



# Mandela Barnes

Office of the Lieutenant Governor | State of Wisconsin

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## **Testimony of Mandela Barnes, Lieutenant Governor of Wisconsin**

Before the Subcommittee on Nutrition, Oversight, and Department Operations

Committee on Agriculture

United States House of Representatives

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Chair Fudge, Ranking Member Johnson, and other distinguished members of the committee—good afternoon.

Thank you for the opportunity to appear before you today to discuss how restricting or eliminating categorical eligibility would not only put millions of families in danger of losing Supplemental Nutrition Assistance Program (SNAP) benefits and increasing their risk for food security—but it would also add a costly burden onto states and impede on our right to provide the resources we deem crucial and necessary for our citizens to thrive.

I am Mandela Barnes, Lieutenant Governor of Wisconsin. Like many of you here today, I was raised to believe that I could do anything and be anything if I worked hard. My mother, a schoolteacher, taught me the value of education, and my father, an auto parts manufacturer, taught me the value of hard work. After attending college at Alabama A&M, I chose to pursue a career in public service. Soon after college, I found myself working in my hometown of Milwaukee, in a job helping others find employment. I assisted people of all ages in my community break down barriers, become contributing members of our society, and work toward lifting themselves out of poverty. Ironically, I lost my job that helped others find jobs. I didn't immediately find work, but thankfully I qualified to receive a modest SNAP benefit, which allowed me to put food on the table instead of forcing me to choose between groceries and paying my bills. SNAP helped me for short time when I needed it most.

Since it was established over 50 years ago, the Supplemental Nutrition Assistance Program, also known as SNAP, has proven to be the singular most effective anti-hunger program in the country—helping more than 40 million people—many of them low-wage working families, low-income seniors, and people with disabilities living on fixed incomes—afford a nutritionally adequate diet.

In Wisconsin, each month—an average of 615,000 people with limited resources buy the food they need to stay healthy. 41% of these people are children.

### **Broad Based Categorical Eligibility**

Eligibility requirements for SNAP are largely set by the federal government while states administer the program. We view our state as a key partner in SNAP's success, and we believe SNAP is a crucial component of the full set of benefits and services that we offer to struggling

families and communities. I appreciate you giving me the opportunity to explain how we've used the broad-based categorical eligibility option to strengthen SNAP for those in our communities who face some of the biggest obstacles in life.

Federal law gives states several options to set the program's rules, including the one we are here to discuss today: broad-based categorical eligibility. Under broad-based categorical eligibility, states have the option to raise income cutoffs and ease asset limits for households that receive a TANF-funded benefit other than cash assistance.

By using the same gross income and asset limits of other programs, the process to enroll in SNAP is more streamlined and reduces confusion for many households. In Wisconsin, individuals and families who use our Department of Workforce Development's job center resources, that are paid for by the TANF federal or state maintenance-of-effort funds, are eligible as broad-based categorically eligible.

Households that qualify through broad-based categorical eligibility still must go through the traditional eligibility screening process which requires that they document their income and circumstances, so that the state can determine if their net income is low enough to qualify for SNAP benefits. It is possible for a family to be categorically eligible for SNAP, but unable to receive a SNAP benefit because their net income is too high.

The mechanics around how categorical eligibility works is far less important than who it helps. Wisconsin used the broad-based option to raise our gross income test and to eliminate our SNAP asset test. Wisconsin adopted broad-based categorical eligibility to address the problem of struggling families fearing that they would lose public assistance entirely if they earned any extra income or saved too much money or bought a car to get a new job.

Relaxing those rules means that Wisconsin can better support working families trying to earn their way up the economic ladder, as well to promote savings. Supporting work and promoting savings among households with low income, including workers, seniors, and people with disabilities, has been important in Wisconsin. We strive to build a safety net that supports hard work and fosters opportunity. Options like categorical eligibility in SNAP help make Wisconsin's health and human services programs more responsive to the needs of struggling citizens and communities.

## **Impact on Wisconsin Families**

Broad-based categorical eligibility is important to ensuring Wisconsin's communities are healthy and strong. Eliminating it would hurt hard-working families, seniors, and people with disabilities. Doing so would also increase administrative burden and exacerbate the benefit cliff.

