



June 2019

Protecting Children’s Access to School Meals by Maintaining Broad-Based Categorical Eligibility in SNAP

Testimony of Lisa Davis, Senior Vice President, Share Our Strength’s No Kid Hungry Campaign, Before the House Committee on Agriculture, Subcommittee on Nutrition, Oversight and Operations, U.S. House of Representatives

Chair Fudge, Ranking Member Johnson, and members of the Subcommittee, thank you for the opportunity to appear before you today to testify about the important role broad-based categorical eligibility (BBCE) in the Supplemental Nutrition Assistance Program (SNAP) plays in helping working poor families with children. My name is Lisa Davis, Senior Vice President of Share Our Strength’s No Kid Hungry Campaign.

Share Our Strength is an organization committed to ending hunger and poverty in the United States and abroad. Through our No Kid Hungry campaign, we help end hunger and food insecurity in America by connecting children and families to the federal nutrition programs for which they are eligible.

My testimony today is divided into two sections: 1) a discussion of Broad-Based Categorical Eligibility, how it works and who it helps; and 2) a brief overview of the SNAP program more generally.

Forty million people live in food-insecure households in the United States, including 12.5 million children. Millions more live paycheck to paycheck, one emergency away from becoming food-insecure themselves. A study by the Federal Reserve shows that four in ten Americans couldn’t come up with \$400 for an emergency expense without selling something or borrowing money.¹ SNAP is a nutritional lifeline for many of these families, helping to ensure that they can feed their families as they work toward greater financial stability. It is also important to recognize that not everyone who is food insecure qualifies

¹ Board of Governors of the Federal Reserve System. 2018. [Report on the Economic Well-Being of U.S Households in 2017](#).



for SNAP; nationally three in ten individuals (29 percent) estimated to be food insecure live in households that have incomes above the eligibility threshold for SNAP.²

Eligibility for SNAP is based upon household income and resources. To qualify under federal law, gross income for households, except for those with an elderly or disabled member, cannot exceed 130 percent of the federal poverty level. Additionally, all households must show that their monthly net income, after deductions, does not exceed 100 percent of the poverty level. SNAP benefit amounts are based on a household's size, income and expenses. Benefits phase out gradually as earnings increase, thus incentivizing participants to work.

Broad Based Categorical Eligibility (BBCE) is a policy that provides states the option to align income eligibility and asset limits for SNAP with the eligibility rules they use in programs financed under their Temporary Assistance for Needy Families (TANF) block grant or state maintenance of effort (MOE) funded benefits. There are varying income eligibility thresholds within states that utilize the BBCE option, though no state has a gross income limit above 200 percent of the federal poverty guidelines, or \$51,500 for a family of four in 2019. Households that qualify for SNAP through BBCE have **gross** incomes over the federal poverty line but must have **net** incomes at or below 100 percent of poverty after high-cost necessities such as housing, childcare and health care expenses are deducted from their gross incomes.

As of October 2018, state leaders in 40 states, the District of Columbia, Guam and the Virgin Islands have adopted BBCE policies.³ Of these, 33 states, D.C, Guam and the Virgin Islands have adjusted the gross income eligibility requirements to better reflect the cost of living in their communities and 37 have adjusted or eliminated the asset test to prevent low-income families who otherwise qualify from losing access because they have modest savings or even a reliable vehicle.

BBCE isn't an automatic pathway to SNAP. Categorical eligibility does not mean that a household will automatically receive SNAP benefits.⁴ Families must still apply and qualify for benefits through the regular application process, undergoing rigorous procedures for documenting applicants' income and complying with other mandatory policies, such as work requirements and time limits for Able-Bodied Adults Without Dependents. Thus, households can be categorically eligible for SNAP but have net income too high to receive a benefit. In 2017, only about 0.2% of SNAP benefits went to households with monthly disposable incomes above 100% of the federal poverty line.

