



California Association of Food Banks

1624 Franklin Street, Suite 722

Oakland, CA 94612

(510) 272-4435 | cafoodbanks.org

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SNAP Certification Policy Branch,
Program Development Division
Food and Nutrition Services
3101 Park Center Drive
U.S. Department of Agriculture
Alexandria, VA 22302

RE: Proposal – Supplemental Nutrition Assistance Program: Standardization of State Heating and Cooling Standard Utility Allowances (RIN 0584–AE69)

Dear SNAP 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 the standardization of state heating and cooling standard utility allowances.

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 1).

SNAP is one of our nation's most important anti-hunger programs, as SNAP benefits respond quickly and effectively to changes in need, whether due to economic downturns or natural disasters. 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, and every \$1 billion in SNAP benefits creates 13,560 jobs. [See "The Supplemental Nutrition Assistance Program (SNAP) and

the Economy: New Estimates of the SNAP Multiplier, USDA Economic Research Service, July 2019, available at <https://www.ers.usda.gov/webdocs/publications/93529/err-265.pdf?v=8010.7> pages 6-8 and Table 1 (regarding research by Blinder and Zandi)]. In 2017, SNAP delivered nearly \$6.8 billion in 100 percent federally funded benefits to California (See Appendix 2), supporting local economies by driving between \$10.2 billion to \$12.24 billion in total additional economic activity and creating approximately 92,208 jobs.

Moreover, SNAP is 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 3). [SNAP also improves health outcomes and is associated with better nutrition](#) (See Appendix 4). 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.

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 2).

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 5).

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.

Furthermore, SNAP is particularly effective in addressing childhood poverty. In 2015, SNAP reduced the rate of child poverty by “2.1 percentage points, more than any other safety net

program. The program lowered child poverty by an average of 4.0 percentage points (363,000 children) statewide” (See Appendix 3). The proposed rule would spike hunger for these particularly vulnerable populations, increase hardship and make low-income Californians hungrier, sicker and less able to support themselves and contribute to their communities.

Despite SNAP’s Enormous Value, its Monthly Benefits are not Enough to Keep Californians Out of Hunger and Poverty

California communities need both SNAP and charitable food partners to fight hunger and support families when they fall on hard times. On average in the United States, for every 9 meal that SNAP covers, charity covers one meal, according to the national food bank network Feeding America. Research by the University of California, San Francisco, 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 6). 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.

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 Californians struggling to make ends meet. In 2018, USDA’s annual survey found that 10.6 percent of California households were food insecure, the first time that hunger has fallen to levels seen before the Great Recession. Even by this measure, far too many Californians still struggle to meet their basic needs despite a decade of economic recovery.

More broadly, [California has by far the highest poverty rate in the country](#) when using the more accurate Supplemental Poverty Measure that incorporates both the cost of living and the effects of safety net programs like SNAP. Statewide, [four in ten Californians live in or near poverty](#) and poverty would be far worse without social safety net programs like SNAP. Further, the positive impacts of social safety net programs are more pronounced in California’s inland and northern communities—where poverty would be substantially higher without these programs. In fact, the [Public Policy Institute of California](#) cites not only geographic trends in the effects and magnitude of poverty statewide, but also finds disproportionately high poverty rates among Latinos, those with less education and nearly 80 percent of working families (Appendix 7).

There is Insufficient Information to Adequately Comment on the Proposed Methodology

Under current law, SNAP takes into account the utility expenses of each SNAP household. States adjust household benefits based on a state-specific Standard Utility Allowance (SUA) calculated by the state and approved by USDA. The current policy allows variances in SUAs to accommodate for differences in utility costs and rates, and allows states flexibility in how they

calculate those costs. USDA now wants to depart from this policy without sufficient information on how it will do so and why it should do so.

USDA has not provided details about exactly what they plan to do for a new federal SUA methodology. There is a lack of transparency that makes it difficult to comment on the details of the proposed rule, or the effects on California as a whole, by region, or by subpopulation. Making it more difficult to comment on the effects in California, USDA neither describes nor commits to any particular methodology or makes anything about their methodology available in the future. There is no capacity for states or the public to appeal or present alternative data to what USDA would require.

There is also insufficient data to comment on the rule, and its potential effects in California. Our comments here are based on what USDA included in the Regulatory Impact Analysis, and what national experts have been able to extrapolate from that. It is unclear to us, however, whether this data is a reliable estimate of the impact of the proposed changes, should they be finalized, because USDA may end up using a different methodology from the one it used in its Regulatory Impact Analysis. By the clear language of the proposed rule itself and the preamble, USDA will have discretion to change the methodology anytime it wants without further review from states or any other source:

Proposed Change to subpart B of 7 C.F.R. § 273.9(d)(6)(iii): “FNS will calculate the standards and caps . . . of this section annually.”

Preamble of Notice of Proposed Rulemaking: “The Department intends to use ACS and RECS as the sources for base-year HCSUA calculations. The use of these specific sources, however, *would not be codified in the proposed rule in order to maintain flexibility* in the event better sources become available or these surveys cease to provide the necessary information. (84 Fed. Reg. 52809, 52811 (Oct. 3, 2019) (emphasis added)).

Based on USDA’s own estimates the proposed rule would cut SNAP benefits by \$4.5 billion over five years nationally, with 19% of SNAP households experiencing a cut to benefits and 8,000 households losing SNAP eligibility entirely. The Administration further acknowledges that the rule would disproportionately impact elderly people and people with disabilities.¹ In California, USDA’s analysis estimates SNAP benefit cuts to be even more prevalent, with 25.61% of households experiencing a loss. According to the California Department of Social Services, as of August 2019 there were 2,115,869 SNAP households in California.² Using USDA’s estimate for California, the proposed rule will cut SNAP benefits for 571,864 households.

