

November 1, 2019

The Honorable Sonny Perdue Secretary of Agriculture U.S. Department of Agriculture 1400 Independence Ave., SW Washington, D.C. 20250

Via Federal eRulemaking Portal

Re: Categorical Eligibility in the Supplemental Nutrition Assistance Program (SNAP); Reopening of Comment Period [RIN 0584-AE62]

Dear Secretary Perdue:

The Bipartisan Policy Center appreciates the opportunity to submit comments in response to the new informational analysis on the potential impact of changes to Supplemental Nutrition Assistance Program (SNAP) categorical eligibility requirements on participation in the National School Lunch Program (NSLP) and School Breakfast Program (SBP). While we appreciate the Department increasing transparency about the impact of the proposed rule on school meal participation by releasing this informational analysis, we have concerns about the effects of the proposed rule on direct certification for free school meal participation. Additionally, from a good government perspective, we are concerned that the 14-day comment period does not allow stakeholders to fully consider and provide feedback on this influential change. Providing low-income students with access to nutritious school meals is important for reducing hunger and supporting students' readiness to learn, as well as for putting children on a path toward lifelong health and prevention of chronic disease, a leading driver of health care costs.

Founded in 2007 by former U.S. Senate Majority Leaders Howard Baker, Tom Daschle, Bob Dole, and George Mitchell, BPC is a non-profit organization that combines the best ideas from both parties to promote health, security, and opportunity for all Americans. BPC values bipartisan solutions that improve health outcomes, including access to healthy foods through participation in programs such as NSLP and SBP.

BPC previously provided <u>comments</u> expressing concerns regarding the impact of the proposed revision of categorical eligibility in SNAP on food insecurity for low-income seniors and on direct certification for the school meal programs. This letter provides additional comments on the impact of the proposed rule on school meal participation.

These BPC staff-developed comments reflect staff expertise and input from BPC leaders, experts, and stakeholders from across every sector of health care. They do not represent official positions of BPC's founders or board of directors.

Background

Regular access to healthy meals is key for academic success. Children who experience hunger are more likely to be absent, have lower math scores and poorer grades. Maintaining access to, and promoting participation in, the NSLP and SBP are critical as many students rely on these programs as a main source of calories and nutrition. Meals provided through the NSLP and SBP meet national, evidence-based nutrition standards and are healthier than what students otherwise bring from home, setting them up for long-term health. Increasing participation in the school meal programs also helps to reduce lunch shaming, the public shaming or bullying inflicted on students who fail to bring money for lunch.

Program Integrity

A stated objective of the proposed rule is to ensure program integrity by providing access to food assistance for only those truly in need. The informational analysis reveals that 96 percent of students who are directly certified to receive free school meals due to their family's participation in SNAP would continue to be eligible for free or reduced-price meals under the proposed rule if they apply. In order to be eligible to receive free school meals through the application process, children must be in households with incomes at or below 130 percent of the federal poverty level, and to be eligible for reduced-price meals, children must be in households with incomes between 130 percent to 185 percent of the federal poverty level. These families fall within federally recognized poverty limits. The finding that 96 percent of students who are categorically eligible for free school meals meet the income limits to continue to be eligible demonstrates that SNAP is, in fact, serving families in need. But instead of ensuring access for all who need it, the proposed rule creates a barrier for children to participate in the NSLP and SBP by requiring families of close to a million students complete an application to remain eligible for the programs.

Reduced Access to School Meals

According to the U.S. Department of Agriculture (USDA)'s informational analysis, as many as 982,000 children would no longer be directly certified for free school meals based on SNAP participation. In our previous <u>comment letter</u> in response to the changes to categorical eligibility, we cited USDA's informal estimate of 500,000 students who would likely lose access to free school meals as a point of concern. The formal estimate of 982,000 is especially concerning as it is almost double the original estimate.

Further, the informational analysis states that 45 percent of these students who are currently eligible for free meals would need to apply to continue to receive free meals. Many eligible families would likely be unaware of or unable to complete this new requirement, and as a result, many students' access to free school meals would be jeopardized. Creating barriers to access does not align with the USDA's objective to protect paths to food assistance. As an additional point of concern, Deputy Under Secretary for Food, Nutrition & Customer Services Brandon Lipps confirmed before the Subcommittee on Civil Rights and Human Services of the House Committee on Education and Labor on October 16, 2019 that USDA does not have an outreach plan in place to inform families that an application is required to receive free meals if the rule becomes final.