² Feeding America. 2018. [Map the Meal Gap 2018, A Report on County and Congressional District Food Insecurity and County Food Cost in the United States in 2016.](#)

³ United States Department of Agriculture (USDA). 2018. [Broad-Based Categorical Eligibility \(BBCE\).](#)

⁴ Congressional Research Services. 2018. [Supplemental Nutrition Assistance Program \(SNAP\): A Primer on Eligibility and Benefits.](#)

BBCE incentivizes work and saving. BBCE provides states with the flexibility to modestly adjust the gross income and asset limit thresholds to ease the SNAP income cutoff and provide benefits to working poor families, thus providing stronger work incentives and a pathway out of poverty. For example, the higher gross income limits under BBCE help ease the “benefit cliff” for working families with high expenses and low disposable income, allowing families to gradually phase off SNAP when earnings increase. It also reduces administrative costs and complexity for State agencies administering SNAP and streamlines eligibility across low-income assistance programs. Similarly, adjusting or eliminating the asset test allows families to accumulate modest savings to help weather emergencies such as a car repair, illness or reduced hours.

BBCE HELPS WORKING POOR FAMILIES, SENIORS AND THE DISABLED

According to a 2012 GAO study that examined SNAP participation data from 2010, the majority (56 percent) of households eligible for SNAP under BBCE include at least one child and 65.9 percent of households include at least one member with earned income. Nearly 28 percent of such households included a member receiving Social Security benefits, indicating they are likely to be either age 62 or older or disabled. A more recent analysis by the Center on Budget and Policy Priorities (CBPP) demonstrated that about two-thirds of BBCE-benefits go to households with **gross** income less than 150 percent FPL or \$38,625 for a family of four in 2019 while 80 percent of benefits go to families with children.⁵

The Urban Institute found that nearly 70 percent of families with a gross income of less than 200 percent of poverty experienced a range of material hardship, including an inability to provide food for their families, missed rent or mortgage payments, loss of housing, inability to pay medical bills or unmet medical needs due to costs.⁶ BBCE helps those families afford the food they need to survive and get back on their feet, while managing other basic household necessities like rent, child care, transportation, and health care costs.

Here are some examples of the cost burdens facing low-income working families in states that have adopted BBCE and how BBCE helps support those families:

In Iowa, BBCE adjusts the SNAP gross income threshold to 160 percent of the Federal Poverty Limit (FPL), enabling a family of four to qualify for SNAP with gross annual income between \$33,475 and \$41,200. Based on a study by the United Ways of Iowa, the average household survival budget in 2016 (the latest data available) for such a family was \$56,772, or more than 200 percent of the Federal

⁵ Dean, Stacy. 2016. *Balancing State Flexibility without Weakening SNAP's Success*. Testimony before the U.S House of Representatives.

⁶ Karpman, Michael et al. 2018. *The Well-Being and Basic Needs Survey*. Urban Institute.

Poverty Level for a family of four.⁷ Even with the modest resources provided by SNAP, Iowa families who are eligible for SNAP through BBCE and have net incomes low enough to receive benefits still struggle to balance the costs of meeting basic needs.

Average Iowa Household Survival Budget for Family of Four		
	Monthly Cost	Annual Cost
Housing	\$659	\$7,908
Child Care	\$1,031	\$12,372
Food	\$525	\$6,300
Transportation	\$697	\$8,364
Health Care	\$800	\$9,600
Technology	\$75	\$900
Miscellaneous	\$430	\$5,160
Taxes	\$514	\$6,168
TOTAL	\$4,731	\$56,772

Imagine Dan and Karen a married couple with two kids renting a house just outside of Des Moines, Iowa. Dan works full time in the deli at the local supermarket and earns \$12.30 per hour. His wife, Karen, is a clerk at a clothing store. She makes \$12.82 per hour but is only scheduled 30 hours per week. Their kids, Shaun (age 5) and Michael (age 8) eat school breakfast and lunch most days. While the family’s gross income of \$45,584 exceeds the federal SNAP income limit, their net income after deductions for earned income, housing, child care and medical expenses is below 100 percent of poverty, so the family qualifies to receive \$22 in SNAP benefits each month because of BBCE. Shaun and Michael also qualify for free school meals. Without BBCE the family would be ineligible for SNAP benefits and the kids would lose access to the free school meal program. While their children would qualify for reduced price school meals without BBCE, at 30 cents per breakfast and 40 cents per lunch, those costs would be burdensome.