¹ Regulatory Impact Analysis, p. 28

² California Department of Social Services. CalFresh Data Dashboard.

<http://public.tableau.com/profile/california.department.of.social.services#!/vizhome/CFdashboard-PUBLIC/Home?publish=yes>.

The Urban Institute has also its own analysis of the effects of this proposed rule.³ Both the CBPP and Urban Institute’s studies indicate harmful cuts to benefits and the loss of SNAP eligibility in California, but both came to different conclusions, highlighting the insufficient detail in the proposed rule to conduct any meaningful impact analysis. These include differing amounts in terms of the dollar change to the SUA, the overall change in benefits to California SNAP households, among others.^{4,5} Moreover, we normally rely on our state agency, the California Department of Social Services, for accurate in-state information, but they have been unable to analyze the rule in-depth for several reasons that were at no fault of their own: USDA’s vague and incomplete information, the short time to comment that includes multiple national holidays, and the significant fires and power outage disasters in October and November which have taken the agency’s time and attention. All of this underscores the need for state-specific information and the need for state flexibility to design the SUA according to local conditions.

Given the limited information that has been made available during the proposed rulemaking, we provide what we do know about the harms that will result from a reduction in SNAP benefits and why we do not support the concepts of the proposed methodology for setting standard utility allowances.

Capping the HCSUA is Arbitrary and Will Increase Hunger in California

Leveling the [SUA amounts across the country](#) down rather than up, despite the [well-documented](#) fact that [benefits for all recipients are currently inadequate](#), means fewer people will be able to afford the food they need to last them through the month (See Appendix 8). In particular, standardizing and capping the HCSUA rate nationally, across all states according to a set formula, will harm SNAP recipients in California.

Key utilities, such as electricity prices, have already been growing far faster in California – five times – than the national average over the past decade⁶:

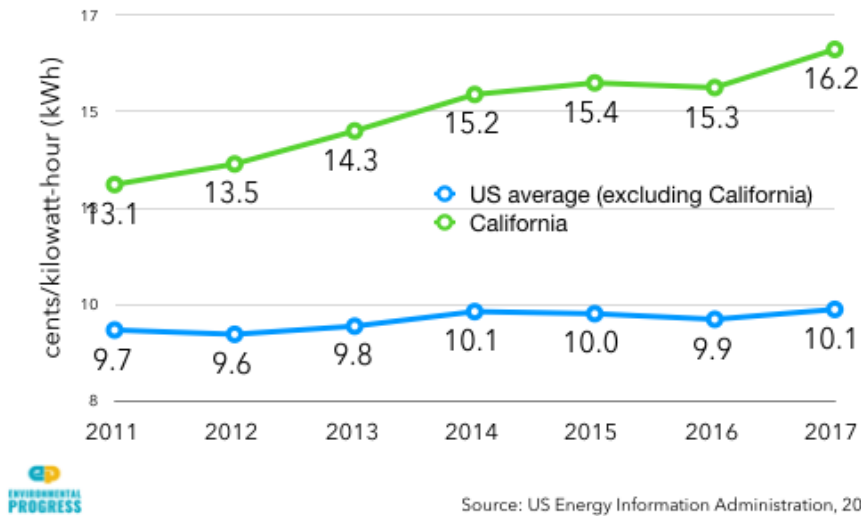
³ Urban Institute. 2019. Estimated Effect of Recent Proposed Changes to SNAP Regulations. https://www.urban.org/sites/default/files/publication/101368/estimated_effect_of_recent_proposed_changes_to_snap_regulations.pdf, pages 16 & 18.

⁴ Ibid.

⁵ Center on Budget and Policy Priorities analysis based on the USDA Regulatory Impact Analysis for the proposed rule and FY2017 SNAP Household Characteristics (Quality Control) data.

⁶ Environmental Progress analysis of 2017 US Energy Information Administration data. <http://environmentalprogress.org/big-news/2018/2/12/electricity-prices-rose-three-times-more-in-california-than-in-rest-of-us-in-2017>.

Electricity prices in California rose 5x more than in rest of U.S.



This trend is going to intensify, deepening the impact of the proposed rule’s national fixing of the SUA calculation. Much of California just experienced rate increases, with significant increases to come soon, creating a cascading effect on low-income Californians with fixed incomes and tight food budgets.⁷

“Effective Jan. 1, 2020, monthly electricity bills could potentially rise an estimated \$8.93, which would bring the average cost for electric service to \$130.03 a month for the typical residential customer, PG&E said. The dollar amount would apply to a typical residential customer who receives bundled service and uses 500 kilowatt-hours per month. “This is pretty outrageous,” said Mark Toney, executive director of The Utility Reform Network, or TURN, a consumer group. “This is a pretty steep increase.” The increases in electricity costs that are slated to begin on New Year’s Day would arrive on the heels of higher costs for both gas and electricity that went into effect on Oct. 1.

According to the California Public Utilities Commission (see Appendix 9), not only is this trend projected to continue, it will become increasingly dynamic and unpredictable given the state’s unprecedented wildfires and the costs to mitigate them:

Historically, while California’s electricity rates have been higher than most of the nation, bills have been lower because usage in California is low compared to most of the United States. However, low usage is no longer offsetting rate impacts in some areas of the state, which could lead to a growing trend of bills exceeding national averages.

