UNITED STATES DISTRICT COURT FOR THE DISTRICT OF COLUMBIA

DISTRICT OF COLUMBIA, STATE OF NEW YORK, STATE OF CALIFORNIA, STATE OF CONNECTICUT, STATE OF MARYLAND, COMMONWEALTH OF MASSACHUSETTS, STATE OF MICHIGAN, STATE OF MINNESOTA, STATE OF NEVADA, STATE OF NEW JERSEY, STATE OF OREGON, COMMONWEALTH OF PENNSYLVANIA, STATE OF RHODE ISLAND, STATE OF VERMONT, COMMONWEALTH OF VIRGINIA, and CITY OF NEW YORK,

Plaintiffs,

v.

U.S. DEPARTMENT OF AGRICULTURE; GEORGE ERVIN PERDUE III, in his official capacity as Secretary of the U.S. Department of Agriculture, and UNITED STATES OF AMERICA,

Defendants.

Case No. 1:20-cv-00119

DECLARATION OF ED LAZERE IN SUPPORT OF PLAINTIFFS' MOTION FOR PRELIMINARY INJUNCTION

Pursuant to 28 U.S.C. § 1746, I, Ed Lazere, declare and state as follows:

- 1. I am over the age of eighteen (18) years, competent to testify to the matters contained herein, and testify based on my personal knowledge and information.
- 2. I am the Executive Director of the DC Fiscal Policy Institute (DCFPI), which I have led since 2001. In this position, I have been recognized as a leading expert on the District's budget and tax system and as a resource on a number of policy issues such as affordable housing and welfare-to-work programs. In addition to my work at DCFPI, I have served as a Policy Analyst at the Center on Budget and Policy Priorities where I worked on issues such as state spending choices under the Temporary Assistance for Needy Families (TANF) block grant, state level tax policies and their impact on low- and moderate-income families, and affordable

housing. I have also served as the Chair of the Public Education Finance Reform Commission and a member of the DC Tax Revision Commission.

- 3. DCFPI is a non-profit organization that engages in research and public education on the fiscal and economic health of the District of Columbia, with a particular emphasis on policies that affect low- and moderate-income residents. DCFPI promotes opportunity and widespread prosperity for all residents of the District of Columbia through thoughtful policy solutions. DCFPI influences District budget and policy decisions to reduce poverty and income inequality and to give residents the opportunity for a secure economic future. DCFPI accomplishes this through research and analysis, direct engagement with policymakers, and strategic partnerships with other organizations and individuals.
- 4. I am aware that the federal government recently issued a final rule "Supplemental Nutrition Assistance Program: Requirements for Able-Bodied Adults Without Dependents," 84 Fed. Reg. 66,782 (the "Rule"). Under prior authority, able-bodied adults without dependents (ABAWDs) may only receive three months of benefits from the Supplemental Nutrition Assistance Program (SNAP) unless they fulfill certain work requirements. However, states, including the District of Columbia (the District), with areas of high unemployment may apply for waivers of this time limit. The new final Rule eliminates or restricts many of the criteria upon which states can rely when applying for a waiver of the ABAWD time limit. I have reviewed the Rule and am aware of its direct implications on the receipt of benefits under the Supplemental Nutrition Assistance Program (SNAP), formerly known as the Food Stamp Program, for individuals within the District. I understand that this lawsuit challenges the Rule.
- 5. The Rule's new restrictions on when states can seek waivers from the ABAWD employment/training requirement in the SNAP program would have a dramatic impact on thousands of District residents who rely on SNAP benefits, as well as the District's economy as a whole. It also would put tremendous financial and administrative pressure on the District, making it hard to fund or otherwise address other pressing needs, like ending homelessness.
- 6. The need for SNAP assistance continues to be strong in the District. While the District's economy has improved, the benefits have not been widely shared, and access to jobs continues to be a challenge for many. In particular, residents in Wards 7 and 8 continue to face high rates of unemployment, as do residents without a college education, and thus are unlikely to find employment when they lose SNAP benefits. This partly reflects the fact that the District's economy is driven by high-skill jobs and that a very high share of jobs in the District require either a college degree or other certification.
- 7. The unemployment rate exceeds 6 percent in three of DC's 8 wards. Unemployment is 12.7 percent in Ward 8, 9.9 percent in Ward 7, and 7.3 percent in Ward 5.
- 8. While DC's overall unemployment rate stood at 5.6% from the fourth quarter of 2018 through the third quarter of 2019, the rate jumps to 6.6 percent when people who have been discouraged from looking for work because of limited job options and other marginally attached workers are considered. (This is the U-5 measure of unemployment from the Bureau of Labor

Statistics.) This means that a more comprehensive measure of the ability of all DC workers to find a job shows an unemployment rate above 6 percent.