In Florida, BBCE increases the SNAP gross income threshold to 200 percent of the FPL, enabling a family of four to qualify for SNAP if their gross annual income is between \$33,475 and \$51,500. Based on a study by the United Way of Florida, the average household survival budget in 2016 (the latest data available) for such a family was \$55,164.⁸ Just as we saw in Oregon, the SNAP benefits they qualify to receive under BBCE provides critical help toward meeting their most basic needs.

⁷ Hoopes, Stephanie (PhD). 2018. [ALICE: A Study of Financial Hardship in Iowa](#). United Ways of Iowa.

⁸ Hoopes, Stephanie (PhD). 2018. [ALICE: A Study of Financial Hardship in Florida](#). United Way of Florida

Average Florida Household Survival Budget for Family of Four		
	Monthly Cost	Annual Cost
Housing	\$848	\$10,176
Child Care	\$1,024	\$12,288
Food	\$542	\$6,504
Transportation	\$653	\$7,836
Health Care	\$720	\$8,640
Technology	\$75	\$900
Miscellaneous	\$418	\$5,016
Taxes	\$317	\$3,804
TOTAL	\$4,597	\$55,164

Picture Ann and Larry, a married couple renting a house in Broward County, Florida with their two daughters, Jessica (age 2) and Rachel (age 4). Ann works as a home health care aide and her husband Larry is a cashier at a local gas station. Both work full-time and earn \$8.46 – the minimum wage in Florida. Their total gross income is approximately \$35,276 or 137 percent of the Federal Poverty Level. Without BBCE, they would be ineligible for SNAP. Because Florida has adopted BBCE, and Ann and Larry have significant housing and child care expenses, they can qualify for a maximum monthly SNAP benefit of \$108.

ELIMINATING BBCE WOULD CAUSE HARDSHIP

An independent study by the Center on Budget and Policy Priorities from 2018 shows that approximately 2 million people, mostly low-income working-families and seniors, would lose SNAP if BBCE were eliminated.⁹ While these families have gross incomes or assets moderately above the federal SNAP limits, their net incomes are below the poverty line due to high costs of housing, child care expenses, and other basic needs. Another recent study by Mathematica Policy Research reached the same conclusion. Its projection predicted that eliminating BBCE would lead to 2.1 million households losing food access under SNAP, including 469,000 (23 percent) households with children.¹⁰ The elimination of BBCE would have serious repercussions for those low-income children and their families.

Low-income school-aged children would be hit the hardest. Two hundred sixty-five thousand low-income children would lose access to free school meals if their families were no longer eligible for SNAP benefits.¹¹ While some families may remain eligible for

⁹ Rosenbaum, Dottie. 2018. *House Farm Bill’s SNAP Changes Are a Bad Deal for States and Low-Income Households*. Center on Budget and Policy Priorities

¹⁰ Cunyngnam, Karen. 2018. *Simulating Proposed Changes to the Supplemental Nutrition Assistance Program: Countable Resources and Categorical Eligibility*. Mathematica Policy Research Brief

¹¹ Congressional Budget Office. 2018. *H.R.2 Agriculture and Nutrition Act of 2018*.

reduced-price meals, even the low cost of reduced-price meals can be a significant burden on low-income families, especially those with multiple school-aged children. This has long-term consequences for children; consistent access to nutrition is linked to cognitive and physical development, test scores, and long-term health and education outcomes. SNAP and school meals help children grow up healthy, educated, and more likely to break the cycle of poverty.

Families and seniors would be penalized for saving modest amounts. The flexibility afforded to states through BBCE is needed to effectively respond to the unique financial stresses faced by low-income families. Without BBCE, low-income families who have saved as little as \$2,251 – for a more reliable car, a down payment on an apartment, health care, or to cover an emergency expense – would have their SNAP benefits terminated. Building assets helps low-income families invest in their future and avert devastating financial crises that could push them deeper into poverty, housing insecurity, and greater reliance on safety net programs. Reinstating asset limits by eliminating BBCE would discourage families from saving and undermine a family’s ability to withstand future income shocks.¹² In fact, eliminating BBCE would result in some working households losing access to SNAP and school meals which help to feed their families merely because they own a modest car to commute to and from work and meet other vital needs.