Rate and bill impacts from liability of past wildfires are still unknown, but if ratepayers are required to pay large portions of these costs, rates and bills could dramatically increase beyond the costs of existing programs and wildfire mitigation plans.

⁷ Mercury News. <https://www.mercurynews.com/2019/10/18/pge-electricity-bills-due-to-jump-in-january-utility-advises-regulators/>

Furthermore, low-income Californians also face dynamic, unpredictable utility costs that harm these customers who are unaware or unable to modify energy use according to utility surge pricing. These utility customers who are “renting, who are low-income, who are working class, who have old appliances, and may not be financially, economically or even intellectually capable of monitoring their energy use on an hourly basis.”⁸ Our state agency would have a more accurate, nuanced understanding of this methodology and how it impacts SNAP households in California than the proposed fixed calculation.

The Proposed Rule Will Have Disparate Impacts on Key Communities and Regions

Low-Income Communities of Color

California is experiencing an affordability crisis that is driven by the extraordinary cost of housing. This affects low-income communities in every region in California, but particularly harms low-income communities of color, which the rule would exacerbate by cutting SNAP benefits, and reducing eligibility.

An analysis by the California Budget & Policy Center on the state’s housing burden found that: “Across California, more than 4 in 10 households had unaffordable housing costs, exceeding 30 percent of household income, in 2015. More than 1 in 5 households statewide faced severe housing cost burdens, spending more than half of their income toward housing expenses. ... Many of the individuals affected by unaffordable housing costs are people of color. Among all Californians paying more than 30 percent of income toward rent in 2015, more than two-thirds were people of color, and about 45 percent were Latino” (See Appendix 10).

In California, low-income communities have 20 percent fewer sources of healthy food when compared with higher-income communities.⁹ Similarly, [USDA’s own data on food insecurity](#) show the disproportionate prevalence of hunger among communities of color – particularly Black and Hispanic. By cutting SNAP, the rule perpetuates the “Structural Racialization” of food insecurity. As described by [scholars from the University of California Berkeley](#) Haas Institute (See Appendix 11), the presently unequal “access to safe and healthy food also reflects the wider racial, ethnic and class disparities in the U.S. that are caused by structural inequality in health, social, economic, and political domains.”

Low-Income Rural and Communities of Color in California

Hunger varies regionally in California, with rural, agricultural regions suffering from the highest rates of food and economic hardship. In our state’s rural and agricultural communities, lack of

⁸ <https://www.governing.com/topics/transportation-infrastructure/sl-states-power-surge-pricing.html>

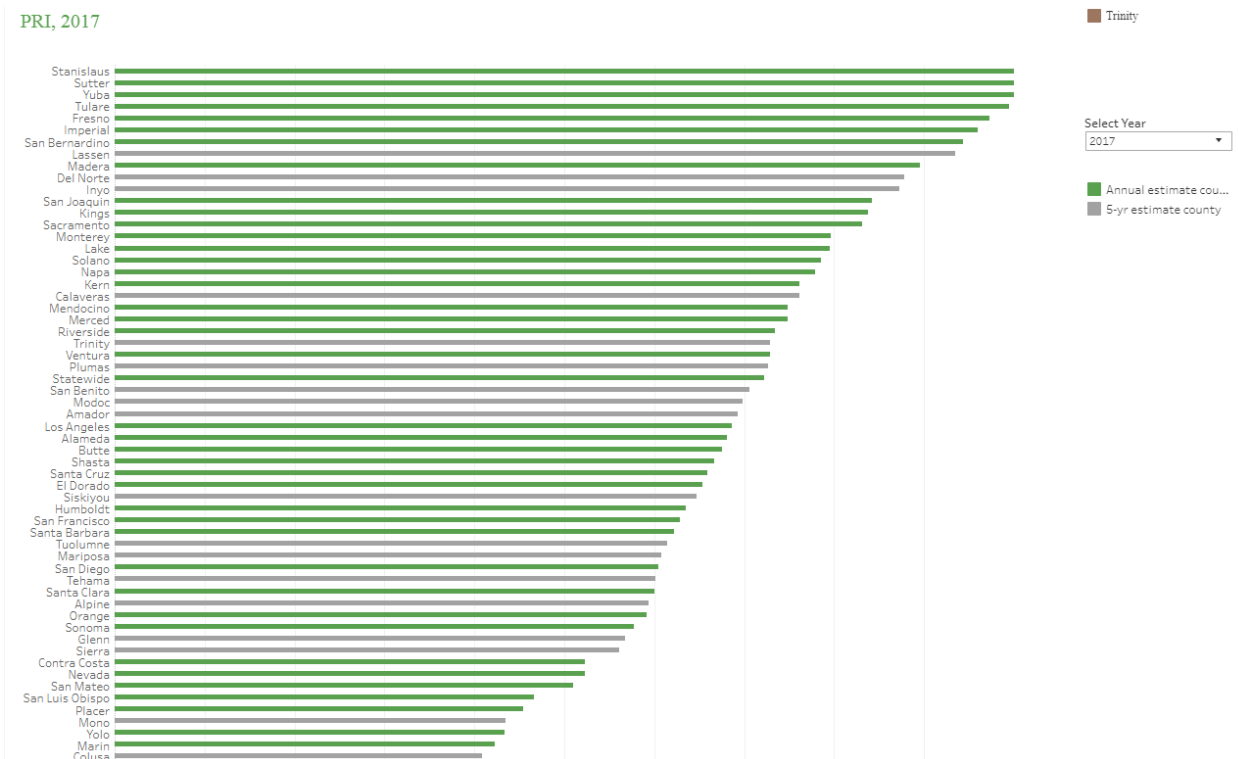
⁹ California Department of Food & Agriculture. Improving Food Access in California. https://www.cdfa.ca.gov/exec/public_affairs/pdf/ImprovingFoodAccessInCalifornia.pdf.

transportation, seasonal or migrant workforce and the vast distances between communities are significant barriers for many in accessing food resources they need to make ends meet. These are the areas in which food banks face the greatest challenges to meet community needs, and the proposed rule would have pronounced effects in California. The rule would not only eliminate state flexibility to adjust SUA levels for geographic areas such as rural communities, but also for larger households, each of which have demonstrated to have greater utility costs and limited food budgets in California.

