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Estimated Effect of Recent Proposed Changes to SNAP Regulations

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November 2019

Over the past year, the United States Department of Agriculture (USDA) has proposed changes to three aspects of the Supplemental Nutrition Assistance Program, or SNAP: the unemployment standards required for waivers from time limits for adults who are mentally and physically able to work, have no dependents, and do not meet work requirements; the types of government benefits that automatically qualify families for SNAP; and the approach to calculating standard utility allowances. (Box 1 lists further details of the changes.) Such changes to the nation's largest nutrition assistance program[1] could affect how millions of poor and low-income Americans purchase food.

In this brief, we examine the individual and combined effects of the three proposed regulatory changes. Using the Urban Institute's Analysis of Transfers, Taxes, and Income Security microsimulation model, we estimate how eligibility and benefits would have been affected if the USDA had implemented the changes in 2018. This analysis complements previous USDA and Mathematica analyses of the effects of individual proposed changes.[2]

If the proposed regulations had been implemented last year, 3.7 million fewer people and 2.1 million fewer households[3] would have received SNAP in an average month; annual benefits would have decreased by $4.2 billion. An estimated 2.2 million participating households would no longer be eligible for SNAP and would lose an average of $127 in monthly benefits; 3.1 million others would receive an average of $37 less in benefits a month. But some households would see benefits increase under the proposed regulations: about 2.5 million participating households would receive an average of $14 more a month, and 67,000 households would begin participating because of the higher standard utility agreements (SUAs) in some states.

BOX 1

The Proposed Changes, and the USDA's Estimates

1. *Tightening the criteria by which states request time limit waivers for able-bodied adults without dependents, or ABAWDs.* People subject to ABAWD time limits can participate in SNAP for only three months in a 36-month period unless they meet specific work requirements. States can request waivers from time limits for areas with high unemployment. The proposed regulations would restrict the criteria used to request a waiver. According to USDA estimates, this change would cause 755,000 ABAWDs to lose eligibility in 2020 and reduce the amount spent on SNAP benefits by 2.5 percent.
2. *Restricting states' ability to make families "categorically eligible" for SNAP based on receipt of another government benefit.* The proposed policy would end states' ability to use broad-based categorical eligibility (BBCE) to waive asset tests and to raise gross income eligibility limits from 130 percent of the federal poverty guidelines (FPG) to as much as 200 percent of FPG. According to USDA estimates, this change would render about 9 percent of SNAP households ineligible and reduce the amount spent on benefits by 5 percent. The loss of SNAP would also cause 982,000 students to lose their automatic eligibility for free meals through the National School Lunch Program (NSLP) and School Breakfast Program (SBP). To remain eligible, these students would need to apply for the NSLP and SBP based on their income.[a]
3. *Creating a uniform approach to setting standard utility allowances (SUAs) and converting the telephone allowance to a telecommunications allowance that includes basic internet service.* Both allowances factor into the excess shelter expense deduction, which is used to compute net income (which, in turn, is used to determine eligibility and benefit level). The changes would have varying effects across states; allowances would rise in some states and fall in others. According to USDA estimates, benefits would rise for 16 percent of households and fall for 19 percent, with little loss of eligibility.

Sources: Supplemental Nutrition Assistance Program: Requirements for Able-Bodied Adults Without Dependents. 84 Fed. Reg. 980 (Feb. 1, 2019); Revision of Categorical Eligibility in the Supplemental Nutrition Assistance Program (SNAP), 84 Fed. Reg. 35570 (Jul. 24, 2019); and Supplemental Nutrition Assistance Program: Standardization of State Heating and Cooling Standard Utility Allowances, 84 Fed. Reg. 52809 (Oct. 3, 2019).

[a] According to the USDA estimates, 45 percent of the children losing automatic eligibility for the NSLP and SBP would be eligible for free meals based on their income, 51 percent would be eligible for reduced-price meals, and 4 percent would be required to pay the full rate for school meals ("Revision of Categorical Eligibility in SNAP–Informational Analysis," https://www.regulations.gov/document?D=FNS-2018-0037-16046). These estimates do not include the effect of the BBCE change on the Community Eligibility Provision, in which all children in a school qualify for free lunch. Blagg, Rainer, and Waxman (2019) estimate that 142,000 students attend schools that could lose Community Eligibility Provision status from the proposed change to BBCE. Our analysis does not capture the effects on the NSLP or SBP.