Local nonprofits would face increased pressure. Cutting access to critical food assistance for hardworking and struggling Americans will strain the resources of local non-profits and private charities. These groups are already stretched thin in meeting existing need. They will be unable to manage the spike in demand for their services if public food assistance is curtailed.

BBCE HAS A MARGINAL IMPACT ON SNAP PARTICIPATION AND COSTS

SNAP’s caseloads grew significantly between FY2007 and FY 2013 primarily as a result of more households qualifying for SNAP due to the recession.¹³ The Economic Recovery Act also included an increase in benefits of approximately 13.6 percent that was in place through November 2013. Since FY2014, SNAP participation and costs have continued to decline, dropping from a high of 47.6 million participants in FY 2013 to 38.9 million participants in March 2019. While the number of states choosing to utilize BBCE over the past decade increased, expansion of BBCE has contributed minimally to SNAP caseload growth over that period. A 2019 analysis by the Congressional Research Service estimates that 85.3 percent of SNAP households without an elderly or disabled member had gross income below the FPL. Another 10.5 percent had gross income between 100 percent and

¹² Supra note at 5

¹³ Congressional Research Service (CRS). 2019. [The Supplemental Nutrition Assistance Program \(SNAP\): Categorical Eligibility](#).

130 percent of poverty and only 4.2 percent of BBCE eligible households or 529,921, had incomes at 131 percent of poverty and higher.¹⁴

Data examining family assets by income also suggests that few households that qualify for SNAP under BBCE are likely have assets that exceed federal asset limits. In 2007, before the Great Recession, only 60 percent of working-age poor families had a checking or savings account and the median value was \$310.¹⁵

A similar study by the Government Accountability Office (GAO) that reviewed 24 states utilizing BBCE to raise household gross income limits concluded that while implementation of BBCE by these states enabled more households to receive SNAP, the 2008 economic downturn likely played a more significant role in the SNAP participation increase in the last decade than BBCE.¹⁶

GAO's report also found that BBCE increased total SNAP benefit costs by less than 1 percent (0.7 percent).¹⁷ Because SNAP benefits are calculated based on household size and income and provide greater benefits to those with fewer means, most BBCE households tend to be eligible for lower average monthly SNAP benefits, \$81 for BBCE households vs the average \$293 received by all other SNAP households.¹⁸

BBCE STREAMLINES THE BENEFIT PROCESS FOR STATES

BBCE has enabled states to simplify and streamline their SNAP operations, reduce administrative costs, and ensure access for families in need – particularly low-income working families that are struggling to make ends meet with limited resources and high costs. GAO found that BBCE simplifies program rules and the eligibility determination process for SNAP by creating consistency in income and resource limits across low-income assistance programs. This streamlining can ease the administrative burden for states and participants, save resources, improve productivity, and return administrative focus to essential program activities.¹⁹

Restricting or eliminating BBCE would not only have a detrimental impact on the health and economic well-being of millions of struggling Americans, including children, it would add undue administrative burden on program administering agencies and staff at the state level.

¹⁴ Ibid

¹⁵ Signe-Mary McKernan, Caroline Ratcliffe, and Trina Williams Shanks. 2012. [Can the Poor Accumulate Assets?](#) Urban Institute.

¹⁶ United States Government Accountability Office (GAO). 2017. [FEDERAL LOW-INCOME PROGRAMS: Eligibility and Benefits Differ for Selected Programs Due to Complex and Varied Rules.](#)

¹⁷ Ibid

¹⁸ Ibid

¹⁹ Ibid

The bottom line is that SNAP is an effective lifeline to low-income working families across the country, especially those with children. BBCE provides states with the flexibility they need to adapt SNAP eligibility to align with other assistance programs and to address the unique circumstances and needs of their eligible low-income residents to encourage and support work and the building of assets to help those families transition out of poverty. Eliminating or restricting BBCE will inflict lasting harm on children, families, communities, states, and the nation as a whole.