According to survey research by Gallup and the Food Research & Action Center, [California is also home to two of America's metropolitan areas with the highest rates of food hardship-- Bakersfield \(#1\) and Fresno \(#3\)](#). This coincides with [unemployment rates in Fresno and across the San Joaquin Valley that are far higher than the California average](#). Here, the rule would have disproportionate impact to increase poverty and hunger with roughly [1 in 4 Valley residents participating in SNAP](#) (See Appendix 12), higher than the state average. The rule would be particularly harsh in areas like the [Imperial Valley](#) (See Appendix 13), 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.

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 14).

Because of these high rates of poverty and hunger, it is no surprise that they are home to some of the highest rates of SNAP utilization. According to the [California Department of Social Services Program Reach Index](#) that measures SNAP participation at the county level, 12 of the top 13 counties for SNAP participation are in rural, agricultural regions, including several counties with the highest rates of poverty such as Yuba, Tulare, Fresno and Imperial.



Similar evaluations of SNAP use as a share of the overall population confirm the disproportionate impact in these impoverished, rural regions. A [2013 analysis by the California Budget & Policy Center](#) (See Appendix 15) shows that Tulare, Fresno, Imperial and Merced led California with more than 20% of County residents receiving SNAP.

Compounding the reality of higher rates of poverty and hardship in rural areas of California, these areas are also home to higher utility costs associated with both heating and cooling homes, depending on the region and season. In the Central Valley, for example, where temperatures in the summer can be well over 100 degrees, and in the northern mountain regions that experience the harshest winters, the [California Public Utilities Commission](#) has found that people are burdened with the state's highest costs, respectively, for summer cooling and winter heating. (See Appendix 16). Indeed, [the CPUC has found](#) that a disproportionate number of low-income utility users, who pay the highest proportions of their household incomes on utility costs, are in these rural regions (See Appendix 17):

The majority of households in ZIP codes that spend more than 5% of their income on energy bills are located in Central Valley, and some in the North Coast, Mountains and Desert Regions. Furthermore, these ZIP codes with ratios higher than 5% are mostly located in low to moderate-income areas of these regions.

Water rates are also rising across the state, putting further pressure on the utility and food budgets of low-income Californians. According to the water news agency Circle of Blue, between 2010 and 2017 water rates in Los Angeles jumped 71 percent. The biggest increase

was for households of four that used 100 gallons per capita a day, which saw monthly water bills increase from \$58.49 to \$100.14. In San Francisco water rates increased 119–127 percent (depending on usage) during the same period. The water board reports that the state spends more than \$2.5 billion per year to aid low-income residents with gas, electric and telecommunication services, but more than half the state’s residents have a water provider that doesn’t offer rate assistance for low-income customers.¹⁰

Much like the situation for gas and electricity, there are regional variations that harm residents in California’s rural communities. Even as they declining clean water access, low-income Californians are actually paying more for water that is toxic. For instance, “In the small San Joaquin Valley communities of Cantua Creek and El Porvenir, [hundreds of residents are paying above-average rates for water that they cannot even safely drink.](#)” In addition to the acute health risks associated with the Central Valley’s water contamination, communities face the disproportionate economic burden that stems from a lack of basic urban water infrastructure. Residents are often forced to pay twice for water, having to purchase bottled water to supplement the unsafe tap water delivered to their homes. These drinking water costs alone can amount to as much as 10% of a household’s income (See Appendix 18).

Rural areas are also home to California’s largest households. According to the [American Community Survey’s 5-year estimates](#), the top four counties with the largest households are all rural: Imperial, Madera, Merced and Tulare, with four more in the top 10: Kings, San Benito, Monterey and Kern.

Because of the disparate costs of living in California, we oppose the elimination of the state option to vary SUAs by household size and geographic area. Allowing states to utilize this option is important to achieve equity in benefit adequacy based on local needs. The Department did not offer sufficient reasons for this change, nor for departing from existing policy. It is not sufficient rationale to remove a state option on the basis that states have infrequently used this.

Older Californians and People With Disabilities

SNAP currently provides food benefits to nearly four million Californians, including approximately 300,000 recently approved SNAP and SSI/SSP recipients since SSI/SSP recipients became eligible for benefits this year on June 1, 2019.¹¹ These figures demonstrate the extreme food insecurity and poverty that SSI recipients, who have since the Great Recession relied on [sub-poverty grants to survive, and their incredible need for food assistance](#) (see Appendix 19 Issue 6-7 or pp19-30). In fact, SSI grants are so low relative to the high cost of housing that the

¹⁰ KQED News. Californians are Struggling to Pay for Rising Water Rates.

<https://www.kqed.org/science/1920428/californians-are-struggling-to-pay-for-rising-water-rates>.

¹¹ Supplemental Security Income/State Supplemental Payment (SSI/SSP) recipients recently gained the ability to receive critical food benefits (as of June 2019) from the Supplemental Nutrition Assistance Program (SNAP, or CalFresh in California) in California.