Additionally, the information analysis shows that 51 percent of participating students would move from the free to reduced-price meals category. A small payment for daily food assistance can present a barrier

for low-income families and lead to school meal debt. Historically, changes to feeding programs have reduced financial barriers to accessing benefits. For example, the 1977 Food Stamp Act eliminated the requirement that beneficiaries purchase food stamps. The rationale for this elimination was that requiring low-income families to pay for food stamps created a significant barrier to participation.

The reduction in access to free school meals would be compounded by the fact that these families would simultaneously lose access to SNAP, increasing challenges with food insecurity. In addition, many schools may no longer qualify for community eligibility or determine that it is no longer financially viable. In this regard, the proposed rule also would take free school meals away from additional children. The new analysis does not consider the impacts of the proposed rule on community eligibility. It is estimated that 142,000 students who receive free lunch through community eligibility would be affected by the proposed rule.⁴

Impact on School Meal Debt

Across the nation, 75 percent of school districts have unpaid school meal fees.⁵ This debt will likely increase if low-income families are moved from free to reduced priced meals as suggested under the proposed rule. School meal debt can also directly affect students as children are often singled out for not being able to pay for their meals, a concerning practice commonly known as school lunch shaming.

The application requirement under the proposed rule would likely result in a delay in processing as it would be the first time this requirement is in place. This delay could result in students who are eligible for free or reduced-price meals accumulating school debt and subject these students to the bullying and embarrassment of lunch shaming.

Cost Savings from Reduced Access

USDA's informational analysis estimates that the proposed rule will result in federal savings of \$90 million per year beginning in FY 2021 or \$270 million over the next five years. A substantial portion of the rule's estimated cost savings would result from eligible students dropping out of the program because of the new application barrier. These cost savings do not address the Department's goal of reducing program abuse since 96 percent of students will continue to remain eligible. It does, however, create a significant barrier to accessing benefits for low-income families in need of food assistance.

The cost savings estimate provided in the new informational analysis does not include the additional costs for states to process the additional applications or funds for education and outreach needed for 684,000 households to apply for the school meals programs. Since these families did not previously need to complete an application for their children to receive free school meals, states will have to develop and execute a comprehensive education and outreach strategy to ensure that families are aware of and can complete the application. Ultimately, the proposed rule shifts costs from the federal government to states and from food assistance to administrative burden.

Conclusion

Thank you again for the opportunity to submit comments on the proposed changes to SNAP categorical eligibility and its impact on school meals. BPC supports the goal of protecting SNAP program integrity;

however, we are concerned about the unintended consequences of the rule in reducing access to nutritionally balanced meals for school-aged children. We appreciate the Department's commitment to administering food assistance to those who need it, and we believe that low-income children are among the most in need. We look forward to continuing to work with you to ensure access to healthy meals and improve health outcomes.

If you have any questions or we can provide any additional information, please contact Tyler Barton at (202) 627-7918 or tbarton@bipartisanpolicy.org.

Sincerely,

G. William Hoagland Senior Vice President

Bipartisan Policy Center

¹ Jyoti, Diana, Frongillo, Edward, and Jones, Sonya. "Food Insecurity Affects School Children's Academic Performance, Weight Gain, and Social Skills1-3." *The Journal of Nutrition* 135, no. 12 (December 1, 2005): 2831–9. http://search.proquest.com/docview/197462168/.

² Cullen, Karen Weber, and Chen, Tzu-An. "The Contribution of the USDA School Breakfast and Lunch Program Meals to Student Daily Dietary Intake." *Preventive medicine reports* 5 (March 2017): 82–85.

³ USDA, "School Nutrition and Meal Cost Study," April 2019. Available at: https://fns-prod.azureedge.net/sites/default/files/resource-files/SNMCS-Volume1.pdf

⁴ Urban Institute, "How Restricting Categorical Eligibility for SNAP Affects Access to Free School Meals," October 2019. Available at:

https://www.urban.org/sites/default/files/publication/101280/how_restricting_categorical_eligibility_for_snap_aff_ects_access_to_free_school_meals_1.pdf

⁵ School Nutrition Association, "School Nutrition Operations Report: The State of School Nutrition 2018," August 2018. Available at: http://schoolnutrition.org/news-publications/press-releases/2018/sna-survey-reveals-innovative-efforts-to-boost-consumption-curb-waste-in-school-cafeterias/