



**Office of Temporary
and Disability Assistance**

The Senate Standing Committees on Aging and Social Services Hearing

Michael P. Hein • Commissioner

**Monday, October 21, 2019 @11:00am
Van Buren Hearing Room A
Legislative Office Building, Albany**

Good morning, Chairperson Persaud, Chairperson May, and all esteemed members of the NYS Senate. I welcome the opportunity to appear before you today to discuss the potential impact that recently proposed federal rules could have on tens of thousands of New Yorkers who rely on the Supplemental Nutrition Assistance Program (SNAP) to help feed themselves and their families.

As you know, SNAP is a federally-funded program and benefits are paid directly to recipients. SNAP is overseen by my agency, the Office of Temporary and Disability Assistance (OTDA) at the state level, and administered locally by social services districts all across our state. Additionally, OTDA supervises the administration of a wide range of programs and services, helping vulnerable New Yorkers meet their essential needs and advance economically by providing opportunities for stable employment, housing, and quality nutrition. We thank you for your support of all these programs.

Currently, in New York, there are nearly 1.5 million households, totaling more than 2.6 million people, receiving \$359 million in SNAP benefits from the federal government each month. For an eligible household consisting of a single parent with two children, SNAP can provide more than \$6,000 a year, making it significantly easier to feed a family and stretch the household budget for people in need.

Under Governor Cuomo's leadership, New York State has made a strong commitment to fighting hunger and SNAP has been a key part of those efforts. The Governor has launched several groundbreaking initiatives to bring healthier foods to underserved communities, including expanding SNAP, eliminating unnecessary requirements and simplifying the application process, removing key barriers to reducing hunger for children and adults, while continuing efforts to maximize benefits for all those who are eligible.

For example, though New York has the highest SNAP participation rate among the elderly, of any state, we strive to do more. That's why OTDA has submitted a waiver request to the U.S. Department of Agriculture (USDA) for permission to operate an Elderly Simplified Application Project. Additionally, to help support higher education we have greatly improved outreach to low-income college students, working closely with SUNY and CUNY, to make sure all those who are eligible know how to apply.

These efforts to help low-income households put food on the table stand in stark contrast to the current efforts by the federal government to restrict eligibility and limit access to SNAP. Simply put, these proposed actions by the federal government would punish low-income families just for being poor.

Recent proposals from USDA have been directly aimed at reducing the SNAP rolls and cutting spending without regard for the individuals losing benefits. Another proposal would drastically alter the way the federal poverty level is determined, resulting in vulnerable New Yorkers losing assistance that helps them put food on the table and safely shelter their families. Collectively, these federal proposals will result in more people going hungry and place an even greater burden on low-income New Yorkers.

Let me review the proposed Federal Changes:

Currently, under broad-based categorical eligibility for SNAP, states have been able to consider any household with income below 200 percent of the federal poverty level that receives a TANF-funded cash benefit or a TANF-funded service... categorically eligible for SNAP. This means a household is not subject to the usual gross and net income tests for SNAP eligibility, and they are not subject to an asset/resource test.

As a result, New York helps families avoid the so-called "benefit cliff" and continue to receive some level of assistance even if they exceed the statutory 130 percent of the federal poverty level limit.

The proposed rule change would force an asset/resource test for all non-categorically eligible households, which would result in an undetermined number of New Yorkers being denied. The resource limits are \$3,500 for SNAP households that have any members who are age 60 or older or disabled, and \$2,250 for all other households.

What this means is that this federal rule change would penalize low-income households for working, for saving for the future or retirement even at the smallest levels. Few low-income households are able to accrue significant assets, but even modest assets can help avoid debt, deal with unforeseen expenses and emergencies, and prepare for retirement.

The proposed rule change would result in an estimated 34,000 households and more than 87,000 people throughout New York losing services.

ABAWD Rule Changes

At the end of last year, USDA proposed another rule change that would restrict the ability of states to obtain waivers from the able-bodied adults without dependents (ABAWD) time limit. Under USDA rules, ABAWDs can only receive SNAP for 3 months in 3 years if they do not meet certain work requirements. To be eligible beyond the time limit, work eligible ABAWDs must work or participate in a qualifying work or education/training activity for at least 80 hours per month. The waivers are intended to give discretion to states with areas that have disproportionately higher unemployment rates or a demonstrable lack of sufficient jobs.

Unfortunately, this proposal will strip states of their ability to use their unique labor market insights when making informed decisions about waiver requests. It also circumvents the intent of Congress, which previously rejected increased work requirements proposed by the administration as part of the federal farm bill. In addition, the proposal fails to provide states with adequate funding to meet its stated objective of finding work for those who stand to lose their SNAP benefits.

Implementation of the proposals related to ABAWDs could result in up to an estimated 106,000 New Yorkers losing SNAP benefits.

Standard Utility Allowance Rule Change

An additional proposal from USDA again seeks to reduce states' flexibility by setting a uniform national formula for calculating utility costs when determining a household's eligibility for SNAP and their benefit amount. The Heating/Cooling Standard Utility Allowance (SUA) is used in lieu of actual utility expenses when calculating a household's total shelter-related expenses. The total shelter expenses often have a major impact on the SNAP benefit received by a household.

For years, with federal approval, states have been able to set their own standard utility allowances, since it can often be difficult to determine actual utility costs for a given household. Under the proposed rule, the Heating/Cooling Standard Utility Allowance would be calculated by the federal government.

Again, coming on the heels of the proposed ABAWD change and the proposed change to categorical eligibility, this is nothing more than another thinly-veiled attempt by the Federal government at reducing benefits to families and individuals in need.

In New York under the proposed rule, it's estimated that approximately 30 percent of SNAP households would see a reduction in benefits, while just 1.6 percent would see an increase. Total SNAP benefits received by New Yorkers would decrease by almost 8 percent.

Official Poverty Measure

And lastly, we at OTDA strongly oppose the newly proposed changes to the inflation measure used to adjust the Official Poverty Measure. Leaving aside the valid technical explanations for opposing this proposal, much like the changes to SNAP, this is designed to harm New York's most vulnerable residents by limiting program eligibility over time. We simply cannot allow this or other efforts to succeed.

Conclusion

Each of these proposals represent an historic abdication of federal responsibility, a circumvention of congressional intent...and a cruel and coordinated attempt to reduce federal assistance to those who need it most.

Over the years, SNAP has been tremendously successful in helping households that include children, the elderly and disabled, as well as families that are working, but still struggling to afford healthy, nutritious food.

OTDA has already submitted strong comments in opposition to these recent proposals. We will continue to work closely with our congressional delegation to push back to ensure we are able to assist all New Yorkers in need and we encourage our colleagues in the Senate and Assembly as well as everyone here today to join us in this effort to ensure the federal government lives up to its responsibility to help those among us most in need.