<https://public.tableau.com/profile/california.department.of.social.services#!/vizhome/CFdashboard-PUBLIC/SSI>

studio FMR is higher than the entire SSI/SSP grant in 16 counties, including Alameda, Los Angeles, Orange, and San Diego (see Appendix 20).

Because of how SNAP benefits are calculated, households with Elderly and Disabled members will particularly suffer. The Excess Shelter Deduction is not capped for these households, meaning that they can experience multiple cuts from the proposed rule – first from the lower SUA itself, and second from a lesser Excess Shelter Deduction. Under the proposed rule a disproportionate number of older adults and people with disabilities will lose some or all of their SNAP benefits, magnified by the [approximately 300,000 CalFresh beneficiaries who receive SSI/SSP](#), whose access to food benefits in California was long barred by the 44 year “cash-out” policy that was finally reversed and became effective June 1, 2019.

Elderly and Disabled households are commonly eligible for Excess Shelter Deductions above the cap given the low incomes among these populations. [All SSI/SSP individuals receive grants that are below the Federal Poverty Level, while couples can receive grants that at the maximum are just above the FPL](#). More broadly, California has the highest poverty rate among older adults when using the Supplemental Poverty Measure that includes the local cost of housing, out of pocket medical expenses, and basic necessities of Food, Clothing, Shelter and Utilities (FCSU) – nearly 1 in 5 according to the Kaiser Family Foundation (See Appendix 21). Similarly, in California, people with disabilities faced an employment gap of more than 30% compared to people without disabilities, and even those who are employed received far lower earnings from work, with an annual median earnings gap of \$8,273-\$10,095 on average (see Appendix 22, Fig 20 & 26). Ultimately, people with disabilities in California – particularly those ages 65 and over – have nearly double the poverty rates (24.5-27.6%) than for those without a disability (12.6-14.6%) (See Appendix 22, Fig 33).

According to a Center on Budget and Policy Priorities analysis on this proposed rule, households with members who are elderly or have a disability receiving SNAP will be disproportionately impacted by the rule. About 45% of all SNAP households with members who are elderly or have disabilities in California would lose benefits under the proposed SUA rule. These households make up 30 % of all households that would lose benefits, and the average cut per SNAP household is about \$10 per month. These cuts will worsen hunger and poverty beyond the crisis rates California’s most vulnerable older adults and people with disabilities already undergo today.

Compounding these SNAP cuts, households with individuals who are elderly or disabled face high housing costs. The Fair Market Rent is greater than the entire maximum individual SSI/SSP grant in 17 counties, and in every county exceeds 50% of the maximum grant (See Appendix 20). Older adults of all incomes faced higher rates of housing burden: In 2016, 29% of all renter households in California spent more than half their income on housing, according to the [Harvard Joint Center for Housing Studies](#), rising to 35% of renters ages 65 to 79, and 42% of renters 80 or older. As a result, [research by University of California at San Francisco](#) shows that half of homelessness among seniors occurred through incidents that happened after age 50. In

Los Angeles County alone, [senior homelessness spiked 22% in 2018](#). The [California Department of Housing and Community Development](#) reports that people with disabilities not only face high rents but also overt and subtle discrimination, inadequate accommodations for people with disabilities, lack of transportation access, and stringent financial requirements and background checks that create barriers from finding an affordable place to live.

This impact will grow over time as the state's older population expands (See Appendix 25), and the rule would also push additional burdens on the state to compensate for increase in hunger and decline in health that the proposed rule would cause:

California's over-65 population is expected to be 87 percent higher in 2030 than in 2012, an increase of more than four million people (Figure 1). This group will grow much faster than the rest of the population, rising from 12 percent in 2012 to 19 percent in 2030. As a result, a greater share of the state's human and economic resources will be used to provide health care and other types of support for this group.¹²

California is also home to the most people living with disabilities, [4,151,044 individuals](#).

These impacts are of particular concern given that it is disproportionately older women, and women of color, who are recipients of SSI/SSP – they are more likely to have taken time out of the workforce to care for family, are more likely to have earned less (due to discrimination in the workforce), and are more likely to have worked in non-traditional jobs (and thus not have Social Security to rely on). More broadly, women and women of color are more likely to be poor with older Black, Hispanic, and Native American women are [almost two times more likely to live in poverty than older white women](#). All of this contributes to why [6 in 10 older SSI recipients are women](#), because women, especially women of color, enter their later years with fewer resources and less in Social Security.

People with disabilities regularly face unexpected costs of living that put pressure on the food and utility budgets, as well as higher regular expenses. Maintenance on necessary transportation such as a wheel chair to modifying housing in order to be accessible to see a specialist can wipe out any savings a family may have. As seen in Appendix 23, these costs range from \$1,000 to \$7,000 annually, and can come with devastating consequences.

As seen in Appendix 24, rural older adults in California face greater barriers to food access as well as significant existing disparities in health conditions as well as the ability to access health services, which the SUA cut would exacerbate by reducing the available household budget for food:

Rural elders have more health risks and higher rates of some health conditions than their suburban counterparts, including overweight/obesity, physical inactivity, food

¹² Public Policy Institute of California. <https://www.ppic.org/publication/planning-for-californias-growing-senior-population/>.

insecurity, heart disease, diabetes and repeated falls.¹³ Rural areas present challenges that urban and suburban areas do not, such as rugged terrain, precarious road conditions, vast geography, and a sparse and dispersed population. These obstacles can make it difficult for rural elders to obtain medical services, access safe areas to exercise, and have healthful and affordable food options.