The three proposed regulatory changes would have differing effects on various groups of SNAP participants.

- Sixteen percent of households with no children, no adults age 60 or older, and no one with a disability would lose eligibility under the proposed changes to the ABAWD regulations.
- Nearly 12 percent of households with an adult age 60 or older would lose eligibility under the proposed changes to broad-based categorical eligibility (BBCE).
- Households that include someone age 60 or older or someone with a disability are most likely to be affected by the proposed changes to the SUAs, although a larger absolute number of households with children would be affected than for either of these groups.
- Non-Hispanic white and Asian households would be somewhat more likely than other racial and ethnic groups to lose eligibility or benefits under the proposed changes to BBCE and SUAs. The estimated likelihood of eligibility loss from the proposed ABAWD changes differs little among racial and ethnic groups.

Substantial shares of the SNAP caseload would be affected if all three proposed changes were adopted as proposed.

- SNAP participation would fall by at least 15 percent in 13 states; the District of Columbia, which is considered a state in this analysis (24 percent), and Nevada (22 percent) have the highest reductions.
- Total benefits would fall by at least 15 percent in 9 states; Vermont (29 percent) and Pennsylvania and the District of Columbia (19 percent each) would have the highest reductions.
- Almost three-quarters of households with gross income above 130 percent of the federal poverty guidelines (FPG) would lose eligibility.
- Nearly a quarter of households with no children, no members age 60 or older, and no people with disabilities would lose eligibility.
- Twelve percent of households that include someone age 60 or older would lose eligibility, 21 percent would receive lower benefits ($41 less a month on average), and 17 percent would receive a benefit increase ($15 on average).
- About 0.5 million households with children would lose eligibility, 1.1 million would have lower benefits ($28 less on average), and 1 million would have higher benefits ($13 on average).
- Some states would experience large changes in participation and benefits. Changes would be smaller in states that (a) do not have ABAWD time limit waivers or have waivers for only a small portion of their state, or (b) do not have BBCE or use it only to modify asset tests. Nine states would have less than a 2 percent change in annual benefits.

Next, we provide estimates and further background for the three proposed changes, followed by estimates for the combined effect of the policy changes. Box 2 describes the analytic approach.

Tightening Criteria for ABAWD Time Limit Waivers

The Supplemental Nutrition Assistance Program requires most people ages 16 to 59 who are mentally and physically able to work, not caring for a child under 6 or someone who is incapacitated, and not already working 30 or more hours a week to register for work.[4] If people are working, they may not leave their jobs or reduce their hours without good cause; if they are not working, they must look for work and accept offered opportunities. Additional requirements are placed on able-bodied adults ages 18 to 49 in households without children. People in this category are restricted to three months of SNAP benefits in a 36-month period unless they work a monthly average of at least 20 hours a week, earn the equivalent of working 20 hours a week at the minimum wage, participate in a workfare program or a qualified training program for 20 hours a week, have received an exemption,[5] or live in an area for which the state has received a waiver from requirements because of high unemployment or insufficient work.

BOX 2

Analytic Approach

We model the proposed regulatory changes using the Urban Institute's Analysis of Transfers, Taxes, and Income Security (ATTIS) microsimulation model. ATTIS is a powerful tool that provides national and state estimates using data from the US Census Bureau's American Community Survey.[a] The model simulates eligibility and benefits for public programs and assigns participation to eligible households so the size and characteristics of the simulated caseload match those of the actual caseload. Rules governing eligibility and benefits for various public assistance programs are coded into the model, so it can simulate the effects of changes in any of those rules.

For this analysis, we begin with the ATTIS baseline for SNAP receipt in the average month of 2016 but incorporate 2018 values for policies that are not indexed for inflation, including ABAWD time limit rules, BBCE policies, state certification periods and reporting requirements, and transitional SNAP for families leaving TANF.

We then reweight the file so the simulated SNAP caseload matches the size and characteristics of the SNAP caseload according to the 2018 SNAP Quality Control data (SNAP QC). Specifically, we reweight to state targets for the number of participating households by five household types: married couple with children, one-adult household with children, other households with children, households with an elderly member (age 60 or older) or a member who has a disability, and all other households. Within each state and household type, we control to targets for the number of households with gross income below 50 percent of the federal poverty guidelines (FPG), 50 to less than 100 percent of FPG, 100 percent to less than 130 percent of FPG, and above130 percent of FPG.