SNAP PROVIDES A HIGH RETURN ON INVESTMENT

SNAP helps to ensure that families with children who have fallen on hard times have access to the nutrition they need to get back on their feet and to grow up healthy and strong. 65% of SNAP households are families with children, seniors, or people with disabilities. Nearly half (44 percent) of SNAP recipients are children while another 21 percent of recipients are adults who live with those children.²⁰ Benefits are not overly generous, averaging to about \$1.40 per person per meal.

SNAP is the nation's most effective anti-hunger program, serving as the front line of defense against hunger, food insecurity, and the long-term detriments they cause.

- The program lifted 8.4 million people of poverty in 2015, reducing the poverty rate from 15.4 to 12.8 percent.²¹
- Its effect was more significant among children, with 3.8 million kids (28 percent) lifted out of poverty by SNAP in 2014.²²
- In addition, SNAP lifted more than 2 million children out of deep poverty in 2014.²³
- SNAP reduces food insecurity among high-risk children by 20 percent and improves their health and well-being by 35 percent.²⁴

SNAP is an important work support and work incentive program for the millions of low-income Americans struggling to make ends meet due to the rising cost of living, lack of affordable housing and childcare services, and limited access to transportation. Its benefits focus on those most in need and least able to afford a nutritionally adequate diet, achieving its core purpose of raising the nutritional standards of low-income Americans.

²⁰ Supra note at 3. See also Gray, Kelsey Farson, et al. 2016. [Characteristics of Supplemental Nutrition Assistance Program Households: Fiscal Year 2015](#) prepared for the Food and Nutrition Service, USDA

²¹ Wheaton, Laura, and Victoria Tran. 2016. [Anti-Poverty Effects of SNAP](#). Urban Institute.

²² Center on Budget and Policy Priorities. 2017. [SNAP Helps Millions of Children](#)

²³ Ibid

²⁴ Center on Budget and Policy Priorities. 2018. [Chart Book: SNAP Helps Struggling Families Put Food on The Table](#).

Supports Working Families and Encourages Work: The SNAP benefit formula is structured to encourage and reward work. For every additional dollar a SNAP recipient earns, his or her benefits decline by only 24 to 36 cents, providing families with a strong incentive to work longer hours or to seek and accept higher paying employment. In fact, most SNAP participants who can work, do work. Among working-age, non-disabled adults participating in SNAP in a typical month in mid-2012, 52 percent worked in that month and about 74 percent worked at some point in the year before or the year after that month.²⁵ However, participants are disproportionately employed in low-wage sales and service jobs with unpredictable schedules and limited security – such as cashier, cook, or home nursing aid.²⁶ SNAP serves as an important income support, making it easier for families to afford food as they earn more and work toward increased financial stability. SNAP also serves as an important support for low-income veterans who are unemployed, underemployed or struggling with low-wages or unpredictable work schedules. Data shows that nearly 1.4 million low-income veterans received SNAP at some point during the previous year.²⁷

Low Overhead: SNAP is administrated with relatively low overhead cost and a high degree of accuracy.²⁸ About 90 percent of federal SNAP spending goes to providing benefits to households for purchasing food. Of the remaining 10 percent, about 7 percent is used for state and federal administrative costs, including eligibility determinations, employment and training, nutrition education and anti-fraud activities. The final 3 percent is used for other food assistance programs such as the block grant for food assistance in Puerto Rico and American Samoa, commodity purchases for the Emergency Food Assistance Program and for the Food Distribution Program on Indian Reservations.

Most of the program’s success is due to the uniform national benefit structure and rigorous requirements on states and eligible participants. These features ensure a high degree of program integrity and maintain the core program focus on providing food assistance for those who need it most.

