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House Committee on Agriculture

What the Data Reveal About State SNAP Options

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Thank you, Chairman Conaway, ranking member Peterson, and members of the committee for the opportunity to testify on state options in SNAP.

I am an associate director of the data analytics division at Mathematica Policy Research and the director of a project that measures SNAP access, trends, and impacts.<sup>1</sup> For over three decades, Mathematica has been conducting related projects for the Food and Nutrition Service (FNS) of the U.S. Department of Agriculture (USDA). As part of the current project, we develop and maintain the SNAP microsimulation models that FNS uses (1) to assess proposed changes to SNAP, (2) to develop annual budgets, and (3) to conduct supporting research. Mathematica also prepares the edited SNAP quality control (QC) data files, which are the primary source of information on the characteristics of the SNAP caseload. The data are used to assess the composition and demographic and economic characteristics of SNAP households and to measure the potential effects of legislative changes to program rules on SNAP participants. The annual SNAP QC databases are publicly available on USDA's website.<sup>2</sup>

Through a variety of policy options, states have the ability to adapt SNAP to best meet the needs of their low-income populations and improve the efficiency of their SNAP operations.

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<sup>1</sup> Project team members Katherine Bencio, Esa Eslami, Kelsey Farson Gray, Sarah Lauffer, and Joshua Leftin, and additional Mathematica staff Steve Bruns, Scott Cody, Jennifer de Vallance, and Carmen Ferro contributed to the preparation of this testimony.

<sup>2</sup> <https://host76.mathematica-mpr.com/fns/>

Such policy options allow states to simplify the application and eligibility determination process, streamline program administration, and expand SNAP eligibility within certain parameters. (The appendix provides an overview of selected options and the number of states using them over time.) States also make choices about their employment and training programs and have some flexibility in determining which adults age 18 to 49, without disabilities, and living in households without children are exempt from time limits on SNAP benefit receipt. An evaluation currently underway is testing innovative strategies for increasing employment and earnings among SNAP participants and reducing their dependence on SNAP and other public assistance programs. The 10 pilot programs offer diverse services and target different groups of SNAP participants. Findings from the evaluation will give policymakers and program administrators insight into effective strategies for increasing employment and earnings and decreasing public assistance.

In my testimony today, I will demonstrate ways in which SNAP QC data and other resources may be used to analyze how the policy options selected by states affect the SNAP population. I will focus on two sets of policy options—those affecting the resource and income thresholds used to determine SNAP eligibility and those affecting work requirements and time limits. At the end, I will mention additional tools and opportunities for continuing to build the evidence base to help ensure that the program is efficiently and effectively serving the target population.

#### State vehicle rules and broad-based categorical eligibility

Federal SNAP eligibility policies limit the amount of income and resources that SNAP participants may have. However, through policy options, states have some latitude to adopt the eligibility criteria they deem best for their jurisdictions. For example, under federal rules for determining whether a household's resources are below the applicable threshold, the value of some household vehicles is counted toward the resource limit. States, however, may align SNAP vehicle rules with vehicle rules for a TANF (Temporary Assistance to Needy Families)-funded program as long as the latter rules are less restrictive than the federal SNAP rules. Currently, all but four states (Delaware, Minnesota, North Dakota, and Washington) and one territory (the Virgin Islands) have aligned their vehicle rules for SNAP households that face a resource test with those governing another state program. In doing so, 29 jurisdictions exclude all vehicles from the SNAP resource test. The remaining jurisdictions have aligned their vehicle rules with

programs that (1) exclude one vehicle per household, person, or adult; (2) exclude \$10,000 to \$15,000 from the equity or fair market value of one or more vehicles; or (3) rely on a combination of the above.

States also have the option to use certain broad-based programs that provide a simple service—a TANF-funded brochure on domestic violence, for example—to confer categorical eligibility on a large number of households. In some states, households participating in narrowly targeted, noncash TANF-funded programs such as work support or child care may also be categorically eligible for SNAP. Given that categorically eligible households are not subject to the federal income and resource limits, the SNAP application and eligibility determination process is simplified for such households. However, benefits for categorically eligible households are determined under the same rules that apply to other eligible SNAP households and are based on household income. Accordingly, some households may be categorically eligible for SNAP but not qualify for a SNAP benefit.

Thirty-nine states, the District of Columbia, Guam, and the Virgin Islands have established broad-based categorical eligibility (BBCE) programs. States have some flexibility in setting the eligibility criteria for the noncash benefit provided by these programs. Five states (Idaho, Maine, Michigan, Nebraska, and Texas) currently impose resource limits between \$5,000 and \$25,000 on some households while the rest have eliminated the resource test. (Pennsylvania used a resource test from mid-2012 through mid-2015.) Thirteen states have retained the federal SNAP gross income limit for most households without an elderly member or a member with a disability, 28 states or jurisdictions have raised the gross income limit to between 160 and 200 percent of the federal poverty limit for those households, and one state, New Hampshire, raised the gross income limit for households with a child age 21 or younger.