- 9. The DC job market also has not fully recovered from the recession for many residents without a college degree. Some 19.1 percent of residents with a high school degree were unemployed in 2018, substantially higher than the 10 percent unemployment rate in 2007. The unemployment rate for residents with an associate's degree or some college experience was 9.6 percent in 2018, which was nearly double their 5.2 percent unemployment rate in 2007.
- These findings confirm that using the District's basic unemployment rate as a trigger for an ABAWD waiver does not make sense. The District's overall unemployment rate, when measured comprehensively, exceeds the 6 percent target set by USDA. Moreover, these data show that the District's overall unemployment has fallen largely because well-educated residents—who likely never received SNAP benefits—are benefiting from a growing economy. From the perspective of residents without a college degree and residents in Wards 5, 7 and 8, the challenge of finding a job is still substantial.
- 11. These findings also confirm that if DC residents currently receiving SNAP benefits as ABAWDs become subject to the employment requirement, most will have challenges securing employment.
- 12. Roughly 18,500 DC residents who are ABAWDs receive SNAP benefits with a maximum of nearly \$200 a month. Over a year, these residents collectively receive \$31 million in SNAP benefits.
- 13. If the District loses its SNAP ABAWD waiver due to the rule change, DCFPI expects that a very large share of these recipients—at least 80 percent, according to District government officials—will not be able to consistently meet the work requirement and thus will lose SNAP benefits.
- 14. Given how low SNAP benefits are for this group and that most ABAWDs currently have no other source of income, all ABAWDs currently have a strong reason to work if they can. If they are not working, this is likely to reflect personal barriers, like undiagnosed or untreated mental health problems, limited literacy, or other barriers to work. These are challenges that are not easy to address.
- 15. As noted, unemployment among all District residents, when measured thoroughly, remains high, and unemployment remains especially steep for residents without a college degree. According to the District government's latest report on the state of the District's economy, 80 percent of the top 25 job postings in the city require a bachelor's degree or higher.¹

¹ District of Columbia Department of Employment Services, Annual Economic Report Fiscal Year 2018, 21 (2018), https://does.dc.gov/sites/default/files/dc/sites/does/page_content/attachments/DOES%20FY18%20Annual%20Economic%20Report_Final.pdf.

- 16. With the District's current minimum wage, an individual working 20 hours per week—or a married couple without children where each adult works 20 hours per week—has earnings that make them ineligible for SNAP. This means that the people cut off from SNAP under the new waiver rule would be unemployed District residents who would have to find 20 hours a week of training to maintain their benefits.
- 17. The loss of SNAP benefits among District residents currently covered under the ABAWD waiver will increase hunger and homelessness and hurt the District's economy.
- 18. The potential loss of benefits is \$31 million per year. This represents a loss for affected residents but also for the District's economy. Research shows that SNAP benefits have a "multiplier effect" in local economies. Because SNAP recipients tend to spend all their benefits each month, and in the local economy, this supports local employment and income. This means that every \$1 in SNAP benefits directly adds \$1 to the local economy plus more for the employment and income effects this creates. The multiplier for SNAP benefits is higher than almost any other form of spending and equaled 1.22 in 2015. This means the full economic impact of the loss of the ABAWD waiver would be closer to \$40 million annually. The effects will be felt most by grocery stores and smaller food outlets, like corner stores.
- 19. The loss of SNAP benefits will reduce the District's tax revenue. While SNAP purchases are not taxed, the multiplier effect of SNAP spending results in more employment, more business income, and more consumption by people with jobs stimulated by SNAP spending. This means that a loss of SNAP benefits would likely result in reductions, in personal income tax, business income tax, and sales tax revenue.
- 20. Since many ABAWDs have no other income, this would leave thousands with no source of income with which to pay for food.
- 21. The loss of SNAP benefits will likely worsen the ability of affected SNAP recipients to meet other needs, such as housing or transportation. As affected residents have to devote more of their limited resources to acquiring adequate food, they will have less available to spend on other basic needs.
- 22. Losing the ABAWD waiver would put enormous pressure on local food pantries that already struggle with more demand than they can meet.

I declare under penalty of perjury that the forgoing is true and correct and of my own personal knowledge.

Executed on January 10, 2020 in Washington, DC.

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Executive Director

DC Fiscal Policy Institute