



Legislative Fiscal Bureau

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May 1, 2018

TO: Representative Lisa Subeck
Senator Jennifer Shilling
State Capitol

FROM: Charles Morgan, Program Supervisor

SUBJECT: Proposed Change in Broad-Based Categorical Eligibility for SNAP Benefits -- H.R. 2
Provisions and Estimated Effect on Wisconsin's FoodShare Program

In response to your request, this memorandum provides information on a provision in the 2018 Farm Bill (H.R. 2) that would modify "broad-based categorical eligibility" for benefits under the federal supplemental nutrition assistance program (SNAP). You requested estimates of the effect this provision would have on caseload and benefits under Wisconsin's SNAP program, FoodShare, including county-level estimates.

Background

Federal law permits individuals to qualify for SNAP benefits in one of two ways. First, they may qualify if they reside in "assistance groups" (AGs, broadly households) that meet income and resource limits specified in federal law. Second, they may qualify for SNAP benefits automatically if they have been determined to be eligible for other public assistance programs, a method commonly referred to as "categorical eligibility."

Federal Income and Asset Standards. States may choose to adopt federally-specified income and asset limits. In states that choose this option, a household may qualify for benefits if it has net income less than 100% of the federal poverty level (FPL) and gross income below 130% of the FPL. Net income is calculated by applying several federally-allowable deductions.

In addition, households may not have countable (liquid) assets that exceed specified levels. In federal fiscal year 2017-18, the asset limit is \$2,250. The value of a home is not counted as an asset. States may also exclude the value of certain assets, such as the value of a household vehicle.

Categorical Eligibility. A state must also provide categorical eligibility for SNAP benefits to AGs that receive cash assistance funded from the federal temporary assistance for needy families

(TANF) program, the supplemental security income (SSI) program, or a state's general assistance program, as long as the AG's net income does not exceed 100% of the FPL.

Alternatively, states have the option of adopting a "broad-based categorical eligibility" policy, which extends categorical eligibility to households that receive non-cash benefits funded by federal TANF or state TANF maintenance of effort (MOE) funds. Currently, 39 states, Guam, the Virgin Islands and the District of Columbia use this method of establishing eligibility for SNAP. These states typically offer brochures or a referral to a job service or human services department as a benefit to potential applicants.

Wisconsin's FoodShare program provides broad-based categorical eligibility. An AG with gross income up to 200% of the FPL may qualify for FoodShare if the AG receives a referral to Job Center of Wisconsin employment services, a Department of Workforce Development job search program partially funded by TANF. Currently, AGs that meet this broad-based categorical eligibility standard are not required to meet an asset test. (2017 Wisconsin Act 59 contained a provision to establish a \$25,000 asset limit for Foodshare AGs that do not include an elderly, blind, or disabled member, a change that is awaiting federal approval.)

Table 1 shows the 200% FPL threshold that applies for federal fiscal year 2017-18 (the period from October 1, 2017 through September 30, 2018) for various household sizes. The FPL guidelines are updated annually.

TABLE 1

**Income Equal to 200% of the Federal Poverty Level, By Family Size
FoodShare Eligibility for FFY 2017-18**

<u>Assistance Group Size</u>	<u>Annual Income</u>	<u>Monthly Income</u>
One	\$24,120	\$2,010
Two	32,496	2,708
Three	40,848	3,404
Four	49,200	4,100
Five	57,576	4,798
Six	65,928	5,494
Seven	74,280	6,190
Eight	82,656	6,888

Households with an Elderly, Blind, or Disabled (EBD) Member. An exception to the broad-based categorical eligibility requirements applies to AGs with an elderly (over 60 years old), blind, or disabled member. For them, there is no limit on gross income, but the household must have net income of no more than 100% of the FPL to qualify for FoodShare.

In addition, an asset test applies to families that include an elderly, blind, or disabled member and have gross income over 200% of the FPL. These households may not have more than \$3,500 in countable assets to qualify for FoodShare, although certain assets, such as vehicles or retirement savings accounts, do not count towards that limit.

