

August 27, 2020

To the Members of the United States Congressional Delegation:

I write today to provide an update on what the Pennsylvania Department of Human Services and your constituents are facing – circumstances that will become dire absent support from the federal government.

As you are aware, additional support for people who lost employment due to the COVID-19 pandemic and accompanying economic security was included in the Coronavirus Aid, Relief, and Economic Security (CARES) Act passed earlier this year. Federal Pandemic Unemployment Compensation (FPUC) provided an additional \$600 in unemployment assistance to anyone receiving unemployment assistance. This assistance, paired with one-time stimulus checks, have been a necessary lifeline that have helped keep individuals and families most affected by the economic turbulence of the last five months afloat. According to Columbia University's Center on Poverty and Social Policy, direct assistance provided by the additional unemployment benefits and stimulus checks greatly minimized projected poverty rates. Pre-pandemic, the Supplemental Poverty Measure (SPM) was 12.5 percent. With assistance from the CARES Act, Columbia projects this rising just .2 percent to 12.7 percent, rather than a projected 16.3 percent that could have occurred without CARES due to historic unemployment rates not seen since the Great Depression.¹

As members of the United States Congress, each of you has the power to continue relief that will protect hard-working Pennsylvanians affected by this time of crisis. We must be sure that individuals and families in Pennsylvania and around the country do not default on mortgage, auto, and student loan payments, face eviction from rental properties, rely on credit card debt and predatory loans to cover costs, or go without essential needs like food, health care, utilities, or shelter just to make ends meet. We must avoid a prolonged economic downturn and a crisis like the Great Depression and 2008 Financial Crisis. Those crises upended peoples' livelihoods and caused grave, long-term damage to the people we all serve. We can prevent this, and each of you can be a part of protecting your constituents from similar turmoil.

On behalf of the Wolf Administration and the Department of Human Services, I urge you to support the following policy changes, programs, or short-term flexibilities to existing policy as we work to do all we can to help your constituents through these tumultuous times.

¹ "The CARES Act and Poverty in the COVID-19 Crisis." Columbia University Center on Poverty and Social Policy June 21, 2020 <u>https://www.povertycenter.columbia.edu/news-internal/coronavirus-cares-act-forecasting-poverty-estimates</u>

Provide Additional SNAP Benefits to All SNAP Recipients

The Families First Coronavirus Response Act (FFCRA) permitted states to extend additional Supplemental Nutrition Assistance Program (SNAP) monthly allotments to current SNAP recipients due to the ongoing crisis. However, the United States Department of Agriculture (USDA)'s Food and Nutrition Service (FNS) issued guidance to states on March 20, 2020 specifying that emergency allotments authorized under the FFCRA:

"Cannot increase the current monthly household SNAP benefit allotment beyond "the applicable maximum monthly allotment for the household size.' Accordingly, SNAP households that already receive the maximum monthly allotment for their household size are not eligible for EA."

Because of this narrow approach, 40 percent of SNAP households in Pennsylvania are excluded from extra assistance. The Wolf Administration has previously urged the USDA to reconsider this limited aid, and we urge each of you to support a clear authorization of additional monthly allotments to **all** SNAP recipients in a future aid bill.

If permitted, DHS would request Emergency Allotments for all Pennsylvania SNAP households. The 40 percent excluded are among the poorest SNAP households who receive the maximum regular SNAP allotment because of their very low income. This aid will help ensure that individuals and families do not have to go without food and will directly support local food retailers, grocers, and agricultural producers around Pennsylvania who accept SNAP benefits – many of whom are small businesses – who are also feeling the impact of this period of economic insecurity. As the nation continues to face the COVID-19 pandemic with no end in sight, access to essential needs like food is more important than ever to help keep people healthy and mitigate co-occurring health risks.

Increase Minimum and Maximum SNAP Benefits

The economic toll of this pandemic is affecting people in all communities and industries across Pennsylvania. Many are struggling in a way they have not previously, and for low-income Pennsylvanians and those living in poverty, this insecurity may push them deeper into poverty or make improving their current situation more difficult absent further support from the federal government.

