November 26, 2019

Brandon Lipps  
Acting Deputy Under Secretary, Food, Nutrition, and Consumer Services  
U.S. Department of Agriculture

Certification Policy Branch  
Program Development Division  
USDA – Food and Nutrition Service  
3101 Park Center Drive (Room 812)  
Alexandria, Virginia  22302


Dear Mr. Lipps:

Minnesota is one of 47 states which implements a mandatory standard utility allowance (SUA) in its Supplemental Nutrition Assistance Program (SNAP). As you know, the SUA is a tool that Minnesota has used since 2010 to streamline our SNAP program by averaging utility costs in eligibility and benefit determinations. As Commissioner of the Minnesota Department of Human Services, I oppose the administration’s above-referenced rulemaking, which would cut the amount of benefits that SNAP recipients in Minnesota receive by changing the way the SUA is calculated. **Nationally, this proposal would constitute a $4.5 billion SNAP cut over five years.**

The proposed rule would increase hunger in Minnesota. At approximately $1.40 per person per meal, SNAP benefits are modest to begin with. This rule would cut this already meager benefit by an average of $10 per month for 40 percent of SNAP households in Minnesota. Depending on factors such as age and disability status, some families may see their benefits decrease by as much as $92 per month. Overall, Minnesotans would receive roughly $1.5 million less in SNAP benefits per month. Families with elderly or disabled members will be disproportionately affected.

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2 Center on Budget and Policy Priorities, [Chart Book: SNAP Helps Struggling Families Put Food on the Table](https://www.cbpp.org), 2019.
3 Estimate provided by the Minnesota Department of Human Services.
4 Estimate provided by the Minnesota Department of Human Services.
It is important to understand just how low-income a family has to be in order to qualify for SNAP. The maximum income that a family of three can earn while still qualifying for SNAP is only 165 percent of the federal poverty level ($34,296 per year).\(^5\) With this income, a family is still $40,000 to $43,000 below Minnesota’s average annual cost of living.\(^6\) At a time when approximately 9.5 percent of Minnesota households face hunger,\(^7\) the proposed rule would force people to choose between paying for increasingly expensive utility costs, rent, medical care, child care, or food.

The standard utility allowance streamlines Minnesota’s SNAP program. Under the supervision of the Minnesota Department of Human Services, counties and tribes administer our state’s SNAP program. When determining eligibility and benefits, program administrators “deduct” a family’s utility costs from their gross income to better gauge their ability to purchase food. By recognizing that low-income families have monthly costs beyond just purchasing food, utility deductions help determine the amount of food assistance a family needs. However, identifying utility costs is a difficult and time-consuming task. Rather than gathering and verifying individual utility bills for each SNAP recipient, counties and tribes can instead refer to the state’s SUA for eligibility and benefit determinations.

The proposed rule would undermine state authority. Current SNAP regulations allow states to customize their SUA within existing federal guidelines. Like other cold-weather states, Minnesota assumes (and therefore deducts) a relatively higher cost of utilities than other states because families depend on heating for a substantial portion of the year. The state’s allowance of $490 per month, which falls within the 90th percentile of low-income household utility costs nationally, was specifically calculated to suit the unique needs of our state. Minnesota is better positioned than USDA to set an allowance for our geographic region. The proposed rule does not even offer states the opportunity to appeal the decision with more accurate and current local data.

Minnesota has been submitting its SUA calculation methodology to USDA for several decades. In that entire period of time, USDA has never expressed concern with the method. To date, we have not been given an opportunity to understand or respond to USDA’s proposed rationale. Given the significant negative impact that the proposed rule would have on our residents, we would like a more meaningful opportunity to engage with the USDA about its reasoning for such a major change.

The proposed rule would establish an arbitrary and inaccurate standard utility allowance. The administration’s rule would establish a nationally standardized SUA at the 80th percentile of low-income household utility costs across the country. This revision would cause Minnesota’s allowance to drop by at least $150 per month.\(^8\) USDA failed to explain why the 80th percentile would be a better estimate of utility costs than our current estimate. Moreover, two of the three data sources that USDA referenced to develop the proposal’s Regulatory Impact Analysis (RIA) are either a decade old or do not provide state-level utility cost information for all states.\(^9\) It is not possible to set a nationwide SUA that is representative of all states with dated and incomplete information.

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5 Minnesota Department of Human Services, Broad-based Categorical Eligibility in Minnesota, 2019.
7 Hunger Solutions, 2017 USDA Food Insecurity Data, 2017.
9 The 2009 Residential Energy Consumption Survey (RECS) and the Consumer Price Index (CPI).
Building upon that concern, the rule doesn’t address the consequences of the new policy if there were a dramatic spike in the cost of utilities (especially home heating). Currently, states can seek a modification in their SUA to ensure that SNAP is accurately capturing a dramatic rise. Using old data that isn’t state specific for most states will restrict the SUA’s ability to capture current costs of utilities.

The Minnesota Department of Human Services is dedicated to helping low-income individuals and families reach their full potential. This rulemaking is the third attempt by the Trump administration to cut SNAP in the past year. Each proposal (i.e., to eliminate broad-based categorical eligibility in SNAP or target SNAP benefits received by adults without children) would harm low-income people in our state by reducing or cutting off food assistance. When families fall on hard times or face challenging circumstances, providing basic help like access to food is the least we can do to support people living in poverty. I oppose the proposed rule and urge you to withdraw it.

Sincerely,

Jodi Harpstead
Commissioner