



CITY OF PHILADELPHIA

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MITCHELL LITTLE
Executive Director

April 1, 2019

Certification Policy Branch
SNAP Program Development Division
Food and Nutrition Service, USDA
3101 Park Center Drive
Alexandria, Virginia 22302

RE: Proposed Rule: Supplemental Nutrition Assistance Program (SNAP): Requirements for Able-Bodied Adults without Dependents RIN 0584-AE57

Dear Certification Policy Branch:

Due to both the preponderance of economic hardship in Philadelphia and SNAP's critical role as an income support for nearly 150,000 Philadelphia households, I would like to highlight several shortcomings in the USDA's Proposed Rulemaking on SNAP requirements and services for Able-Bodied Adults Without Dependents (ABAWDs). In the past, the city of Philadelphia has received a waiver of the work requirements due to its relatively high rates of unemployment. The declining trends in unemployment nationally and locally should not be used as a rationale for changing the standards for waivers on work requirements.

Significant barriers to employment remain for many of the most vulnerable people receiving SNAP benefits. Some have been disconnected from the workforce for years and struggle with challenges such as poor physical health, depression, or substance abuse. Punitive measures that force these individuals to find employment simply as a prerequisite for receipt of bare subsistence-level aid is likely to result in the loss of SNAP benefits and a retreat into further isolation and desperation. In addition, the requirement that employed SNAP recipients meet a minimum threshold of 20 hours of employment per week is unreasonable for many working people receiving SNAP. Sectors of the economy in which SNAP recipients predominate, such as retail and food service, often use "on-call" scheduling as a cost saving strategy, resulting in unpredictable and volatile work hours for employees. The new regulations proposed by the USDA will lead to more "churn" as these working SNAP recipients lose eligibility and are then forced reapply, increasing administrative costs for states and localities.

The City of Philadelphia, Office of Community Empowerment and Opportunity is the Community Action Agency for the City of Philadelphia. We invest in programs and services that help individuals and families that live at and near the poverty line. Our programs include employment services for some of the hardest to place job seekers, such as people with criminal records, those lacking a high school diploma, homeless veterans, and people with limited English proficiency. We also offer streamlined application support for those seeking public benefits, including federal, state and local assistance programs. Our years-long track record of serving populations with considerable barriers to work informs our view of the

proposed rule: without SNAP, a sizable fraction of Philadelphia's low wage workers, including many of our clients, would be unable to make ends meet.

Importance of SNAP

SNAP is one of the most critical anti-poverty programs available to families and individuals in the country. The Supplemental Poverty Measure for 2017 (released by the U.S. Census Bureau) indicated that SNAP was responsible for a 1.06 percentage point reduction of the nation's poverty rate, which translates to an estimated 3.4 million fewer people living in poverty. Philadelphia has experienced persistently high rates of poverty since the Great Recession, and its poverty rate for 2017 remained high at 25.8 percent, or approximately 395,700 people. Without SNAP benefits, an additional 15,750 Philadelphians would find themselves below the poverty line, including 10,500 working age adults. There are very few public benefits available to single men and non-custodial parents, and these proposed changes would further erode the safety net for this population, which in our city includes hundreds of people seeking treatment for opioid addiction, as well as homeless veterans suffering from PTSD.

Proposed Rule Undermining Law's Safety Valves Should Be Rejected

I adamantly disapprove of the USDA's proposal, which will hinder administrators' ability to tailor the SNAP program to local conditions. The proposed changes to area waivers and individual exemptions would remove 755,000 low-income people from the SNAP program and rescind \$15 billion in federal spending that stimulates local economies. We predict that these measures would lead to more hardship, rising rates of food insecurity, and increased demand among food banks and pantries, which are ill-equipped to take on this surge.

The proposed rule disproportionately impacts high unemployment areas by promulgating a 7 percent unemployment rate floor for waiver receipt. While our local unemployment rate for 2018 was below 7 percent, it was still nearly 160% higher than the national rate. Although the Philadelphia economy continues to slowly improve, we remain concerned that structural shifts toward industry sectors with higher educational requirements are creating an environment in which the benefits and opportunities traditionally associated with economic growth are largely available to an exclusive and highly-skilled segment of the labor force. Another symptom of these structural shifts is income inequality, which is an emerging issue for Philadelphia. A recent study found that Philadelphia is now the third most unequal large city in the country, and the city where inequality is increasing the fastest. We are seeing a rise in the number of households with earnings at the very top and the very bottom of the income spectrum. Given the current economic climate, we oppose any change in area waiver eligibility based on what we believe are outdated interpretations of the so-called "natural" or full-employment rate of unemployment.

The existing waiver rules are good policy—states have become accustomed to their flexibility, transparency, and reasonable requirements. Given the outstanding defects in the proposed rule, I urge the USDA to reconsider their plans to foist arbitrary constraints on populations that rely on federal food assistance to meet their daily nutrition needs and support their participation in the labor market.

Sincerely,



Mitchell Little
Executive Director