In Table 1, we show the average monthly percentage of SNAP households in FY 2014 that met federal income guidelines, including pure public assistance households, and the percentage that was eligible only through state expanded categorical eligibility policies. Nationally, 3.3 percent of SNAP participants in FY 2014 had income higher than the applicable federal income thresholds. Among these households, 47 percent had income greater than the federal gross income threshold; 39 percent had net income over the federal limit; and 14 percent would have

failed both the federal gross and net income tests. In states that used a higher gross income limit for households without an elderly member or a member with a disability, almost 5 percent of participants would not have passed the federal income tests.

Table 1. SNAP households by eligibility and presence and type of state categorical eligibility policy, FY 2014

	Total SNAP households (000s)	Percent that passed federal income tests	Percent that would have failed federal income tests
All	22,445	96.7	3.3
State had no broad-based categorical eligibility policy	2,816	99.9	0.1
State used federal gross income limits for most households without an elderly or disabled member	6,665	98.5	1.5
State had a higher gross income limit for most households without an elderly or disabled member	12,911	95.1	4.9
State had a higher gross income limit for households with a child age 21 or younger	53	94.3	5.7

Source: FY 2014 SNAP QC data file.

As seen in Table 2, less than 1 percent of all SNAP benefits went to households that would have failed the federal income tests but that were eligible for SNAP through state expanded eligibility policies. The average monthly benefit for these households was \$58 compared to \$260 for households meeting the federal income criteria. Among states that used a higher gross income limit for most households without an elderly member or a member with a disability, 1.2 percent of SNAP benefits went to households eligible only through state eligibility expansions.

*The average monthly benefit for households that would have failed federal income tests but were eligible for SNAP through state expanded eligibility policies was \$58 compared to \$260 for households meeting the federal income criteria.*

The discussion thus far has focused on categorically eligible SNAP households that would fail the federal income tests. Additional categorically eligible households would pass the federal income tests but fail the federal resource test. Because the SNAP QC data do not contain information on the resources of most categorically eligible households, other data must be used to estimate the latter group. In work for FNS to estimate SNAP participation rates, we use a regression equation estimated on data from the Survey of Income and Program Participation (SIPP) to predict the probability that households meeting federal income guidelines would fail

the SNAP federal resource test. We estimate that an additional 4.7 percent of SNAP participants would not have met the federal SNAP resource test. In all, we estimate that about 8 percent of SNAP participants were eligible solely through state expanded categorical eligibility options.

Table 2. SNAP benefits by eligibility and presence and type of state categorical eligibility policy, FY 2014

	Total benefits (\$000)	Average benefit (\$)	Benefits going to households that passed federal income tests		Benefits going to households that would have failed federal income tests	
			Row percent	Average (\$)	Row percent	Average (\$)
All	5,689,647	253	99.2	260	0.8	58
State had no broad-based categorical eligibility policy	724,699	257	99.9	258	0.1	113
State used federal gross income limits for most households without an elderly or disabled member	1,700,361	255	99.7	258	0.3	48
State had higher gross income limit for most households without an elderly or disabled member	3,253,279	252	98.8	262	1.2	59
State had higher gross income limit for households with a child age 21 or younger	11,308	215	97.4	223	2.6	96

Source: FY 2014 SNAP QC data file.

### Work requirements

States also have some options about the employment and training programs they offer and which SNAP participants face time limits. Many working-age SNAP participants are required to register for work, accept suitable employment if it is offered, not voluntarily quit a job or reduce work hours, and participate in an employment and training program if the state agency makes a program referral. Exceptions are made for individuals determined to be:

- Mentally or physically unfit for employment
- Employed at least 30 hours per week
- Responsible for the care of a dependent child under age 6 or an incapacitated person
- Attending school at least half-time
- Complying with TANF work requirements
- Receiving unemployment insurance
- Participating in a drug addiction or alcohol treatment program

SNAP participants who are subject to the general SNAP work requirements and are (1) age 18 to 49, (2) residing in a SNAP household without children, and (3) not pregnant are generally subject to time-limited participation unless they fulfill additional work requirements. Specifically, these individuals are restricted to 3 months of SNAP benefits in any 36-month period unless they (1) work or participate in a qualified employment and training program for at least 20 hours per week or (2) participate in a workfare program for the number of hours equivalent to their SNAP benefit divided by the minimum wage. Participants are exempt from the time limit if they live in a waiver area or have been granted a discretionary exemption by the state. States may apply for waivers for certain geographic areas, including the entire state if applicable, if (1) the area has an unemployment rate exceeding 10 percent or (2) the state can demonstrate with other economic criteria that the proposed waiver area has an insufficient number of jobs to provide employment. States are allowed to provide discretionary exemptions for up to 15 percent of their SNAP caseload subject to the time limit.

