



Testimony
Hearing before the Senate Social Services and Aging Committees
pertaining to proposed changes to the federal Supplemental Nutrition
Assistance Program (SNAP) and the Official Poverty Measure (OPM)

Presented by
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The Schuyler Center would like to thank the chairs and members of the respective committees for the opportunity to present testimony regarding proposed changes to the federal Supplemental Nutrition Assistance Program (SNAP) and the Official Poverty Measure (OPM). I will also be testifying more generally about New York's persistent problem of poverty, and particularly child poverty.

Since 1872, Schuyler Center for Analysis and Advocacy has advanced policies that strengthen New York families and improve child well-being so all New York children have a fair opportunity to thrive. We champion policies that strengthen families before they experience crises or trauma and prevent families from enduring hardships like ill-health, economic insecurity, child welfare involvement, or encounters with juvenile justice. Another overarching priority: ensuring comprehensive and strategic investment in our youngest New Yorkers, ages 0 to 3, when their brains and bodies are most rapidly developing, with impacts that can last a lifetime.

Schuyler Center leads and participates in several coalitions focused on children and families, including the Child Welfare Coalition; CHAMPS (Children Need Amazing Parents); the Empire State Campaign for Child Care; *Winning Beginning New York*; Ready for Kindergarten, Ready for College; Medicaid Matters New York; and a statewide workgroup on maternal, infant, and early childhood home visiting, which brings together State agencies, providers and advocates to strengthen coordination between and access to important dual-generation interventions.

For more about Schuyler Center and our work, please visit our website www.scaany.org.

OVERVIEW

Nearly 2.9 million New Yorkers live in poverty¹ and 743,000 of them are children.² New York children are more likely to live in poverty than in 28 other states.³ And this is not a new trend. For more than a decade, the percentage of New York children living in poverty has barely budged, remaining stuck at 20 percent, give or take a point. In some New York communities, child poverty exceeds 50 percent.⁴

In fact, the number of NY children experiencing economic insecurity is much greater than the poverty rate suggests. Nearly all experts agree that families do not approach economic security until they hit 200% of poverty. (To make that tangible, 200% of poverty is a family of four with a household income of \$51,500).⁵ More than four out of ten New York children live below 200%

of poverty.⁶ In total, more than a million New York children living in households struggling to pay rent, heat their homes, get transportation, and feed their children.

Notably, in most poor and near-poor families, at least one parent is working. Sixty-five percent of children in poor families have at least one parent who is employed at least part-time. This is the case because even with New York's rising minimum wage, a low-wage salary (annual full-time income at \$15.00 an hour is approximately \$25,000) does not cover basic costs, especially those associated with raising children.

The federal government's proposals to roll back SNAP benefits and alter how the OPM will be calculated, if adopted, will cause low-income New Yorker even greater hardships, and make it harder still to pull themselves into economic security. Children and families will suffer the most. Entire communities will see hardship. And New York State and its local governments will need to shoulder additional costs.

The proposed changes to SNAP would harm many low income New Yorkers, including many children.

Fifteen percent of New York children experience food hardships.⁷ Food scarcity can have devastating effects on the health, cognitive functioning, and overall well-being of children. As a nation, we should aim to find more ways to support vulnerable children and their families, not remove critical supports to families transitioning out of poverty.

The federal administration recently issued a proposed rule that would remove food assistance from millions of Americans by making them ineligible to receive Supplemental Nutrition Assistance Program (SNAP) benefits (formerly known as "food stamps"). The proposed rule, which does not need congressional approval, would eliminate the "Broad Based Categorical Eligibility Option," which gives states the flexibility to provide SNAP benefits to millions of low-income households experiencing financial hardship and food scarcity. Forty states, including New York, currently use this categorical eligibility to increase access to SNAP and decrease costs of running the program. It is estimated that this rule change will remove SNAP benefits from approximately 3 million Americans.

SNAP is one of the nation's largest anti-poverty programs. Over 40 million Americans in 2018 received support from this anti-hunger program, including 2.6 million New Yorkers.⁸ In New York State, more than 55% of SNAP participants are members of families with children.⁹ The SNAP program is a critical support for low-income families throughout the state and nation.

The federal administration's proposal to eliminate the categorical eligibility option will instead make it more difficult for low-income families in New York to support themselves, and will create a new benefits cliff for workers face as they transition up from poverty.¹⁰ This rule would replace what is not a gradual reduction of SNAP benefits as a family moves toward economic security with a sharp elimination of the benefit the moment a family's earnings exceeds the maximum earnings. A chart created by The Children's Agenda in Rochester demonstrates how a hypothetical Monroe County family of three, the Millers, would be affected by the proposed rule – showing how they would lose more than \$700 in food assistance if their income were to rise a single dollar over 130% of poverty (or \$27,729).¹¹

The proposed changes to the OPM could cause many low-income New Yorkers, including many children, to lose access to benefits essential to their health and well-being.

