



PHILANTHROPY CA

An Alliance of Northern California, Southern California and San Diego Grantmakers

September 23, 2019

Ms. Jessica Shahin
Associate Administrator, Supplemental Nutrition Assistance Program
Program Design Branch, Program Development Division
Food and Nutrition Service, USDA
3101 Park Center Dr.
Alexandria, VA 22302

Subject: RIN 0584-AE62, Proposed Rule, Revision of Categorical Eligibility in the Supplemental Nutrition Assistance Program (SNAP)

Dear Ms. Shahin:

On behalf of Philanthropy California, we write to express our opposition to the proposed rule by the U.S. Department of Agriculture (USDA) regarding the Revision of Categorical Eligibility in the Supplemental Nutrition Assistance Program (SNAP), published in the Federal Register on July 24, 2019. This rule would eliminate CalFresh benefits, the state's implementation of SNAP, for 230,000 adults, children, older adults, and individuals with disabilities in California and further escalate the persistent food insecurity in our region. **We urge you to withdraw this proposed rule for the health, safety, and well-being of the communities, which we serve.**

This proposed rule would restrict a state's ability to extend the income eligibility limit for SNAP by reversing the broad-based categorical eligibility policy (BBCE) permitted under Section 5(a) of the Food and Nutrition Act of 2008. This section allows states to ensure that all vulnerable families, older adults, and persons with disabilities have access to SNAP benefits. This proposed rule would not only eliminate food stamp benefits from those making over the 130 percent poverty threshold (\$32,630 for a family of four), but also would penalize families who are trying to build their economic security by holding any amount of savings over \$2,250. Eliminating SNAP benefits will introduce unnecessary financial stress, heighten food insecurity, and long-term impacts on millions of children and families.

Philanthropy California, the alliance of Northern California, San Diego, and Southern California Grantmakers, is a community of more than 600 philanthropists, foundations, and corporate giving programs who work in partnership with community leaders and nonprofits to make a difference in California. We serve as the forum for the exchanging of ideas, improving cooperation among funders, and leveraging our knowledge of community problems to tackle critical issues and achieve shared goals throughout California. Although many of our members have long supported nonprofits fighting food insecurity, philanthropy alone cannot replace the scope of the role that SNAP plays in allowing families to be food secure and alleviating poverty. We oppose the rules for the following three reasons below.

Firstly, SNAP is the country's largest anti-hunger program and is often the first line of defense against food insecurity. Currently, CalFresh, California's version of SNAP, provides nearly 4.3 million Californians with the ability to purchase minimally adequate meals. Of recipient households, nearly 73 percent are families with children. According to the California Budget and Policy Center, the average CalFresh recipient receives an average of \$281 to provide an adequate nutrition for their household – a modest sum to provide adequate nutrition. The implementation of this rule would prove itself antithetical to the purpose of the SNAP program by taking away these modest, yet critical resources from families.

Secondly, SNAP has been effective public policy in alleviating poverty. The Public Policy Institute of California (PPIC) conducted research that demonstrated that CalFresh has lifted nearly 800,000 Californians out of poverty and decreased child poverty by 4 percent. By providing earnest working families with more resources, families can focus on growing and securing economic security rather than confronting hunger.

Approximately 7.1 million Californians lived in poverty each year from 2016 to 2018 – more than 1 in 6 state residents (18.2 percent) – according to recent Census data released on September 10, 2019. This data draws from the U.S. Census Bureau's Supplemental Poverty Measure (SPM), which takes into account the high cost of living in many parts of California. By making it harder for families to make ends meet, the proposed rule would blunt efforts to alleviate poverty in California and likely push more Californians into poverty.

Finally, the proposed regulation would have negative effects on the capacity of the nonprofit and philanthropic sector. Although our philanthropic community remains committed to the betterment of the lives of our most vulnerable and serving as a catalyst for innovation, the federal government's retreat on providing these basic public needs is troubling to our sector's capacity to protect and serve our community. Funders in California have made tremendous investments to combat food insecurity and promote healthy child development. This proposed rule will introduce unnecessary levels of food insecurity and hunger by eliminating food stamps for as many as 230,000 low-income Californians and automatically dis-enrolling tens of thousands of children from school breakfast and lunch programs. These unexpected levels of hunger will have a long-term impact on children and families, including worse health outcomes and lower academic achievement.

Philanthropy often works in partnership with the government in enhancing core human services programs. In 2017, funders and grantmakers in California have committed nearly \$92.7 million to over 650 nonprofit organizations combatting food security. However, compared to the federal government's \$2.1 billion, philanthropy needs the continued partnership with the government to help working families get the adequate nutrition they need.

This rule would misguidedly and unsustainably transfer the public responsibility onto philanthropy and nonprofits. As more families, seniors, and persons with disabilities are barred from CalFresh benefits, they will rely on local nonprofits to help fight hunger and provide for their families. This proposed rule, coupled with the 1.7 percent total decline in charitable giving across the nation as a result of the Tax Cuts and Jobs Act of 2017, will exacerbate the financial and resource strain on our nonprofit partners. In effect, the nonprofit sector will further turn to philanthropy to fill the resource gap left by the federal government's decision to further restrict SNAP from millions of individuals – a gap that philanthropy will be unable to fill.

We strongly urge USDA to withdraw the proposed rule and further reject any act that would restrict, impede, or add uncertainty to our state's ability to provide SNAP benefits to our most vulnerable communities and families. The ability for states to extend the income eligibility threshold and or waive the assets and savings tests allows families to make financially responsible decisions and decrease food insecurity. Thank you for your consideration of our comments.

Sincerely,



Christine Essel
President and CEO
Southern California Grantmakers



Debbie McKeon
President and CEO
San Diego Grantmakers



Ellen LaPointe
President and CEO
Northern California Grantmakers