Summary of H.R. 2 Provision

Section 4006 of H.R. 2 would specify that states may provide categorical eligibility for SNAP benefits to households in which each member receives cash assistance or ongoing and substantial services under TANF, with an income eligibility limit of not more than 130% of the FPL. If each member of the household is elderly or disabled and receives cash assistance or ongoing and substantial services under TANF, the gross income limit could not exceed 200% of the FPL. This provision would prevent states, including Wisconsin, from offering broad-based categorical eligibility to families that do not receive cash assistance or ongoing TANF-funded services.

The bill would not modify current law that provides categorical eligibility for individuals who qualify for SSI or state general assistance benefits.

Effect on Wisconsin's FoodShare Caseload and Benefits Costs

The state's Client Assistance for Reemployment and Economic Support (CARES) information system maintains information on individuals and families enrolled in the state's major public assistance programs, including FoodShare. In fall, 2017, the Department of Health Services used information in the CARES system to identify FoodShare recipients who would no longer qualify for FoodShare benefits if the state no longer used broad-based categorical eligibility in making FoodShare eligibility determinations. Based on enrollment and payment data from September, 2017, DHS concluded that:

- Approximately 11.1% of the total number of FoodShare recipients would likely lose eligibility (75,720 of 682,924);
- Approximately 12.7% of FoodShare AGs would likely lose eligibility (43,338 of 341,586);
- About 8.0% of children would likely lose eligibility for FoodShare (23,369 of 291,956). These children would also likely lose eligibility for free and reduced lunches in schools, since children in families that are eligible for SNAP benefits are categorically eligible for the free and reduced lunch program; and
- In September, 2017, the total FoodShare allotment for AGs that had income greater than 130% of the FPL was \$1,980,982, so that the estimated annual reduction in FoodShare benefits available to Wisconsin residents would be approximately \$23.8 million. (In calendar year 2017, Wisconsin FoodShare benefits costs totaled approximately \$867.2 million, so the reduction in benefits is estimated to be approximately 2.7% of the total.) FoodShare benefits are 100% federally

funded, while approximately 50% of the most state and local costs of administering FoodShare benefits are supported with federal funds.

Attachments 1 and 2 to this paper show the effect of the caseload and benefit cost reductions, by county, based on the September, 2017, data. The enrollment figures in the attachment are based on FoodShare enrollees' county of residence. These figures differ slightly from enrollment figures that appear on the Department of Health Services' website, which are based on caseloads maintained by county and tribal income maintenance agencies.

In addition to the estimates cited above and in the attachments, under H.R. 2, AGs comprised entirely of elderly, blind or disabled individuals with countable income that exceeds 200% of the FPL, and that receive cash assistance or ongoing and substantial services under a TANF-funded program would lose eligibility for SNAP benefits. Although the effect of this proposed change was not considered in the September, 2017, DHS analysis, DHS indicates that the number of individuals that would no longer be eligible for program benefits and the value of their FoodShare benefits they would no longer receive is likely to be minimal.

In a February, 2014, report, Programs Conferring Categorical Eligibility for SNAP: State Policies and the Number and Characteristics of Households Affected, Mathematica Policy Research estimated that, based on 2011 data, approximately 14.0% of the total number of Wisconsin FoodShare recipients, and approximately 12.2% of the total number of AGs in Wisconsin would lose eligibility for SNAP benefits if the broad-based categorical eligibility options were repealed. The report also estimated that the total value of FoodShare benefits provided to Wisconsin residents would decrease by approximately 3.7%. The estimates in this 2014 report are fairly comparable to the results of the DHS estimates. However, since the DHS study drew on all of the caseload data maintained in CARES and reflected 2017, rather than 2011, data, the 2017 DHS estimates should be considered as more accurate indicators of the potential effect of H.R. 2 on the Wisconsin FoodShare program.

Please contact me if you require additional information on this matter.

CM/lb
Attachments

ATTACHMENT 1

Effect of Broad-Based Categorical Eligibility Repeal, Based on September 2017 Enrollment by County -- No. of Assistance Groups and Children