Broad-based categorical eligibility helps more than 25,000 families in Wisconsin put food on their tables. In an analysis done by the Wisconsin Department of Health Services in 2017, it was found that lowering the income limit from 200% FPL to 130% FPL would negatively impact about eight percent of SNAP families—which equals to about 25,000 Wisconsin families. These individuals would lose all their benefits under the Administration's proposed change. Many of these households are older adults on a fixed income.

The higher gross income limits allowed under broad-based categorical eligibility are especially important for households that have high expenses such as rent or childcare. In Milwaukee County, the median household income is not high enough to afford the county's median rent—meaning many in the county are using a large portion of their income to pay for housing.<sup>1</sup> Another barrier working families in Wisconsin face is the high cost of child care. In Wisconsin, child care costs outpace tuition at that state's four-year universities.<sup>2</sup> With working families, who earn low wages, forced to pay high amounts for things like child care and rent, SNAP's broad-based categorical eligibility option ensures that families are able to obtain nutritious food while still being able to afford basic necessities—necessities that are crucial for families to have in order to hold on down a steady job.

The option has also allowed Wisconsin to eliminate its asset test. While asset tests were put in place with the notion that public assistance programs should only provide benefits to people with too few resources to avoid destitution, there is no doubt that denying benefits to individuals with large assets helps the government to save money. In reality though, low income households do not have very many assets. Most applicants for SNAP have, at most, a few hundred dollars. Requesting information about financial holdings that families do not have is wasteful administratively. More important, from a public policy standpoint is that asset-testing also

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<sup>1</sup> <https://wispolicyforum.org/research/the-cost-of-living-milwaukee-countys-rental-housing-trends-and-challenges/>

<sup>2</sup> <https://www.epi.org/child-care-costs-in-the-united-states/#/WI>

creates a powerful incentive for families *not* to save money. Our state wants to encourage families to save.

Allowing low-income households to build assets can help move them out of poverty more quickly and effectively. Savings allow families to address small problems without them becoming large crises, like paying for a car or house repair or being able to cover rent when a earner's income dips unexpectedly. Savings also allow individuals to build for the future—whether it be buying a reliable car, obtaining a key license for employment, or helping to move to a better neighborhood. Re-imposing the federal asset limit in SNAP would discourage savings. Families would know that setting aside funds in savings could put their access to food through SNAP at risk.

Research has shown that higher asset limits are beneficial for elderly individuals, as is broad-based categorical eligibility as a whole. Elimination of it would have a devastating impact on the elderly. I recently met with an aging group in rural Wisconsin, and one of their primary concerns was access to food for the growing aging population in Wisconsin. They highlighted the barriers many elderly face in getting nutritious food. These are people who did everything right their entire lives: worked hard, contributed to our society, and are valued and respected members of our communities—but their fixed incomes often create challenges in keeping their refrigerators and pantries stocked with healthy food. The small benefit they receive goes a long way, and it ensures that our aging population remains healthy and that we are treating them with the dignity and respect they deserve.

If broad-based categorical eligibility were to be eliminated, it would have a profound impact on the health and well-being of children in Wisconsin. Roughly 24,000 children in the state would lose access to nutritious food under the proposed rule change — that's 41% of those who qualify for SNAP under broad-based categorical eligibility. Also worrisome is that these children would also lose eligibility to free or reduced priced breakfasts and lunches at their schools, thereby creating an additional hardship for families and a cost to the school system.

Finally, many of the families who qualify for SNAP through broad-based categorical eligibility are the working poor. They not only benefit from food assistance, but also from the additional job training or retraining provided through our FoodShare Employment Services, which they would not be qualified for if they were not eligible for SNAP. These services help lift families

out of poverty. With poverty on the rise in Wisconsin,<sup>3</sup> it is critical that families continue to have access to services that will help break the cycle of poverty. I know ending poverty is a priority for all leaders.