The Office of Management and Budget (OMB) has proposed to replace the Consumer Price Index for All Urban Consumers (CPI-U) with another measure of inflation, such as the Chained Consumer Price Index for All Urban Consumers (C-CPI-U) or Personal Consumption Expenditures Price Index (PCEPI) for purposes of calculating the Census Bureau's Official Poverty Measure (OPM).

The OPM, developed over 50 years ago, primarily around a food budget, and adjusted for inflation since, should arguably be adjusted upward. It should fully account for basic expenses low-income families incur, such as child care and out-of-pocket medical costs. A survival budget as calculated by the United Way for a family of four in New York City exceeds \$73,000, yet the federal poverty level is \$25,700 (2019).¹² Recent studies find that low-income households may face more rapidly rising prices than high-income households even for the same types of goods, possibly because low-income households have fewer choices about where and how to shop.¹³

We are deeply concerned that if the C-CPI-U and/or Personal Consumption Expenditures Price Index (PCEPI) replaces the current method for calculating the OPM, it will result in lower and less accurate inflation rates, with reductions growing larger each year in relation to current law. This in turn, will likely lead to more families and children being denied essential, often life changing benefits, like Medicaid, the Children's Health Insurance Program (CHIP), Affordable Care Act (ACA) marketplace subsidies, and SNAP, WIC and school lunch. If a new means of calculating the OPM is adopted, tens of thousands of New York children and families could face significant benefit cuts.

New York State Can Reduce Child Poverty – If It Has the Will

New York, with the 14th strongest economy in the nation, and an annual budget of more than \$175 billion, certainly has the resources to dramatically reduce child poverty.¹⁴ What that means: New York leaders have made the choice year after year to allow hundreds of thousands of New York children to experience poverty. And they have made that choice, every year, knowing that experiencing poverty as a child – even for short stints – can cause devastating and enduring harm to children's physical and mental health, educational success, future earnings.

New York can make a different choice this year: a choice to prioritize reducing child poverty – if it has the will. In addition to doing all we can to buffer the impacts of the proposed SNAP and OPM rules, if adopted, here are some steps New York should take to put the State on track to eradicate child poverty.

1. Set a target and a plan to dramatically decrease child poverty in New York by 2030.

There is growing evidence from peer nations, and from other states, that coordinated anti-poverty initiatives can drive a nation, state, or community to dramatically reduce child poverty. The United Kingdom, for example, set a bold target of cutting its child poverty rate in half between 1999 and 2009 – and achieved it.¹⁵

New York should enact legislation setting child poverty reduction targets this year, setting up a process for identifying and then implementing those policies necessary to meet those targets.

2. Implement evidence-based strategies each year to set New York on a path to reducing child poverty and improving the well-being of our children. Begin by implementing two proven strategies that the State is positioned to advance this year:

A. Orient the state's tax code to benefit low-income families, children, and young adults by expanding and strengthening the Empire State Child Credit, increasing and expanding the state's EITC, and improving the structure of refundable tax credits.

There is a growing understanding around the nation and the world about the outsized positive benefits income supports can have for children's well-being. This understanding has led many state and federal lawmakers to advance proposals to supplement the income of low-income families and individuals through child allowances or refundable tax credits. Driving this emerging discussion is the strong evidence that such policies – particularly child allowances – long in effect in many peer nations, have dramatically reduced child poverty. For instance, the child poverty rate in most European countries is less than half that found in the United States.¹⁶

The federal and state EITC and child tax credit are refundable tax credits available to low- and moderate-income working people. Both have been proven tremendously effective at pulling children – and families – out of poverty. First enacted at the federal level in 1975, the EITC has successfully reduced poverty and strengthened the economic security of millions of low-income families. For example, the federal EITC was credited with helping 9.4 million people – including 5 million children – escape poverty in 2013.¹⁷

B. Substantially increase New York's investment in high-quality child care.

Child care expenses are a leading contributor to family poverty. Nationally, one-third of low-income families who pay for child care for their young children are pushed into poverty by their child care expenses.¹⁸ Lack of access to child care causes many parents – overwhelmingly women – to drop out of the workforce for longer periods of time, sharply reducing family income for the period the caregiver is out of the workforce, and lowering future earnings and retirement savings.¹⁹ A recent Urban Institute paper estimates that if New York invested enough in its child care subsidy system to provide a subsidy to all New York families with incomes less than 150% of poverty, more than 13,000 children (or 14% of children currently living below the FPL) would be lifted out of poverty.²⁰

Thank you. We appreciate the opportunity to submit testimony and look forward to continuing to work with you to build a strong New York, one that puts all the State's children first.

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¹Kids Count Data Center: A Project of the Annie E. Casey Foundation. 2018.

<https://datacenter.kidscount.org/data/tables/52-population-in-poverty?loc=34&loct=2#detailed/2/34/false/37,871,870,573,869,36,868,867,133,38/any/339,340>

²Kids Count Data Center: A Project of the Annie E. Casey Foundation. 2018.

<https://datacenter.kidscount.org/data/tables/43-children-in-poverty-100-percent-poverty?loc=34&loct=2#detailed/2/34/false/37,871,870,573,869,36,868,867,133,38/any/321,322>

³Kids Count Data Center: A Project of the Annie E. Casey Foundation. 2018.