In addition to these higher on-going costs and barriers, older adults and people with disabilities face far higher costs related to the “new normal” of natural disasters like fires as well as the several Public Safety Power Shutoffs. The devastating consequences of how low-income people have lost power, leading to significant food loss – even as they must continue to pay their utility bills, has highlighted the unexpected costs and deep suffering of people who struggle to eat and pay their utilities.

For older adults and people with disabilities the situation is even direr, as they need generators just to live to power breathing apparatus and electric chairs, refrigerate medication, and other life essentials.¹⁴ Indeed, the California Office of Emergency Services’ Access & Functional Needs officially recognizes that Elderly and Disabled households suffer most during disasters: “No two disasters are ever the same; yet, virtually all incidents disproportionately affect individuals with access and functional needs (AFN) (i.e. people with disabilities, seniors, children, limited English proficiency, and transportation disadvantaged).”¹⁵

Yet these costs of generators, batteries to store back-up power, even energy efficiency to reduce per kilowatt costs – are least attainable for low-income SNAP recipients. As these are going to be more common, all of these factors need to be reflected in state decision-making when calculating SUAs, not made as one size fits all formulas done at the federal level.

Finally, low-income older Californians and people with disabilities face significant transportation barriers of access, cost (See Appendix 23, 26), and time and cost to utilize public transit would limit their ability to access food from food bank locations versus purchasing food locally through their EBT card.

Children

According to a Center on Budget and Policy Priorities analysis based on the USDA Regulatory Impact Analysis for the proposed rule and FY2017 SNAP Household Characteristics (or Quality Control) data, children receiving SNAP will see disproportionate harm under the rule. About 34% of all SNAP households with children in California would lose benefits under the proposed SUA rule. Households with children make up 68 % of all households that would lose benefits,

¹³ Minegain B. Humana Launches Congestive Heart Failure Pilot. Healthcare IT News. March 18, 2011. <http://www.healthcareitnews.com/news/humana-launchescongestive-heart-failure-pilot>. Accessed March 25, 2011.

¹⁴ Talk Poverty. Disabled People Scramble to Cope When California Kills Power to Prevent Wildfires. <https://talkpoverty.org/2019/10/04/prevent-power-wildfires-disabled/>.

¹⁵ California Office of Emergency Services Access & Functional Needs. <https://www.caloes.ca.gov/individuals-families/access-functional-needs>.

and the average cut per SNAP household with children is about \$10 per month. These cuts will worsen hunger and poverty beyond the crisis rates California children face today.

Statewide, one in five California children lives in poverty, and their families face daily struggles to meet their basic needs. SNAP is a critical tool in helping California families afford food and support the health and nutrition of their children. In California, fully 73 percent of SNAP households included at least one child, with these households receiving an average monthly SNAP benefit of \$371 in 2017 (See Appendix 1). Therefore it may be no surprise that, in California SNAP is the number one tool to lift children out of poverty, by providing their families with the resources they need to eat, and single-handedly reducing child poverty by 4.1 percent on the California Poverty Measure (See Appendix 3). Yet by imposing a nationally standardized and capped SUA calculation, for any households made ineligible for SNAP, the automatic link to school meals would be severed, hurting families with particular harm to the children forced to experience the trauma of hunger and deeper poverty.

Ensuring low-income families can meet their basic needs supports the health, learning and economic mobility of their children. When children can access good nutrition at home and at school, it helps them reach their full potential. Children receiving SNAP are automatically entitled for free school meals through a direct certification process without their family having to complete a separate application. This process creates critical efficiencies that support children, families and schools to ensure every child succeeds at school and can focus on learning.

While the research points to SNAP's strengths in mitigating the negative impacts of poverty on children's nutrition, development and learning, it also highlights how childhood exposure to adverse childhood experiences (ACEs), like living in poverty is associated with adverse experiences well into adulthood resulting from toxic stress. California's children are at a particular disadvantage and rely on SNAP as a support, as California ranks 46th in economic well-being with 43% of all children living in households that experience a high housing burden (See Appendix 27).

By contrast, research (See Appendices 28 & 29) shows that childhood exposure to adverse childhood experiences (ACEs) like living in food insecurity, 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](#). 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. In fact, household food insecurity has been linked with exposure to violence and adversity throughout the life course, suggesting it can be transferred across generations (See Appendix 29).

This rule would create particular challenges for food banks to serve working families, who often cannot attend food pantries which mostly operate during the day on week-days, when parents are working. If we were to try and accommodate this need, we would face increased labor,

transportation and other costs to provide food in the evenings or on the weekends. Food banks would struggle to have volunteers necessary to support distributions at these times.

These households who receive fewer SNAP benefits and need food assistance through food banks would face significant time and financial strains to attend these distributions by taking public transit during off hours, bringing their children, and other hardships to access resources through the charitable relief system that has significant restrictions on the time and geographic availability of food compared to authorized SNAP retailers.

The Proposed Rule Will Harm California Food Banks Who Cannot Replace SNAP

California's low-income communities need SNAP and charitable food providers to fight hunger and support families who fall on hard times. Food banks do everything they can to fight hunger, yet they alone can never meet the need. According to the national food bank network Feeding America, SNAP provides 9 meals for every 1 meal provided by food banks. In the face of continued threats to SNAP and the safety net, it is vitally important to understand that food banks cannot serve these populations. Under the current distribution model, food banks are already unable to serve working families, those who engage in shift work or work odd hours or have limited mobility. These households already face a range of obstacles in accessing the food they need and the proposed rule would only increase hunger and push people deeper into poverty. SNAP households affected by the rule will not be able to depend on other sources of food, as there are not sufficient food bank resources to supplement the loss. In fact, as described below, some of the rural communities that would suffer disproportionate harm from the rule are also home to food banks and emergency food operations with the greatest capacity challenges that are least able to respond to elevated community needs.

