**United Way of New York State written testimony pertaining to proposed changes to the federal Supplemental Nutrition Assistance Program (SNAP) and Official Poverty Measure (OPM)**

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**Impact of FPL Changes on Working Families in New York**

**The Condition of Working Families in New York…. Meet ALICE**

In September of 2018 United Way of New York issued an updated report on the economic conditions facing working families in our state, called the [ALICE report](https://www.unitedforalice.org/new-york). ALICE is an acronym for working households who are Asset Limited, Incomed Constrained and Employed. The Report is a data-driven, comprehensive research project that upends the conventional view of the state. ALICE represents the men and women of all ages and races who get up each day to go to work but aren’t sure if they’ll be able to put dinner on the table each night. They are our preschool teachers, home health aides and retail salespeople – workers essential to keeping all our communities and economies humming, yet who struggle to pay their own basic bills.

On many levels, New York is an affluent state – one with high median incomes, quality schools, and prosperous corporations. But the fact is that across New York, 45 percent of households cannot afford basic necessities. The ALICE Report provides an in depth look at struggles working families in New York experience to provide for the basic necessities of housing, food, healthcare, technology, child care and transportation.

Using the most conservative standards, it takes an average of $68,800 for a family of four to afford the basics – more than double the U.S. poverty rate of $24,300. ALICE households technically live above the federal poverty level, but in this economic reality they still struggle to get by, often only one car repair or health emergency away from slipping into poverty.

United Way of New York State also has a subsidiary organization 2-1-1 New York. 2-1-1 is a free information and referral source offering 24/7/365 live call specialists, web referrals and texting in many areas to assist residents in finding health and human services assistance when they need it. According to the 2-1-1 Counts data dashboard, 41% of all 2-1-1 referrals are for assistance with housing, food, health care, child care and transportation.

**How we measure poverty in the United States is broken.**

We have known for many years and agree the current poverty measure is inaccurate in projecting the true cost of living for families in the 21st century, and in need of change. Unfortunately, this past summer the Office of Management and Budget (OMB) proposed a change to how we measure poverty in the US. OMB is proposing to change the inflation rate calculation from the Consumers Price Index (CPI) to either the chained CPI or the Personal Consumption Expenditures Price Index

This change would ***lower*** the federal poverty level over time, making it even less accurate.

The proposed changes to the inflation calculation would reduce the annual adjustments to the poverty measure and therefore exacerbate existing weaknesses, putting vulnerable working New Yorkers at greater risk for losing access to essential assistance programs.

Lowering the poverty line would also give policymakers and the public less credible information about the number and characteristics of Americans living in poverty or the true cost of living for New York’s low to moderate income working households.

**This Change in FPL Calculation will have harmful impacts on ALICE Households**

The FPL is the basis for both Federal and State assistance programs. Changing the FPL to a reduced inflation rate results in fewer people qualifying for essential programs, such as Medicaid, CHIP, Head Start and SNAP, just to name a few. These are critical programs that help struggling ALICE families provide adequate healthcare and put food on the table.

Because these changes to how we measure poverty are still pending, we do not have a clear picture of the long-term impact this will have on families in New York, but we do know they will be at risk of being pushed further into poverty without access to critical assistance programs.

According to testimony submitted by the NY State Office of Temporary Disability and Assistance, this change would result in an estimated 87,000 New York residents losing services.

**In addition to the changes being proposed to the Federal poverty measure, the USDA is proposing a number of regulatory changes to SNAP that will further harm ALICE households in New York.**

In August the USDA proposed rule changes to SNAP’s Broad-based Categorical Eligibility (BBCE) that would limit access to benefits for households with savings and other assets. Under current rules states have latitude to raise SNAP income eligibility limits so that low-income families with housing and childcare costs that consume a sizable share of their income can continue to receive help affording adequate food.

This option allows New York to adopt less restrictive asset tests so that ALICE households who need SNAP to help put food on the table for their children can have modest savings or own their own home without losing SNAP benefits.

According to a study by the Robert Wood Johnson Foundation, if the rule change is adopted 112,646 SNAP households in New York or 7% will lose their SNAP benefits.

**Additionally, earlier this month, the USDA proposed yet another rule change that would create additional cuts to SNAP benefits by changing the SNAP Utility Allowance (SUA).**

The new rule will change how states take a households’ utility costs into account in determining the amount of SNAP benefits for which they qualify. Under current law, states can take into account the utility expenses (heating/AC) of each SNAP household and have flexibility to adjust the SNAP benefits based on the utility expenses most people pay in their state, and that ***utility allowance*** gets approved by USDA.

The current policy allows variances in utility allowances to accommodate for the obvious differences in utility costs in each state. ***Cost of heating/AC will be different in New York than in California.***

Instead the USDA would standardize and cap utility allowance calculations uniformly across the country.

We do not yet have specific data for New York, but the USDA estimates that nationally, ***the proposed rule would cause 19% of SNAP households to get lower monthly benefits***, **disproportionately impacting seniors, families with small children and people with disabilities, and would create a net cut to SNAP benefits nationally amounting to $1 billion annually over the next five years.**

***We are deeply concerned that these many regulatory changes being proposed by the Administration, will have harmful impacts on working families in New York State.***