<https://datacenter.kidscount.org/data/tables/43-children-in-poverty?loc=1&loct=2#ranking/2/any/true/37/any/322>

⁴U.S. Census Bureau. (2017). Children characteristics: 2012-2017 American Community Survey 5-Year Estimates. <https://factfinder.census.gov/faces/tableservices/jsf/pages/productview.xhtml?src=CF>. (Buffalo - 47.2%, Rochester - 51.9%, Syracuse - 46.7%)

⁵ASPE: Office of the Assistant Secretary for Planning and Evaluation. U.S. Department of Health and Human Services. <https://aspe.hhs.gov/2019-poverty-guidelines>

⁶Kids Count Data Center: A Project of the Annie E. Casey Foundation. 2018.

<https://datacenter.kidscount.org/data/tables/47-children-below-200-percent-poverty?loc=34&loct=2#detailed/2/34/false/37,871,870,573,869,36,868,867,133,38/any/329,330>

⁷Kids Count Data Center: A Project of the Annie E. Casey Foundation. 2016-2018.

<https://datacenter.kidscount.org/data/tables/5201-children-living-in-households-that-were-food-insecure-at-some-point-during-the-year?loc=34&loct=2#detailed/2/34/false/1687,1652,1564,1491,1443,1218,1049,995,932,757/any/11674,11675>

⁸ Kids Count Data Center: A Project of the Annie E. Casey Foundation. 2016-2018.

<https://datacenter.kidscount.org/data/tables/5201-children-living-in-households-that-were-food-insecure-at-some-point-during-the-year?loc=34&loct=2#detailed/2/34/false/1687,1652,1564,1491,1443,1218,1049,995,932,757/any/11674,11675>

⁹ Catlin Nchako and Lexin Cai. December 2018. "A Closer Look at Who Benefits from SNAP: State-by-State Fact Sheets. New York." Center on Budget and Policy Priorities.

https://www.cbpp.org/research/food-assistance/a-closer-look-at-who-benefits-from-snap-state-by-state-fact-sheets#New_York

¹⁰ Lisa Davis. July 31, 2019. Proposed SNAP Change Would Exacerbate Childhood Hunger. Spotlight On Poverty. <https://spotlightonpoverty.org/spotlight-exclusives/proposed-snap-change-would-exacerbate-childhood-hunger/>

¹¹ Pete Nabozny. The Children's Agenda. Proposed Snap Benefits Will Harm Working Families in Monroe County. <https://thechildrensagenda.org/2019/08/07/proposed-snap-cuts-will-harm-working-families-in-monroe-county/>

¹²https://www.dropbox.com/s/p3y8pgnz9z0ahul/18UW_ALICE_Report_CountyPages_NY_8.30.18.pdf?dl=0

¹³Catlin Nchako and Lexin Cai. December 2018. "A Closer Look at Who Benefits from SNAP: State-by-State Fact Sheets. New York." Center on Budget and Policy Priorities.

<https://www.cbpp.org/research/poverty-and-inequality/reducing-cost-of-living-adjustment-would-make-poverty-line-a-less>

¹⁴Andy Kierszcz. March 15, 2018. "Every State Economy Ranked From Worst to Best." Business Insider. <https://www.businessinsider.com/state-economy-ranking-q1-2018-2>

¹⁵ Natalie Branosky. April 7, 2015. "A Look Back at the UK Child Poverty Target: Transferable Themes for U.S." First Focus. <https://firstfocus.org/resources/report/a-look-back-at-the-uk-child-poverty-target-transferable-themes-for-the-united-states>

¹⁶ See Dylan Matthews. Senate Democrats have coalesced around a big plan to expand tax credits. April 2019. Vox. <https://www.vox.com/future-perfect/2019/4/10/18302183/tax-cut-democrats-earned-income-tax-credit-child-allowance>

¹⁷Chuck Marr, Chye-Ching Huang, Arloc Sherman, and Brandon DeBot, CBPP - EITC and Child Tax Credit Promote Work, Reduce Poverty, and Support Children's Development, Research Finds, October 1, 2015.

¹⁸ Mattingly, M. J. and C. T. Wimer. Spring 2017. Child Care Expenses Push Many Families Into Poverty. Carsey Research, National Fact Sheet #36. *University of New Hampshire, Carsey School of Public Policy*. <http://scholars.unh.edu/cgi/viewcontent.cgi?article=1303&context=carsey>

¹⁹Doerer, K. June 21, 2016. "How much does it cost to leave the workforce to care for a child? A lot more than you think." *PBS News Hour*. <http://www.pbs.org/newshour/making-sense/how-much-does-it-cost-to-leave-the-workforce-to-care-for-a-child-a-lot-more-than-you-think/>

²⁰ Linda Giannarelli, Gina Adams, Sarah Minton, and Kelly Dwyer. "What if We Expanded Child Care Subsidies in New York?" Urban Institute. June 2019. <https://www.urban.org/sites/default/files/what-if-we-expanded-child-care-subsidies-in-ny.pdf>