits and supported local economies by driving

nearly \$12 billion total economic activity with every \$1 billion in SNAP supporting roughly at least 10,000 jobs and likely closer to 14,000 jobs in the food-heavy California economy (See Appendix 13).

SNAP Helps Low Income Californians Find & Maintain Work

In addition to directly creating jobs, access to SNAP supports low-income Californians in finding and maintaining work. SNAP benefits are a proven work support and are a vital lifeline for California's 1.5 million low-wage workers, helping to fill in the gaps when wages are simply not enough or smooth out income fluctuations between jobs. Working Californians participating in SNAP typically have jobs with low wages with many of those jobs concentrated in the service sector, office and sales. For instance, in 2017, the top occupations amongst Californians participating in SNAP were most highly concentrated in the service and agricultural sector (See Appendix 14), with cashiers and agricultural workers accounting for 46 percent of those low-wage jobs. The proposed rule would send shockwaves across California communities, affecting not just retailers, but also the low-wage workers who help support our local food economies.

Over the last generation, California's labor market has been marked by a number of significant shifts that have reshaped our workforce. California's workforce is more diverse than ever, with workers of colors representing a growing share of the state's labor force. In 2014, 1 in 3 workers were Latino and an additional 1 in 7 workers were Asian or Pacific Islander (See Appendix 15). Despite these gains and the continued diversification of our state labor force, workers of color still face significant labor market challenges, including higher rates of unemployment amongst Black and Latino workers than their white counterparts (including during periods of economic growth and stagnation) as well as declining median wages compared to white workers.

Additionally, women's workforce participation has continued making steady gains as has the percentage of California households where all parents work. From 1970 to 2014, the share of California households with children under 18 grew from 34.2 percent to 57.3 percent and California households with at least one child under 5 years old nearly doubled from 25 percent to 49.2 percent. This places sustained pressure on the need for expanded access to affordable, high quality childcare for all working households to support and advance the needs of our state workforce (See Appendix 16).

The Proposed Rule Would Undermine SNAP's Ability to Fight Hunger & Harm California Food Banks

California communities need SNAP and charitable food partners to fight hunger and support families when they fall on hard times. In fact, for every meal that charity provides, SNAP provides 12. Yet, because SNAP benefits are inadequate to last the entire month, nearly 1 in 3 households still rely on food banks to make ends meet and food banks are already struggling to meet the current need. Under the proposed rule, the California food bank network would be completely overwhelmed and incapable of meeting the increased demand for food.

Congress considered and rejected these changes on a bipartisan basis in the <u>2018 Farm Bill</u> and California's anti-hunger community voiced strong opposition to such policies during Farm Bill deliberations (See Appendix 17). Further, there is insufficient information and data to

adequately comment on the proposed changes to the rule, including insufficient data and information regarding the civil rights impact. This is important to CAFB because a high proportion of the people served by our food banks are people of color. In California's large metropolitan regions like the Bay Area, 93% of the people served by the Alameda County Community Food Bank are people of color (See Appendix 18). In Southern California, 71% of the people served by the San Diego Food Bank are people of color (See Appendix 19). In Humboldt County, along California's North Coast, 7% of those served by the food bank are Hispanic/Latino and 6% are American Indian/Alaskan Native and the region's geography and lack of convenient public transportation pose a significant barrier to accessing and maintaining employment in the county (See Appendix 20). These barriers are further highlighted in a report prepared by the California Center for Rural Policy at Humboldt State University, in which 71% of survey respondents reported having some form of part-time, seasonal, or occasional jobs with the same percentage reporting attending the food pantry once a month (See Appendix 21).