According to Feeding Pennsylvania, nearly 1 in 20 Pennsylvanians are newly food insecure. Pennsylvania's food banks typically serve approximately 2.2 million Pennsylvanians annually, but from March through June 2020, these food banks served more than 5.5 million people just in that four-month span. Hunger was a serious problem before this crisis, but in this short period, this crisis has exacerbated food insecurity across nearly our entire state. Before COVID-19, three counties had a food security rate at or above 13 percent. Today, **64 of 67 counties are at least 13 percent** food insecure, and 32 counties are at least 16.5 percent food insecure. According to the Urban Institute, this economic insecurity is concentrated among Black and

Hispanic/Lantinx households, with 27 percent experiencing food insecurity compared to 13 percent of white households.²

Our food banks and the entire charitable food system have risen to this challenge, and I am incredibly grateful for the work of the commonwealth's Emergency Feeding Task Force, our charitable food network, and our partners in the private sector who mobilized to be there for Pennsylvanians at every corner of the commonwealth. But this system has been challenged, and it is not our only option to support people in need through this crisis.

SNAP is our country's most important and most impactful anti-hunger program. For every meal provided by a Feeding Pennsylvania food bank, SNAP provides nine. While SNAP is intended to be a supplemental program, during a pandemic and historic unemployment, resources are strained, particularly for our lowest income Pennsylvanians. Those who are still working may be experiencing inconsistent work schedules, reduced hours, and lost income.

Increasing the minimum and maximum monthly SNAP benefit will help individuals and families who rely on this program be able to purchase enough food for their household and will reduce strain on our charitable food network while supporting struggling local economies. In May 2019, the USDA published a study on the influence of SNAP redemptions on the economy and county-level employment in the time leading up to, during, and after the Great Recession. This study found that SNAP redemptions could have a greater economic stimulus impact than many other forms of government spending per dollar spent, especially during a recession, because they are paid directly to low-income households.³ As this crisis has uprooted normalcy and security for small businesses and individuals and families alike, support for SNAP is an efficient way to support our local economies while ensuring households can keep food on the table.

The Wolf Administration supports the American Public Human Services Association's request to move forward with provisions in the Heroes Act passed in May to increase the maximum monthly SNAP benefit by at least 15 percent and the minimum benefit to at least \$30 for the duration of the economic crisis so the 1.9 million Pennsylvanians who rely on SNAP are able to feed themselves and their families – something we all need.

Extend Food Assistance for Children for 2020-2021 School Year

The FFCRA authorized the USDA to permit states to extend a financial benefit to households with children who, if they were attending school with in-person instruction, would normally receive free or reduced-price school meals through the National School

² Urban Institute: More Than One in Six Adults Were Food Insecure Two Months into the COVID-19 Recession <u>https://www.urban.org/research/publication/more-one-six-adults-were-food-insecure-two-months-covid-19-recession</u>

³ United States Department of Agriculture: The Impacts of Supplemental Nutrition Assistance Program Redemptions on County-Level Employment <u>https://www.ers.usda.gov/webdocs/publications/93169/err-263.pdf?v=1509.3</u>

Lunch Program. This Pandemic Electronic Benefit Transfer (P-EBT) program allowed Pennsylvania to provide more than \$358 million in P-EBT benefits for nearly 1 million children to help fill the gap left by schools closing during the spring. As schools in Pennsylvania begin the 2020-2021 academic year, some districts are choosing to begin fully virtual, hybrid, or fully in-person, and as we know, evolving circumstances with the pandemic may require schools to extend plans for virtual learning or shift away if they are in-person.

Congress must extend P-EBT for Pennsylvania and other states to continue this program for the full 2020-2021 school year. This benefit has been a resource for families who would not otherwise have children at home, and because P-EBT funds carry the same stipulations as SNAP benefits, they carry the same economic boost to food retailers across our commonwealth.

Standing up this program in the matter of weeks was a tremendous effort but not without its challenges. In addition to extending the benefit to guarantee it for the school year, we support the American Public Human Services Associations recommendations to simplify the program:

- Adjust the definition of school closures to clearly define benefit eligibility for schools operating fully remotely or through a hybrid model where students are not in-person for an entire day or only on certain days each week;
- Congress should set standard benefit levels per day for students operating on modified or hybrid school schedules; and,
- Permit states discretion to establish the type of benefit that should be granted to school districts on a regional basis based on plans for operation due to districts making plans for reopening based on local rates of infection.

These clarifications will allow Pennsylvania to continue P-EBT while accounting for the varying educational plans for the 2020-2021 school year.

Support Flexibilities for States Administering Programs

The Wolf Administration supports the American Public Human Services Association's request to establish waivers to support SNAP implementation for the duration of the pandemic. I would like to call particular attention to four points of significant concern.