Our 41 member food banks already labor to meet the need for food in our community, and would not be able to close the gap in food insecurity created if the proposed rule were to be implemented. Our network operates on thin budgets, relying on aging volunteers and donated products to supplement food for our community's most vulnerable families and individuals.

Furthermore, our network relies on the current regulation to interpret community needs, and develop their programs. Based on the long-standing SUA policy that has been in place for decades, food banks have utilized the flexibility given to state agencies like CDSS to implement the policy as they have done to feed a certain number of people in need of food, with a sustainable level of service (in terms of frequency, quantity, and other factors that hungry people rely upon when accessing food resources).

Under the proposed rule, the California food bank network would be incapable of meeting the increased demand for food, and Feeding America's Map the Meal Gap provides some perspective on the magnitude of this issue. As of 2017, they estimate the annual food budget shortfall to be \$2,381,146,000, calculated at the average meal cost of \$2.30 (using US Census Current Population Survey data on the local cost of a meal). This means that the annual missing

meal gap in California is approximately 1,035,280,870, before the rule would go into effect, and take benefits from more than 500,000 California SNAP households.

USDA's RIA estimates that the rule will reduce .86% of all SNAP benefits in California. According to the California Department of Social Services, in August 2019 \$506,612,577 in federal SNAP benefits were issued. .86% of that is \$4,356,868.16 on a monthly basis, or \$52,282,417.92 on an annualized basis. Again, according to Feeding America, for every meal that food banks distribute, SNAP provides 9. It is inconceivable that the charitable sector could come even close to generating these meals, and there is no doubt that the proposed rule will cause widespread hunger and severely tax the food banks and charitable providers who strain to serve to mitigate this loss in their communities. This is especially the case as USDA already acknowledges that [nearly one-third of SNAP households already rely on food banks and pantries because benefits are inadequate to last the month](#). Not only are food banks and other charitable providers unable to provide the scale of food assistance the proposed rule would cut, the proposed rule would create significant harm by deepening barriers for vulnerable populations and geographic regions already suffering from inadequate food access.

Food Banks Serving Rural and Remote Communities

Beyond the sheer volume of benefits, SNAP is a lifeline in rural California that suffers from large, deep food deserts.¹⁶ USDA reports that there are some 26,599 approved SNAP retail stores in California.¹⁷ In California, 48% of SNAP retailers are small businesses including: convenience stores, dairies, butchers, bodegas, farm stands and other small corner stores.¹⁸ This is a far more extensive network that the food banks can ever match, forcing residents to drive long distances with great cost in transportation fuels, time away from work, and other hardships simply to access emergency food resources. In fact, an assessment of 'rural and remote' food banks by the [University of California Nutrition Policy Institute](#) (See Appendix 30) illustrates that these food banks themselves face the greatest capacity challenges across an array of core services such as procuring food, distributing to local partner organizations, fundraising, communications and others that would be needed to respond to the rule's reduction in SNAP benefits and eligibility, but simply do not exist or are already insufficient to support existing community need.

Especially difficult to serve in the populations most suffering from the proposed rule are farmworkers in rural communities who have varying work hours, face increasing automation in

¹⁶ California Department of Food & Agriculture. Improving Food Access in California.

https://www.cdfa.ca.gov/exec/public_affairs/pdf/ImprovingFoodAccessInCalifornia.pdf.

¹⁷ United States Department of Agriculture, Food and Nutrition Service. (2018). Retailer Management 2018 Year End Summary. Retrieved from: <https://fns-prod.azureedge.net/sites/default/files/media/file/2018SNAPRetailerManagementYearEndSummary.pdf>

¹⁸ United States Department of Agriculture, Food and Nutrition Service. (2018). Retailer Management 2018 Year End Summary. Retrieved from: <https://fns-prod.azureedge.net/sites/default/files/media/file/2018SNAPRetailerManagementYearEndSummary.pdf> and Center for Budget and Policy Priorities. (2018). "SNAP Boosts Retailers and Local Economies." <https://www.cbpp.org/research/food-assistance/snap-boosts-retailers-and-local-economies>

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 14). 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.

The rule will deepen hunger and health inequities in the Central Valley that already suffer the highest rates of food hardship. The Ceres Partnership for Healthy Children has documented that the region has the highest rates of unemployment and food insecurity in the country: unemployment in Ceres is at 20.3 percent; in Stanislaus County, 16.4 percent. Farmworkers in the region are even more likely to be “food insecure” — a study in late 2007 found that more than 42 percent eat less than three servings of fruits and vegetables a day, and in the winter months, 48 percent go hungry.¹⁹

Food Banks Serving Communities of Color

The rule will worsen disparities for low-income communities of color, who experience more food access barriers and inequities in the food system. Significant proportions 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 31). In Southern California, 71% of the people served by the San Diego Food Bank are people of color (See Appendix 32).

The disproportionate effects on low-income communities of color are not solely urban metropolitan issues. 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 33). 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 34).

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,

¹⁹ <https://grist.org/article/food-2011-02-01-the-food-desert-in-the-heart-of-californias-farming-region-2/>.

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](#).