The Proposed Rule Would Worsen Hunger and Unemployment

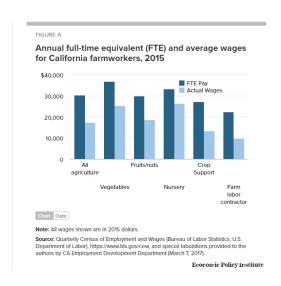
The proposed rule would make it harder for areas with elevated unemployment rates to qualify for waivers of the time limit by adding a 7 percent unemployment rate floor as a condition. Communities in nearly every corner of the state would be disproportionately impacted by this proposed provision, including major metropolitan areas like San Francisco and Los Angeles as well many of our state's rural, remote and agricultural communities where unemployment rates are currently below the proposed 7% threshold but still lack the necessary jobs for low-income workers or face barriers to transportation and education that would only be exacerbated by the proposed rule.

California's agricultural economy also applies unique labor and economic pressures to our state's low wage workers and low-income communities. California has the biggest agricultural economy in the country with 77,500 farms generating over \$47 billion dollars annually (See Appendix 22). Statewide, the total number of farmworkers employed in agriculture is estimated at 829,300, or twice-average employment (See Appendix 23). California's farmworkers are integral to our state's agricultural economy and yet, the average earnings for California farmworkers are poverty level wages averaging \$16,500 annually (See Appendix 24).

Especially difficult to serve in this population are farmworkers who have varying work hours, face increasing automation in the fields, do not speak a written language, lose the ability to work because of weather conditions and face seasonal employment. In 2015, an in-person assessment of 454 farmworkers in Fresno County revealed that nearly half of those surveyed were food insecure (See Appendix 25). The assessment surveyed 394 native Spanish-speaking respondents and 60 native Mixteco-speaking respondents--a complex, tonal language indigenous to Mexico. The assessment highlighted that indigenous language speakers are one of the fastest-growing and poorest subpopulations of farmworkers in California and the report findings indicated that documentation status and migratory status were significant predictors of food insecurity for farmworkers. The report found that 45% of undocumented workers were food insecure and highlighted that undocumented workers face greater barriers to finding permanent work, housing and transportation. Similarly, the migratory status of farmworkers played a key role in determining rates of food security for farmworkers. The assessment showed that 45% of migratory farm workers were deemed food insecure as their income is less predictable, making

these households more vulnerable to changing economic conditions. In addition, indigenous farmworkers tend to experience higher rates of food insecurity compared to other Latino farmworkers as discrimination causes indigenous immigrants have lower job security and lower incomes and experience greater difficulty in accessing much needed services due to linguistic and cultural barriers (See Appendix 26).

Furthermore, the reality of the farm labor sector, particularly for the fruit and vegetable specialty crops produced in California's growing regions, means that those who work in the industry are structurally employed and then unemployed in seasons according to the harvest, and at less than full-time equivalents – all of which are in ways that would make it impossible to comply with the proposed rule and would result in discontinuation of aid. Moreover, the farm labor industry works through labor contractors, instead of direct employment with a grower, and the farm workers will face additional challenges in obtaining and providing documentation of work hours:



For our food banks located in the heart of our state's agricultural communities, like the Central California Food Bank in Fresno where over half their clients served are people of color and the food bank serves a number of neighboring farmworker communities including Mendota, Firebaugh, Huron, Orange Cove, Coalinga and Avenal, the proposed rule would be doubly harmful to the region's farmworkers and people of color, who work hard to grow and harvest our food, yet live in poverty and struggle with hunger. Additionally, along California's Central Coast, 65% of the clients served by the Second Harvest Food Bank of Santa Cruz County are people of color. The town of Watsonville, where the food bank is based, is home to 25,000 farmworkers and in the Watsonville-Santa Cruz metropolitan area, the mean hourly wage is \$12.43 and the annual mean wage is roughly \$25,850. For our farmworker communities, the complex and intersectional barriers to food security would only be exacerbated under the proposed rule.