Extending Certification Periods for Assistance

SNAP households are certified for a set period at which time they must complete a recertification. Most households are subject to a 12-month certification period and must complete periodic reporting every six months. In Pennsylvania, we refer to this as the renewal due date for recertification, and Semi-Annual Reporting (SAR) for periodic reporting. This waiver allows the state to push the renewal due date back six months and allows the state not to act on incomplete periodic reporting. If a household has a verified change in income that impacts eligibility, the SNAP benefits are still adjusted.

FNS required states to submit a plan to resume certain recertification and SARs in September. Pennsylvania was approved to complete SARs due in September in lieu of full recertifications and recertification interviews and to complete these recertifications in March 2021. This will ease anticipated workload from what we initially anticipated; however, it would be the Wolf Administration's preference to leave current waivers in place.

Losing waivers results in a higher number of case closures for not completing the recertification or SAR and then the households are forced to request reconsiderations, file appeals, or submit a new application resulting in an increased workload for the CAOs and a higher rate of clients losing benefits then reapply for the SNAP population during an already stressful and unstable time.

Preserving Waivers for Interview Requirements

In order to be authorized to receive SNAP benefits, a household must have an interview conducted. The interview is required at application and recertification and also prior to issuing Expedited SNAP benefits. Pennsylvania currently has a waiver allowing DHS to authorize the benefits or complete the recertification without the interview and based solely on provided verifications. This waiver is set to expire on August 31, 2020.

With the elimination of this waiver CAO staff will have to conduct interviews for all SNAP households This not only increases work for CAO staff, it also results in higher rates of clients moving off and back on programs as more households are rejected for failing to have an interview but still otherwise qualify. In addition, it makes it more difficult for a household with minimal income to get Expedited SNAP benefits because they must have an interview first; further delaying benefits. If the extended certification periods waiver is granted, the waiver of recertification interviews is not necessary. However, if the extended certification periods waiver ends, the waiver of the renewal interview becomes more critical. Interview requirements also exponentially increase the workload for CAO staff and are more challenging as staff continue to telework to allow appropriate social distancing. We would prefer this stay as-is to waive the interview requirement entirely. If it is to return at all, CAO staff should not be required to complete in-person interviews if requested and this requirement should continue to be waived

Establish Long-Term Timeline for States to Return to Normal Procedures

USDA recently approved the recertification waivers through December 31, 2020. This was a change from the previous process from receiving approvals 30 days at a time and does allow for some advance planning which is greatly appreciated. However, the waver is only valid as long as there is a state and federal public health emergency. The current federal declaration is scheduled to expire at the end of October. If it is not renewed, Pennsylvania's waivers will expire on November 30, 2020. In addition, previously approved waivers have essentially doubled the number of recertifications due for the months of January and February. As of today, there are no waivers available to the state to help address this anticipated workload. The Wolf Administration asks Congress to codify these flexibilities and tie them to the state and federal disaster declarations so waivers will remain in place for at least 90 days after the end of disaster

declarations. This will create certainty in operations and allow for a transition period for states to ease the return to normal operations.

Additional Administrative Funding

Periods of economic insecurity can create a strain on resources due to increased need for public assistance programs. While critical to supporting families during this time, establishing a new program through P-EBT and working with nearly 800 local education agencies to issue these benefits was a challenge for both DHS and our partners at the Pennsylvania Department of Education. As we look toward the fall, we normally see an increase in workloads due to LIHEAP and open enrollment seasons. We are also anticipating a continued increase in applications and enrollments in our public assistance programs, and we face the threat of reinstated certification and quality assurance requirements for SNAP that will further strain limited resources. By providing financial support to states for administrative functions, we will be able to bring in staff or support overtime pay necessary to mitigate potential delays to application processing and benefits issuance.

The COVID-19 pandemic has upended normalcy, routine, and security in nearly every facet of life. Further support from the United States Congress is necessary to help fortify financial situations for individuals and families across Pennsylvania. Each of you are in the position to help your constituents avoid long-term insecurity by re-establishing the Federal Pandemic Unemployment Compensation program, extending additional stimulus funds to working people, and supporting DHS as we work to be the strong safety net that is needed through this difficult moment. Our actions now will shape how we recover, and I urge you to please support the points outlined so Pennsylvania and its citizens can continue to weather this time of crisis.

Thank you.

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Teresa D. Miller Secretary