County	Assistance Groups				Children			
	All AGs	<=130% FPL	>130% FPL	% >130% FPL	All Children	<=130% FPL	>130% FPL	% >130% FPL
Adams	1,747	1,470	277	15.86%	995	937	58	5.83%
Ashland	1,379	1,228	151	10.95	1,187	1,097	90	7.58
Barron	2,776	2,353	423	15.24	2,093	1,892	201	9.60
Bayfield	839	749	90	10.73	654	607	47	7.19
Brown	12,137	10,640	1,497	12.33	12,601	11,645	956	7.59
Buffalo	523	438	85	16.25	447	404	43	9.62
Burnett	1,004	842	162	16.14	836	764	72	8.61
Calumet	1,044	862	182	17.43	1,212	1,095	117	9.65
Chippewa	2,953	2,531	422	14.29	2,653	2,411	242	9.12
Clark	1,407	1,211	196	13.93	1,391	1,292	99	7.12
Columbia	2,476	2,017	459	18.54	1,796	1,603	193	10.75
Crawford	923	773	150	16.25	644	583	61	9.47
Dane	22,608	19,263	3,345	14.80	18,053	15,844	2,209	12.24
Dodge	3,502	2,874	628	17.93	3,004	2,684	320	10.65
Door	968	797	171	17.67	660	588	72	10.91
Douglas	2,753	2,452	301	10.93	1,969	1,824	145	7.36
Dunn	1,995	1,707	288	14.44	1,717	1,537	180	10.48
Eau Claire	5,289	4,498	791	14.96	3,983	3,632	351	8.81
Florence	306	255	51	16.67	156	144	12	7.69
Fond du Lac	4,408	3,764	644	14.61	3,901	3,579	322	8.25
Forest	708	618	90	12.71	521	489	32	6.14
Grant	2,042	1,743	299	14.64	1,664	1,527	137	8.23
Green	1,469	1,174	295	20.08	1,202	1,052	150	12.48
Green Lake	975	845	130	13.33	796	757	39	4.90
Iowa	998	824	174	17.43	811	725	86	10.60
Iron	441	389	52	11.79	229	221	8	3.49
Jackson	987	864	123	12.46	823	758	65	7.90
Jefferson	3,426	2,810	616	17.98	3,037	2,734	303	9.98
Juneau	1,916	1,597	319	16.65	1,487	1,382	105	7.06
Kenosha	10,855	9,547	1,308	12.05	10,303	9,567	736	7.14
Kewaunee	641	524	117	18.25	528	476	52	9.85
La Crosse	5,492	4,712	780	14.20	4,170	3,700	470	11.27
Lafayette	700	570	130	18.57	610	548	62	10.16
Langlade	1,610	1,388	222	13.79	1,143	1,087	56	4.90

County	Assistance Groups				Children			
	All AGs	<=130% FPL	>130% FPL	% >130% FPL	All Children	<=130% FPL	>130% FPL	% >130% FPL
Lincoln	1,569	1,314	255	16.25%	1,097	989	108	9.85%
Manitowoc	3,349	2,866	483	14.42	2,860	2,676	184	6.43
Marathon	5,975	5,136	839	14.04	5,353	4,834	519	9.70
Marinette	2,501	2,134	367	14.67	1,740	1,621	119	6.84
Marquette	963	815	148	15.37	629	585	44	7.00
Menominee	599	567	32	5.34	814	784	30	3.69
Milwaukee	124,013	112,062	11,951	9.64	106,968	99,942	7,026	6.57
Monroe	2,291	1,995	296	12.92	2,232	2,075	157	7.03
Oconto	1,551	1,377	174	11.22	1,249	1,169	80	6.41
Oneida	1,977	1,655	322	16.29	1,296	1,197	99	7.64
Outagamie	6,119	5,142	977	15.97	5,811	5,206	605	10.41
Ozaukee	1,650	1,332	318	19.27	1,181	1,047	134	11.35
Pepin	296	246	50	16.89	232	201	31	13.36
Pierce	1,008	833	175	17.36	892	786	106	11.88
Polk	1,966	1,662	304	15.46	1,528	1,342	186	12.17
Portage	2,614	2,271	343	13.12	2,061	1,887	174	8.44
Price	876	721	155	17.69	568	498	70	12.32
Racine	14,031	12,501	1,530	10.90	13,547	12,657	890	6.57
Richland	1,111	949	162	14.58	845	776	69	8.17
Rock	11,757	10,366	1,391	11.83	10,152	9,492	660	6.50
Rusk	1,065	940	125	11.74	774	732	42	5.43
Sauk	3,380	2,823	557	16.48	2,763	2,503	260	9.41
Sawyer	1,361	1,201	160	11.76	1,102	1,034	68	6.17
Shawano	2,093	1,773	320	15.29	1,831	1,695	136	7.43
Sheboygan	5,277	4,520	757	14.35	4,996	4,577	419	8.39
St. Croix	1,888	1,589	299	15.84	1,770	1,578	192	10.85
Taylor	932	796	136	14.59	743	702	41	5.52
Trempealeau	1,189	1,015	174	14.63	1,030	937	93	9.03
Vernon	1,271	1,072	199	15.66	1,103	1,021	82	7.43
Vilas	1,391	1,200	191	13.73	1,167	1,110	57	4.88
Walworth	4,223	3,620	603	14.28	3,945	3,613	332	8.42
Washburn	1,043	910	133	12.75	756	697	59	7.80
Washington	3,303	2,694	609	18.44	2,673	2,376	297	11.11
Waukesha	8,114	6,646	1,468	18.09	6,090	5,380	710	11.66
Waupaca	2,336	1,970	366	15.67	1,814	1,663	151	8.32
Waushara	1,305	1,097	208	15.94	1,109	1,032	77	6.94
Winnebago	7,475	6,341	1,134	15.17	6,507	5,882	625	9.61
Wood	4,425	3,766	659	14.89	3,448	3,102	346	10.03
Statewide	341,586	298,248	43,338	12.69%	291,956	268,587	23,369	8.00%