In our state's rural and agricultural communities, lack of transportation, seasonal or migrant workforce and the vast distances between communities are significant barriers for many in accessing the work opportunities they need to make ends meet. Two of America's hungriest cities—Bakersfield (1) and Fresno (3)—located in California's Central Valley, which feeds the

world, are already disproportionately impacted by poverty and hunger with roughly 1 in 4 Valley residents participating in SNAP (See Appendix 27). Further, with preliminary regional unemployment levels documented at roughly 7.5% in the Fresno and Bakersfield metropolitan areas, nearly double California's state unemployment rate, the proposed rule would increase hunger and hardship while failing to support positive employment outcomes. This would be particularly pronounced in areas like the Imperial Valley (See Appendix 28), where the county unemployment rate is over four times that of the state rate at 16 percent and the region's economy has yet to expand beyond a heavy reliance on seasonal farming. Lastly, the economic impacts of the 2016 drought provide significant economic and environmental framing concerning our state's workforce. A UC Davis study examined the economic impacts of the 2016 drought and found that the drought resulted in the loss of 1,815 full and part-time jobs as well as \$247 million in farm revenues. When accounting for the broader economic sector impacts of the drought, researchers estimated a loss of 4,700 full and part-time jobs statewide and \$600 million in output value losses (See Appendix 29).

California's population centers in the Bay Area and Southern California also experience a unique nexus of challenges, where high housing costs, substantial transportation time and expenses and a labor market increasingly weighted toward irregular shift work have fueled the ongoing fight against hunger and homelessness.

In Southern California, one of the fastest growing population centers in the state (See Appendix 30), economic growth remains robust. Yet, despite the region's economic gains, high housing costs and a disproportionate number of low wage jobs create significant labor force challenges for low-income households. Los Angeles is home to more than 140,000 retail workers and retail accounts for the second largest employment sector with half of Los Angeles County's workforce earning low wages. A study commissioned by UCLA found that 8 in 10 workers in the Los Angeles retail sector lack a set work schedule (See Appendix 31). Over three-quarters of surveyed retail workers reported receiving a week or less notice of their schedule and the majority faced lastminute scheduling changes such as cancellation after receiving notice of their assigned hours. Moreover, while part-time work is common in the retail sector, half of retail workers desired more hours, with the majority wanting 40 hours or more every week. For Los Angeles retail workers, unstable hours mean unstable wages. Of those surveyed, 1 in 2 workers reporting paying bills late, and almost half of workers supporting children reported difficulties finding and paying for childcare. Unstable hours also translate to increased stress for retail workers with two-thirds of those surveyed always or sometimes reporting stress due to their work schedules. Further, one-third of retail workers are the sole income providers and nearly one-quarter of those surveyed are student workers with nearly half of student workers missing at least one class--forcing students to choose between getting their education and meeting their basic needs.

In addition to the regional employment factors that impact California's working poor, certain special populations like <u>veterans</u> (See Appendix 32), <u>former foster youth</u> (See Appendix 33), <u>Native Americans</u> (See Appendix 34) and <u>those re-entering their communities</u> (See Appendix 35) lack the appropriate protections from the ABAWD time limit commensurate with their specialized, often intersectional barriers to work, sustained employment and proper nutrition.

We strongly oppose the proposed rule that would expose even more people to the arbitrary SNAP food cutoff policy and harm California's poorest, most vulnerable residents. The proposed rule would fuel rates of hunger and poverty in our state's low-income communities and

sidesteps Congressional intent, which rejected such provisions in the 2018 Farm Bill on a bipartisan basis. The proposed rule will do nothing to support pathways to employment and opportunity and will place an impossible burden on food banks and other emergency food providers to make up the difference, when food banks already face significant unmet need in our communities.

In summary, we strongly oppose USDA's Proposed Rulemaking on SNAP requirements and services for Able-Bodied Adults without Dependents (ABAWDs) that would worsen hunger and unemployment for low-income Californians, particularly our communities of color, weaken key protections to prevent hunger and support employment and harm California food banks and the people we serve.

Sincerely,

Andrew Cheyne

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Appendix

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