The American Recovery and Reinvestment Act (ARRA) allowed states to suspend time limits on benefits from April 2009 through September 2010. Subsequently, states that met the criteria for extended unemployment insurance benefits continued to have the option of suspending time limits. Currently, only 7 states, the District of Columbia, Guam, and the Virgin Islands are approved for a statewide waiver of time limits. Another 27 states have time-limit waivers approved for certain areas of the state.

The majority of SNAP participants do not fit the criteria for being subject to work requirements and time limits. The group subject to time limits is particularly small, in part because members of the group may receive SNAP benefits for only a short period. In FY 2014, a monthly average of 87.7 percent of SNAP participants were not subject to work requirements (Table 3). The majority were children (44.2 percent of all participants), adults age 60 or older (10.1 percent), or individuals with a disability (9.7 percent). Almost two-thirds of SNAP participants subject to work registration, or 7.8 percent of all SNAP participants, were not subject to time limits. The majority of work registrants not subject to time limits was over age 49 or residing in a SNAP household with a child. Among the 4.5 percent of all SNAP participants potentially subject to time limits, 80 percent, or 3.7 percent of all participants, were in a waiver area or received a state exemption. (In FY 2014, 42 states qualified for a statewide time-limit

waiver.) Half of the remaining 1 percent of SNAP participants (a monthly average of 203,000 individuals) did not meet work requirements and therefore were receiving time-limited benefits.

Table 3. SNAP participants subject to work requirements and time limits, FY 2014

	Number (000s)	Percent
<b>Total SNAP participants</b>	<b>45,874</b>	<b>100.0</b>
<b>Not subject to work requirements</b>	<b>40,246</b>	<b>87.7</b>
Under age 18	20,271	44.2
Over age 59	4,651	10.1
With a disability, as defined by SNAP rules	4,461	9.7
Employed at least 30 hours per week or minimum-wage equivalent	3,690	8.0
In SNAP household with child age 5 or under or person with a disability (one caregiver per SNAP household)	2,983	6.5
Receiving cash TANF or unemployment compensation or reported as participating in non-SNAP employment and training program	929	2.0
Enrolled at least half-time in a qualifying school or training program	39	0.1
Reported as exempt from work registration for other reason	3,222	7.0
<b>Subject to work requirements</b>	<b>5,628</b>	<b>12.3</b>
<b>Not subject to time limits</b>	<b>3,563</b>	<b>7.8</b>
Over age 49	1,106	2.4
In SNAP household with a child	1,899	4.1
Reported as not subject to time limits for other reason	558	1.2
<b>Subject to time limits</b>	<b>2,065</b>	<b>4.5</b>
Employed at least 20 hours per week or minimum-wage equivalent, or reported as meeting work requirements	184	0.4
Reported as in a waiver area or receiving a state exemption	1,678	3.7
<b>Receiving time-limited benefits</b>	<b>203</b>	<b>0.4</b>

Source: FY 2014 SNAP QC data file.

Note: Sets of subgroups are mutually exclusive.

In FY 2014, the average monthly percentage of a state's population subject to work requirements ranged from fewer than 3 percent in Delaware, Massachusetts, and Oregon to over 20 percent in Florida and Michigan (Table 4). The percentage subject to time limits varied from less than half a percent in Maryland, Massachusetts, and Nevada to 9 percent or more in Florida, Georgia, and Mississippi. The average monthly benefit per person was higher for participants subject to work requirements (\$162) and subject to time limits (\$178) than the average benefit per person for all participants (\$124).