ATTACHMENT 2

Effect of Broad-Based Categorical Eligibility Repeal, Based on September 2017 Enrollment by County -- No. of Recipients and Monthly Benefit Allotments

County	Recipient Count				Monthly Benefit Allotment			
	All Recipients	<=130% FPL	>130% FPL	% >130% FPL	All AGs	<=130% FPL	>130% FPL	% >130% FPL
Adams	3,163	2,754	409	12.93%	\$319,169	\$310,985	\$8,184	2.56%
Ashland	2,854	2,570	284	9.95	292,498	286,614	5,884	2.01
Barron	5,512	4,763	749	13.59	522,585	506,031	16,554	3.17
Bayfield	1,719	1,555	164	9.54	178,917	175,615	3,302	1.85
Brown	26,722	23,936	2,786	10.43	2,744,752	2,677,856	66,896	2.44
Buffalo	1,114	962	152	13.64	102,178	97,637	4,541	4.44
Burnett	2,133	1,837	296	13.88	203,191	197,113	6,078	2.99
Calumet	2,419	2,072	347	14.34	224,863	217,193	7,670	3.41
Chippewa	6,287	5,517	770	12.25	616,158	596,996	19,162	3.11
Clark	3,151	2,781	370	11.74	294,815	287,150	7,665	2.60
Columbia	4,681	3,952	729	15.57	480,352	457,156	23,196	4.83
Crawford	1,820	1,560	260	14.29	171,517	165,277	6,240	3.64
Dane	42,161	36,145	6,016	14.27	4,655,495	4,439,444	216,051	4.64
Dodge	7,124	6,032	1,092	15.33	738,325	710,958	27,367	3.71
Door	1,815	1,535	280	15.43	173,502	166,682	6,820	3.93
Douglas	5,284	4,758	526	9.95	545,643	533,716	11,927	2.19
Dunn	4,221	3,665	556	13.17	421,840	405,993	15,847	3.76
Eau Claire	10,244	8,913	1,331	12.99	1,029,073	997,547	31,526	3.06
Florence	542	465	77	14.21	54,219	52,491	1,728	3.19
Fond du Lac	8,974	7,857	1,117	12.45	884,270	860,258	24,012	2.72
Forest	1,418	1,268	150	10.58	135,559	132,456	3,103	2.29
Grant	4,150	3,620	530	12.77	387,314	376,019	11,295	2.92
Green	2,957	2,437	520	17.59	271,093	258,457	12,636	4.66
Green Lake	1,966	1,756	210	10.68	194,586	190,197	4,389	2.26
Iowa	2,019	1,710	309	15.30	190,129	182,854	7,275	3.83
Iron	775	700	75	9.68	74,041	72,048	1,993	2.69
Jackson	2,052	1,827	225	10.96	203,223	197,198	6,025	2.96
Jefferson	6,913	5,857	1,056	15.28	697,213	669,203	28,010	4.02
Juneau	3,922	3,397	525	13.39	382,428	369,787	12,641	3.31
Kenosha	22,652	20,346	2,306	10.18	2,505,019	2,439,617	65,402	2.61
Kewaunee	1,315	1,110	205	15.59	120,475	116,560	3,915	3.25
La Crosse	10,678	9,229	1,449	13.57	1,085,245	1,045,472	39,773	3.66
Lafayette	1,437	1,202	235	16.35	132,490	126,549	5,941	4.48
Langlade	3,130	2,790	340	10.86	312,114	306,611	5,503	1.76