Limitations of Food Banks During Public Safety Power Shutoffs

The recent power safety shutoffs have highlighted the serious connection between hunger and utility costs in California, and that food banks already are unable to meet the need for emergency food, let alone if the proposed rule would reduce SNAP benefits and eliminate eligibility for some households. Personal stories show the depth of food loss during these events:

Pacific Gas & Electric turned off power to Ana Patricia Rios' neighborhood in Sonoma County for eight days in October, three at the beginning of the month and five near the end. The mother of three young boys watched twice as nearly all of the food in her refrigerator spoiled. She threw out at least \$500 worth of meat, fruit, vegetables, salsas and other food that would have supplied her family with months of meals.

"It's a big impact because we need the food that we lost," Rios said in Spanish, two days after the lights finally came back on.

Similar losses occurred throughout Rios' wooded, hilly neighborhood, which is mostly home to Hispanic families. Many are vineyard and hospitality workers, and sometimes several families share a house.

Making matters worse, last weekend, Rios received a PG&E alert that her family might be plunged into the dark once again this week. She decided to cook the one package of meat in her freezer, which is now mostly empty to avoid another colossal loss.

"Even if the electricity doesn't arrive," she said, "the bills do."²⁰

As we testified in a recent [state Senate hearing](#): "The shutoffs not only taxed our network but deepened hunger among those already food insecure. We cannot be there for everyone in need, and Californians are not refilling those refrigerators."

The Proposed Rule Contravenes Congressional Intent to Allow States to Set Their Own Utility Allowances

This USDA rulemaking is yet another attempt for the Administration to side step Congress and make cuts to SNAP benefits. Congress reviewed SNAP policy during the 2018 Farm Bill, including

²⁰ CalMatters. "We need the food that we lost." Low-income families still reeling from blackouts. <https://calmatters.org/projects/california-psps-power-shutoffs-poverty-spoiled-food-hunger/>.

the fact that states have options that may produce differences in SNAP eligibility benefit amounts from state to state. As the President's 2018 budget, published in March 2017, and FY 2019 Budgets included a request for a change similar to the proposed rule [<https://www.obpa.usda.gov/32fns2019notes.pdf>], Congress was aware of this proposed cut and yet did not include such a change in the 2018 Farm Bill, nor even the earlier H.R. 2 version that CBO estimated included \$25 billion in other SNAP cuts over 10 years.

The only [guidance that USDA has ever issued on SUA methodologies](#), as far as we are aware at this time, was in 1978 as part of a final rule and in 1979 as a notice to state agencies. That notice encouraged states to set SUAs at levels that would ensure nearly all households were better off claiming the SUA than actual utility costs (i.e., one model example was to set at the 95th percentile.) Many states did so to simplify program administration and reduce error rates. USDA does not mention the 1979 notice in its proposed rulemaking and it is not available on their website, so it is difficult for commenters to understand the context for the proposed change in this current round of rulemaking.

Following the passage of the Food Stamp Act of 1977 and implementing regulations, subsequent legislation allowed states to mandate the use of the SUA and to no longer allow households to switch between actual costs and the standard utility allowances during a certification period. These laws were passed with the understanding that few households would lose benefits because many states, especially in high utility cost areas, had set SUAs at levels that were high enough to encompass most households' utility costs.

It may be the case that SNAP households have uneven protections from hunger as a result of some states under-calculating the SUA. The only appropriate policy response, however, is to bring those states up-to-par with other states by improving their SUAs. Instead, the administration is proposing a race-to-the-bottom solution by cutting SUAs and removing state flexibility, which will undermine our ability to help low-income Californians and low-income Americans in every state.

Evening out benefit amounts across states by lowering benefits for large numbers of participants does not promote SNAP's statutory purpose, but instead undermines its statutory purpose. We reiterate this because of the data and reasons presented above; states must retain their flexibility as intended in statute and regulation in order to accommodate the differences across regions and populations within a state. Although we have done our best to estimate these impacts and believe them to be significant, as noted above there are several aspects of the proposed rule for which there is insufficient information provided and time permitted to comment on the proposed rule and its impact in California.

We Support Including the Cost of Internet Service as a Utility Allowance But Do Not Have Enough Information to Adequately Comment

We support incorporating the costs of basic internet service as an allowable utility expense. Because internet costs vary across cities and states at a localized level based on the business of internet service carriers, we oppose the proposed rule to allow only USDA to calculate the telecommunications standard. Rather, we recommend state agencies to determine their own telecommunications standard. This would be consistent with longstanding state authority to set all other SUAs. We also recommend states to be given the option to create a single utility allowance solely for basic internet service or use a combined telecommunications standard that includes both telephone and basic internet costs.

The proposed rulemaking does not describe how USDA will determine the telecommunications standard. It also does not describe how it came to one estimate that the standard would be \$55 in 2020. Its methodology is found in neither the proposed rulemaking nor the Regulatory Impact Analysis. Even if the rate were set at \$55, that rate seems low given what we know about our own phone and internet plans. At the time of this comment period, we are not aware of reliable information on consumer costs for internet access. Without this information, we are unable to adequately comment on what the rate should be or what methodology should be used to calculate an internet and bundled telecommunications standard.

Conclusion

We strongly oppose the arbitrary and capricious proposed rule to standardize the methodology for calculating the heating and cooling standard utility allowance that would take food assistance away from millions of low-income people across the country and spike hunger for more than a million low-income Californians, particularly older adults and individuals with disabilities. The proposed rule will fuel rates of hunger and hardship across California among some of our most vulnerable communities. We urge the administration to withdraw this harmful rule.

Sincerely,



Andrew Cheyne
Director of Government Affairs



Becky Gershon
Advocacy Manager