Improves Health and Financial Well-Being: Multiple research studies have demonstrated the crucial role of SNAP in improving the health, academic performances, and overall well-

²⁵ Wolkomir, Elizabeth and Lexin Cai. 2019. [The Supplemental Nutrition Assistance Program Includes Earning Incentives](#). Center on Budget and Policy Priorities

²⁶ Keith-Jennings, Brynne and Vincent Palacios. 2017. [SNAP Helps Millions of Low-Wage Workers: Crucial Financial Support Assists Workers in Jobs with Low Wages, Volatile Income, and Few Benefits](#). Center on Budget and Policy Priorities

²⁷ Keith-Jennings, Brynne and Lexin Cai. 2018. [SNAP Helps Almost 1.4 Million Low-Income Veterans, Including Thousands in Every State](#). Center on Budget and Policy Priorities

²⁸ Center on Budget and Policy Priorities. 2018. [Policy Basics: Supplemental Nutrition Assistance Program \(SNAP\)](#).

being of children.²⁹ In addition to improving the health and well-being of children, research shows that SNAP improves households' financial well-being while promoting long-term economic mobility and security. It does so by freeing up available resources for other essential expenses such as housing, utilities and medical bills.³⁰ Accordingly, SNAP participation reduces the risk of falling behind on rent or mortgage payments by 7 percentage points, utility payments by 15 percentage points and medical hardship or the risk of forgoing a doctor's visit due to financial reasons by 9 percentage points.³¹

By improving a family's financial well-being, SNAP can help families build their assets. By building assets, families can make crucial investments in their future and avert a financial crisis that could push them deeper into poverty or even lead them to become homeless. It also helps families avoid accumulating debt, have a better chance of avoiding poverty, and prevent greater reliance on the government in old age. In short, SNAP helps families, especially those with children, meet their immediate nutritional needs and avoid succumbing to the vicious cycle of poverty.

In the past, Congress and USDA have wisely provided states with the flexibility they need to ensure that SNAP can adapt to local circumstances and respond to the needs of underserved and very vulnerable groups such as children, hardworking-families, veterans, and seniors.

CONCLUSION

BBCE is a policy that balances state flexibility with effective national standards to allow states to better support working poor families with high living costs such as housing, child care expenses, medical expenses and other basic needs. If it were eliminated, roughly 2 million people, mostly low-income working-families and seniors, would lose access to SNAP and about 265,000 children would lose access to free school meals.

Maintaining BBCE under SNAP ensures that low-income working families can continue to put food on the table while they work to improve their economic security and transition out of poverty. It also provides states with the flexibility necessary to meet the food and nutrition needs of their low-income populations. It is important to underscore that while BBCE does confer SNAP eligibility to families with gross incomes modestly above 130 percent of poverty, it does not automatically grant an individual or family a SNAP benefit. The actual receipt of SNAP benefits requires their net income to be at or below 100 percent of poverty.

²⁹ Carlson, Steven and Brynne Keith-Jennings. 2018. [SNAP Is Linked with Improved Nutritional Outcomes and Lower Health Care Costs](#). Center on Budget and Policy Priorities

³⁰ Schanzenbach, Diane Whitmore and Lauren Bauer and Greg Nantz. 2016. [Twelve Facts About Food Insecurity and SNAP](#). Brookings Institution.

³¹ Ibid



I also can't emphasize enough the consequences for low-income children if states were to lose their needed flexibility under BBCE. Loss of access to SNAP for these kids and families would ripple throughout their lives – eliminating needed nutrition at home and eligibility for free school meals as well. When children aren't consistently getting the nutrition, they need to grow up healthy and strong, it exacerbates all the other problems they face – diminishing their academic performance, mental and physical health, over-all wellbeing, and dimming opportunities to escape the cycle of poverty.

We all want our children to grow up healthy and able to achieve their full-potential, becoming the next generation of teachers, engineers and innovators, strengthening the economic and security opportunities of the United States. SNAP is a vital investment in the future of our kids, our communities, and our country.

We urge Congress and the Administration to work alongside nonprofits, businesses, the faith community, and individuals across the country to eradicate childhood hunger and poverty in United States by maintaining and encouraging BBCE options for states in the administration of SNAP. We look forward to continuing as your partner in the implementation and strengthening of evidence-based policies and practices to strengthen child nutrition programs including SNAP, WIC, National School Breakfast and Lunch, the Summer Food Service Program and the Child and Adult Care Food Program.

Thank you.