County	Recipient Count				Monthly Benefit Allotment			
	All Recipients	<=130% FPL	>130% FPL	% >130% FPL	All AGs	<=130% FPL	>130% FPL	% >130% FPL
Lincoln	3,040	2,597	443	14.57%	\$287,470	\$278,612	\$8,858	3.08%
Manitowoc	6,868	6,083	785	11.43	666,411	649,685	16,726	2.51
Marathon	12,529	10,959	1,570	12.53	1,262,217	1,224,290	37,927	3.00
Marinette	4,838	4,253	585	12.09	453,411	442,567	10,844	2.39
Marquette	1,830	1,589	241	13.17	181,480	175,959	5,521	3.04
Menominee	1,587	1,514	73	4.60	189,951	188,743	1,208	0.64
Milwaukee	242,290	221,679	20,611	8.51	28,482,738	27,928,153	554,585	1.95
Monroe	5,045	4,497	548	10.86	510,976	497,353	13,623	2.67
Oconto	3,212	2,910	302	9.40	321,521	314,671	6,850	2.13
Oneida	3,740	3,222	518	13.85	372,774	361,353	11,421	3.06
Outagamie	13,087	11,265	1,822	13.92	1,282,223	1,237,234	44,989	3.51
Ozaukee	3,099	2,596	503	16.23	322,113	306,497	15,616	4.85
Pepin	608	507	101	16.61	57,156	54,355	2,801	4.90
Pierce	2,128	1,804	324	15.23	213,438	205,034	8,404	3.94
Polk	3,970	3,363	607	15.29	380,921	368,072	12,849	3.37
Portage	5,161	4,559	602	11.66	534,958	521,201	13,757	2.57
Price	1,654	1,379	275	16.63	148,771	142,774	5,997	4.03
Racine	29,383	26,664	2,719	9.25	3,264,565	3,193,333	71,232	2.18
Richland	2,223	1,940	283	12.73	219,078	212,217	6,861	3.13
Rock	23,691	21,365	2,326	9.82	2,600,315	2,541,809	58,506	2.25
Rusk	2,137	1,923	214	10.01	205,755	201,213	4,542	2.21
Sauk	6,759	5,763	996	14.74	680,117	656,989	23,128	3.40
Sawyer	2,784	2,504	280	10.06	295,320	288,970	6,350	2.15
Shawano	4,451	3,898	553	12.42	439,483	426,372	13,111	2.98
Sheboygan	11,120	9,798	1,322	11.89	1,166,239	1,132,701	33,538	2.88
St. Croix	4,032	3,467	565	14.01	407,764	392,063	15,701	3.85
Taylor	1,910	1,694	216	11.31	177,654	172,909	4,745	2.67
Trempealeau	2,377	2,067	310	13.04	234,819	225,728	9,091	3.87
Vernon	2,725	2,370	355	13.03	257,514	249,845	7,669	2.98
Vilas	2,898	2,590	308	10.63	318,034	310,248	7,786	2.45
Walworth	8,840	7,781	1,059	11.98	902,090	872,745	29,345	3.25
Washburn	2,089	1,842	247	11.82	199,000	193,692	5,308	2.67
Washington	6,459	5,445	1,014	15.70	656,660	627,520	29,140	4.44
Waukesha	15,269	12,830	2,439	15.97	1,564,402	1,487,638	76,764	4.91
Waupaca	4,675	4,071	604	12.92	457,818	444,922	12,896	2.82
Waushara	2,732	2,371	361	13.21	256,662	250,925	5,737	2.24
Winnebago	15,495	13,482	2,013	12.99	1,547,420	1,501,244	46,176	2.98
Wood	8,859	7,679	1,180	13.32	878,458	855,629	22,829	2.60
Statewide	682,924	607,204	75,720	11.09%	\$73,742,344	\$71,761,362	\$1,980,982	2.69%