Table 4. SNAP participants subject to time limits by state, FY 2014

	Total SNAP participants (000s)	Percent subject to work requirements	Percent subject to time limits	Percent receiving time-limited benefits
<b>All</b>	<b>45,874</b>	<b>12.3</b>	<b>4.5</b>	<b>0.4</b>
Alabama	893	14.4	6.1	0.0
Alaska	87	16.7	6.2	0.0
Arizona	1,011	10.1	1.4	0.0
Arkansas	476	12.8	5.3	0.0
California	4,256	13.6	6.0	0.0
Colorado	497	6.2	2.0	0.8
Connecticut	428	19.1	0.7	0.0
Delaware	149	2.4	2.0	1.1
District of Columbia	140	12.7	5.1	0.1
Florida	3,526	20.9	10.6	0.0
Georgia	1,784	19.5	9.0	1.2
Guam	46	0.1	0.1	0.0
Hawaii	191	13.6	6.1	0.0
Idaho	208	4.4	1.8	0.0
Illinois	1,954	11.1	7.5	0.0
Indiana	877	11.7	3.9	0.0
Iowa	405	7.5	2.1	1.7
Kansas	293	8.7	1.9	1.5
Kentucky	803	19.2	8.9	0.0
Louisiana	874	15.9	6.1	0.0
Maine	229	9.8	4.8	0.0
Maryland	779	7.1	0.0	0.0
Massachusetts	853	2.4	0.3	0.0
Michigan	1,664	21.4	6.8	0.0
Minnesota	521	8.2	3.5	2.5
Mississippi	655	19.7	9.1	0.0
Missouri	853	8.3	3.3	0.0
Montana	121	16.0	4.5	0.0
Nebraska	172	5.0	0.8	0.5
Nevada	375	11.8	0.4	0.0
New Hampshire	108	6.0	1.4	1.1
New Jersey	874	9.0	0.8	0.1
New Mexico	426	5.8	4.5	0.0
New York	3,039	9.5	1.2	0.3
North Carolina	1,555	12.6	5.1	0.0
North Dakota	53	7.7	2.1	0.7
Ohio	1,732	11.7	4.3	3.0
Oklahoma	592	12.7	3.1	2.0
Oregon	782	2.6	1.5	0.0
Pennsylvania	1,782	8.5	2.6	0.0
Rhode Island	174	18.5	7.6	0.0
South Carolina	832	17.5	6.7	0.1
South Dakota	99	10.0	3.8	0.9
Tennessee	1,303	19.2	4.9	0.0
Texas	3,838	7.1	1.5	1.1
Utah	227	6.0	1.1	0.8
Vermont	92	4.6	1.6	1.1
Virgin Islands	28	12.3	4.0	0.0
Virginia	914	13.6	4.3	3.0
Washington	1,085	3.7	2.0	0.0
West Virginia	354	14.2	0.8	0.0
Wisconsin	831	7.3	2.7	0.1
Wyoming	35	7.9	1.2	0.9

Source: FY 2014 SNAP QC data file.



### Additional tools for assessing effects of state options

In addition to the SNAP QC data, microsimulation models can provide policymakers with valuable insights into the potential effects of program changes on SNAP eligibility, participation, and benefits. For example, the models can estimate the effect of changes to SNAP resource limits or income deductions. Mathematica has developed two models for FNS—one based on the SNAP QC database and another based on SIPP and Current Population Survey Annual Social and Economic Supplement data.

Even more sophisticated data sets and tools could further advance the use of evidence in decision making about SNAP at both the state and federal levels. An example of a new and valuable resource is the data sets being created by the Census Bureau in cooperation with USDA and states that link state SNAP administrative data to survey data. These data sets allow USDA to better understand the circumstances of SNAP participants, including how individuals who live together form SNAP households and, in some cases, the resources available to SNAP participants. Moreover, new analytic tools, such as rapid cycle evaluation, can help states determine whether the policy options they put in place have the desired effect on program access, administrative costs, and benefit accuracy. As Congress continues its full-scale review of SNAP, more sophisticated data and tools can lead to more informed decision making and a new perspective on the populations that the program is intended to help.

## APPENDIX

Table A.1. Selected state options and number of states using them over time

	States using option		
	October 2003	June 2009	September 2013
Broad-based categorical eligibility	8	27	43
SSI combined application projects	5	15	18
Income and resources			
Vehicle policy for noncategorically eligible households			
SNAP rules	9	4	5
Some additional vehicles or vehicle value excluded	27	20	19
All vehicles excluded	17	29	29
Align income and/or resource exclusion with TANF or Medicaid	24	44	32
Simplified determination of cost of doing business		16	19
Child support expense excluded from gross income	6	13	18
Deductions			
Simplified deduction determination (nonmonthly expense averaging)	4	7	9
Standard medical deduction		7	14
Simplified homeless housing cost	25	27	25
Mandatory standard utility allowance	30	44	47
Program disqualifications			
For not meeting requirements of other program	13	19	24
For failure to cooperate with child support enforcement	5	6	7
For drug felony	41	34	32
Life-time ban	21	15	15
Modified ban	20	19	17
For failing to comply with work requirements			
Extended beyond statutory minimum	14	14	12
Entire household disqualified	14	13	9
Disqualification permanent after third occurrence	3	1	2
Requirements for reporting changes in household circumstances			
Simplified requirements for reporting changes	35	50	53
Act on all changes known to the agency	18	34	38
Transitional benefits	10	19	21
Employment and training pledge states	18	11	6
Online application		25	43
Call centers		27	34
Regional		15	9
Statewide		12	25
Document imaging		20	41
Process improvement waivers			
Elderly and disabled recertification interview			12
Electronic notices			7
Postpone expedited service interview			9
On-demand interview			9
Modernization initiatives			51

Source: USDA State Option Reports and additional correspondence with FNS and state agencies.