September 6, 2019

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

Program Design Branch
Program Development Division
USDA – Food and Nutrition Service
3101 Park Center Drive
Alexandria, Virginia  22302

Re: Docket Number FNS-2018-0037, RIN 0584-AE62, Comments in Response to Proposed Rulemaking:
Revision of Categorical Eligibility in the Supplemental Nutrition Assistance Program (SNAP)

Dear Mr. Lipps:

In November 2010, the Minnesota Department of Human Services (DHS) implemented “broad-based
categorical eligibility” as a federal policy option in its Supplemental Nutrition Assistance Program
(SNAP). Broad-based categorical eligibility streamlines Minnesota’s SNAP program and increases access
to basic food assistance for low-income households. Today, nearly 70 percent of the Minnesotans who
benefit from broad-based categorical eligibility are children, seniors, and people with disabilities.¹
As Commissioner of the department that administers SNAP in Minnesota, I oppose the above referenced
proposed rule because it would eliminate SNAP benefits for approximately 35,500 low-income
Minnesotans and increase hunger across our state.

Adopting broad-based categorical eligibility has allowed Minnesota to raise the income limit in our SNAP
program from 130 percent of the federal poverty guideline ($27,024 per year for a family of three) to
165 percent of the federal poverty guideline ($34,296 per year for a family of three).² Many households
in this income range struggle to afford food because even at the highest end, families of three are still
$40,000 to $43,000 below Minnesota’s average annual cost of living.³ At a time when approximately 9.5
percent of Minnesotan households experience food insecurity,⁴ broad-based categorical eligibility helps
low-income individuals and families manage the increasingly expensive cost of living while meeting their
food needs. If broad-based categorical eligibility were eliminated, approximately 35,500 Minnesotans

¹ Minnesota Department of Human Services, Broad-based Categorical Eligibility in Minnesota, 2019.
² United States Department of Agriculture, SNAP Eligibility, 2018.
⁴ Hunger Solutions, 2017 USDA Food Insecurity Data, 2017.
who earn between 130 percent and 165 percent of the federal poverty guideline would lose their benefits in any given month including 18,000 children, 8,800 parents, 3,200 seniors, 2,600 adults (under age 60 and without children), and 2,900 disabled adults.

Increasing the income threshold in SNAP also incentivizes work. Without broad-based categorical eligibility, any increase to earned income could put families above the federal 130 percent limit and cause them to lose their benefits. An increased income limit allows beneficiaries to pursue higher-paying employment while retaining their SNAP benefits. Today, the average household between 130 percent and 200 percent of the federal poverty guideline receives approximately $100 in SNAP benefits per month. More than 90 percent of those benefits go to working families with children.\(^5\)

Broad-based categorical eligibility also allows Minnesota to waive federal asset limits in SNAP. The current asset limit is only $2,250 for households without a senior (over age 65) or disabled member and $3,500 for households with a senior or disabled member.\(^6\) Seniors are the demographic most likely to have low-incomes but some savings. Bypassing the asset test allows seniors to retain their savings (which they are unlikely to recover if they are forced to “spend down” their assets) in order to live independently. Prior to broad-based categorical eligibility, only 28 percent of Minnesota’s low-income seniors qualified for SNAP. Today, almost 60 percent of Minnesota’s low-income seniors qualify.

Reinstating the asset test would also force low-wage working parents to deplete their savings in order to keep their SNAP benefits during bouts of unemployment. Low-income families are more likely to experience impoverishment, homelessness, or debt as a result of unanticipated expenses (including job loss or medical emergencies),\(^7\) and broad-based categorical eligibility helps prevent against severe financial hardship by allowing them to save beyond the federal limits. Further, vehicle asset limits are particularly disadvantageous for working families who rely on transportation to get to jobs, training, or education (particularly in Greater Minnesota). SNAP recipients should not be forced to sell their cars in order to receive food assistance. In fact, access to transportation is shown to increase worker retention rates and improves a recipient’s likelihood of transitioning off of public assistance.\(^8\)

Finally, broad-based categorical eligibility helps streamline the case management process in Minnesota’s SNAP program. Prior to 2010, frontline workers in Minnesota’s counties and Tribal Nations reported that asset verification was among their most time-consuming administrative tasks.\(^9\) Although few applicant households had assets in excess of the federal limits,\(^10\) workers were still required to gather information and documentation to satisfy the program’s requirements. Eliminating this burden improves worker efficiency, reduces wait times in human services offices, and mitigates the risk of errors in eligibility determinations. Moreover, any changes to SNAP eligibility rules would force the state, counties, and

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\(^5\) Center on Budget and Policy Priorities, SNAP’s “Broad-Based Categorical Eligibility” Supports Working Families and Those Saving for the Future, 2019.


tribes to undergo costly IT systems changes, retrain staff, and revise program applications and informational materials.

Apart from increasing hunger and reducing program efficiency, the proposed rule would leave Minnesota vulnerable during economic crises. When people lose their jobs, as they did during the 2008 recession, they are less able to make purchases or pay bills. According to USDA’s Economic Research Service, each $1 in federal SNAP benefits generates $1.79 in economic activity. This economic stimulation improves food access for everyone by sustaining grocers and helping them retain employees. If the proposed rule were to take effect, food shelves would be under increased pressure to assist newly disqualified Minnesotans who have nowhere else to turn.

The Congressional Budget Office (CBO) estimates that broad-based categorical eligibility only accounts for approximately four percent of SNAP program costs. Congress has repeatedly voted on a bipartisan basis (most recently in the 2018 Farm Bill) to reject the removal of this policy option for states. Not only does FNS’s proposed rule contradict the express intent of Congress, but USDA’s own analysis confirms that it would “negatively impact food security” by stripping benefits from an estimated 3.1 million Americans. Our Department is dedicated to helping people in need and retaining broad-based categorical eligibility is critical to that mission. I oppose the proposed rule and urge you to withdraw it.

Sincerely,

Jodi Harpstead
Commissioner

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12 Congressional Budget Office, CBO’s Estimate of the President’s Fiscal Year 2020 Budget, 2019.
13 Federal Register, Revision of Categorical Eligibility in the Supplemental Nutrition Assistance Program (SNAP), 2019.