Broad-based categorical eligibility has numerous benefits to the working poor in Wisconsin. For example, qualifying for SNAP also qualifies families for other programs within local municipalities. For example, in the City of Madison, individuals who show their EBT card can access reduced cost thirty-day bus passes. Households that are eligible for SNAP may also be eligible for lifeline telephone services which provides phone services at low or no cost, which can be very valuable for our elderly and people with disabilities who live in rural and remote areas of our state.

It must be noted that categorical eligibility does not result in substantial SNAP benefits going to non-needy families and does not mean households automatically get SNAP benefits—they must qualify for benefits under federal SNAP rules. This program truly helps those in need and provides assistance when people need it most in their lives. SNAP supports work and does not punish individuals for building assets—something that helps low-income families invest in their futures.

### **Benefit Cliff**

The Administration's proposal to reduce or eliminate broad-based categorical eligibility would impose a benefit cliff in 42 states and territories, including Wisconsin, that currently use categorical eligibility to raise the gross income limit.<sup>4</sup>

Without categorical eligibility, a family would lose substantial SNAP benefits from a small increase in earnings that raises their gross income above 130 percent of the federal poverty level — creating a steep benefit cliff. A modest increase in hourly wages could make families ineligible for SNAP, but the income increase could be less than the amount the family loses in benefits—forcing parents to choose between putting food on the table for their families or an increase in income. This is counterproductive to our goal of encouraging individuals to work. In a best-case scenario, a family is only marginally better off. But worst-case scenario, parents work

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<sup>3</sup> <https://www.irp.wisc.edu/study-finds-wisconsin-poverty-rate-increased-in-2016-despite-jobs-growth/>

<sup>4</sup> Center on Budget and Policy Priorities

more and earn more, but their families are worse off financially.<sup>5</sup> Categorical eligibility allows for families to gradually phase off the SNAP program as their wages increase.

### **Administrative and Fiscal Burden on States**

This change will not only negatively affect Wisconsin families, but it will also create a financial burden for state agencies and will have adverse effects on our economy. Altering SNAP eligibility rules will force us and the other 42 states and territories who have adopted this option to make dramatic administrative changes and would also make SNAP rules considerably more complicated.

Wisconsin eliminating categorical eligibility could cost taxpayers 2 million dollars and likely would take about 18 months to implement the change. Income maintenance agencies and counties across Wisconsin would also see increased costs if this option was eliminated, because it would take them longer to complete member interviews, request verifications, and process those verifications.

There is also an overall impact to the Wisconsin economy with reduced SNAP benefits, as most economists agree that SNAP benefits have a multiplier effect on local economies. Many research papers cite \$1.50 to \$1.70 being put into the local economy for each SNAP dollar spent. The proposed changes could mean that \$29.9 million dollars will not be spent in Wisconsin communities annually.<sup>6</sup>

### **Closing**

As leaders, we have committed ourselves to providing opportunity and justice for all—this includes our youngest, our oldest, and those who are working to climb out poverty. In a nation as great and as wealthy as the United States of America, no one should go hungry—no child, no one's grandmother, or no one's neighbor. Broad-based categorical eligibility helps ensure parents all across our country can put a meal on their table at the end of a long, hard, workday. 24,000-some children in Wisconsin are depending on it. We are looking to Congress and the Administration to give us more options, not take them away, to strengthen the safety net and to support opportunity. If this option were eliminated or cut back, it would have a detrimental

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<sup>5</sup> [http://www.nccp.org/projects/files/NCCP\\_CO\\_presentation07.pdf](http://www.nccp.org/projects/files/NCCP_CO_presentation07.pdf)

<sup>6</sup> Wisconsin Department of Health Services

impact on families, limit state's from having the flexibility to choose what is best for their citizens, and be a fiscal burden to states like Wisconsin.

Governor Tony Evers and I have a responsibility to make sure that opportunity exists in every part of Wisconsin—and that includes ensuring that each and every person has access to nutritious food—whether that's in our largest cities, within our Native communities, in our schools, or in the most rural parts of our state. And as Lieutenant Governor of Wisconsin, I am focused on helping make my state more equitable. That starts with making sure every person in Wisconsin—regardless of zip code or income status—has the tools and resources they need to succeed in life.