Proposed Rule by the U.S. Department of Agriculture–Food and Nutrition Services Supplemental Nutritional Assistance Program: Work Requirements for Able-Bodied Adults Without Dependents

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Current Regulations

Under current Food and Nutrition Services (FNS) rules, <u>able-bodied adults without dependents</u> (ABAWDs) can only receive <u>Supplemental Nutrition Assistance Program</u> (SNAP) benefits for three months in a 36-month period, unless they meet certain work requirements. State SNAP agencies can request the U.S. Department of Agriculture (USDA) to temporarily waive the time limit of three months in areas that have an unemployment rate of over 10% or a "lack of sufficient jobs." Outside of waived areas, state agencies can extend SNAP eligibility for ABAWDs subject to the time limit by applying for a <u>limited number of percentage exemptions</u> provided by the USDA. Each state SNAP agency is allotted a certain number of exemptions by the USDA equal to an estimated 12% of ABAWDs subject to the time limit of three months in their state. State SNAP agencies can use these exemptions to provide additional months of SNAP benefits to certain ABAWDs.

Summary of Proposed Changes

The USDA is proposing <u>several changes</u> to reduce the number of waived areas for ABAWDs including:

- Establishing a Floor for a "Lack of Sufficient Jobs": Only areas with unemployment rates above the "natural rate of unemployment" or more than 5%, would be considered for waivers. This rule is establishing a 7% (unemployment rate) floor for waiver requests. USDA is open to receiving feedback on a 6% or 10% floor as well.
- Limiting use of Alternative Data for Waiver Request Applications: USDA will approve waiver requests using alternative data—data not from the Bureau of Labor Statistics (BLS) unemployment data—only in exceptional circumstances such as reservations or U.S. territories.
- **Restricting Statewide Waivers:** The proposed rule would eliminate statewide approvals when substate data is available through BLS. Sub-state data refers to city, county, or group-of-county data.
- **Limiting Grouping Areas:** Currently states can group multiple counties, cities and towns together to apply for a time-limited waiver. The rule is looking at only grouping areas that are designated a Labor Market Area by the federal government. <u>Labor Market Areas</u> are economically integrated areas where individuals can reside and find employment within a reasonable distance.
- **Shortening Duration of Waiver Approvals:** Currently SNAP waivers can be approved for longer than a year in certain circumstances, under the proposed rule a waiver's duration would be limited to one year.
- Eliminating Unlimited Exemption Carryover: Each fiscal year, USDA adjusts the number of ABAWD percentage exemptions available to each state. The rule proposes to change the adjustment calculation that USDA uses to determine the number of exemptions available to each state for the fiscal year based on usage during the preceding fiscal year. Unlimited carryover from all preceding years would no longer be allowed, and unused exemptions would not carry over and accumulate each year. Instead, each state agency's adjustment would be based on the difference between exemptions earned and used in the preceding fiscal year.

USDA is proposing to reduce the number of areas that qualify, and once finalized the rule would go into effect on Oct. 1, 2019. All waivers that were in effect in fiscal year 2019 will need to adhere to the new

rule. Existing waivers that do not adhere to the new rule would be terminated on Oct. 1, 2019. The comment period for this proposed rule ended April 10, 2019.

Effects of Proposed Changes

The proposed regulation would decrease the number of individuals currently receiving SNAP benefits. Politico estimates that 755,000 people would lose benefits over three years. States such as California, Florida, Texas, and New York have the largest ABAWD populations. As of 2019, <u>USDA</u> reports that Alaska, Guam, Louisiana, New Mexico, the Virgin Islands, and the District of Columbia have statewide exemptions from the time-limit; thirty states including California and New York have partial waivers. The administrator of USDA's Food and Nutrition Service Brandon Lipps remarked the overall number of waived areas would <u>decrease by 75%</u>. The City University of New York, Urban Food Policy Institute predicts <u>a net reduction of \$7.9 billion over five years</u> in spending on SNAP benefits.

Opinions from Federal Officials

Sixty-five Representatives signed a <u>letter</u> in support of the proposed rule, citing the nation's strong economy and the growing number of individuals who are not working.

Forty-seven Senators signed a <u>letter</u> against the proposed rule, highlighting the rule's rejection of congressional intent evidenced in the Agriculture Improvement Act of 2018 and the unique conditions and needs of each locality in combatting food insecurity.