We use the reweighted baseline simulation as the starting point for simulating the proposed changes to regulations. We model the changes both individually and in combination. A combined estimate is beneficial because it shows the overall effect of the policy changes in a way that simply summing the individual effects cannot. For example, a household might gain benefits from the higher

SUA but lose eligibility from the elimination of BBCE. Simulating the proposed regulatory changes together provides an estimate of the overall effect of the policy changes.

[a] We use the version of the ACS made available by the University of Minnesota's Integrated Public Use Microdata Series project (Ruggles et al. 2000).

The proposed rule tightens the requirements states use to request waivers. Most currently waived areas qualify because they have an unemployment rate at least 20 percent above the national average. The proposed regulation would require that these areas also have an unemployment rate of at least 7 percent. In addition, states would no longer be able to combine lower and higher unemployment areas when seeking a waiver; instead, states would request waivers for designated labor market areas or the smallest area for which unemployment data are available from the Bureau of Labor Statistics.[6] States qualifying for extended unemployment benefits and areas with unemployment rates above 10 percent would continue to receive waivers. However, no state currently qualifies for extended unemployment benefits, and relatively few areas have unemployment rates above 10 percent. The USDA estimates that the proposed rule would reduce the share of individuals subject to ABAWD time limits currently living in waived areas from 44 percent to 11 percent.

According to our estimates, *if the proposed ABAWD waiver changes had been implemented in 2018, 588,000 (3 percent) fewer households would have participated in SNAP in the average month of the year, and 716,000 (1.8 percent) fewer people would have received benefits*. Annual benefits would have fallen by an estimated $1.6 billion (2.9 percent; see table 1).

The estimates assume that the new time limits would have gone into effect in January 2018. ABAWDs not meeting work requirements in the newly time-limited areas would have qualified for three months of assistance, and these months are not included as months of lost eligibility when determining the average monthly effect of the policy change.[7] The ongoing effect would be higher, because ABAWDs removed from SNAP would not receive any benefits in subsequent years unless they meet work requirements, are no longer an ABAWD, qualify for an exemption, or reach the beginning of a new 36-month period. We estimate that 1.4 million ABAWDs are in this category—having received SNAP at some point in 2018 but then exhausting their three months of time-limited assistance. These include ABAWDs who were on SNAP in January and lost eligibility in April because they did not meet the work requirement in January, February, and March; ABAWDs who were on SNAP in January, met the work requirement in some months but then failed to meet it in later months; and ABAWDs who began SNAP at some point during 2018 and used up their three months of assistance later in the year.

Eighteen states did not have waivers in 2018 and so would not be affected by the policy change. The total number of participating households would have fallen by at least 5 percent in 9 states, with the highest reductions in the District of Columbia (16.9 percent) and Nevada (11.6 percent).

While most households affected by the reduction in ABAWD waivers would lose eligibility entirely, some contain eligible members who would continue receiving SNAP, usually with a lower benefit. We estimate that the proposed regulations would cause 604,000 households to lose eligibility and 103,000 to receive lower benefits in an average month of 2018, with average monthly benefit losses of $194 and $158 (table 2). A small number of households (less than 0.1 percent, not shown) would gain eligibility or have higher benefits when members not meeting ABAWD work requirements become ineligible.

Sixteen percent of households with no children, no members age 60 or older, and no people with disabilities would lose eligibility under the proposed ABAWD waiver changes, and another 1.4 percent would have lower benefits. Some households with elderly members or persons with disabilities would be affected when ABAWDs living with them lose eligibility. Households with children do not contain people subject to ABAWD rules and so would be unaffected by the policy change.[8] Households without earnings and with income below 50 percent of FPG would be the most likely to lose eligibility. The likelihood of losing eligibility or benefits varies little by race and ethnicity.

The effects of a change in ABAWD waiver rules depend on the level of unemployment and number of ABAWDs living in waived areas when the change is made. Therefore, our estimates may differ from the USDA's estimates, which assume the changes are implemented in 2020. Even so, the results are broadly similar. The USDA estimates that 755,000 people would lose SNAP if the proposed regulations were implemented in 2020. We estimate that average monthly participation would fall by 716,000 people if the proposed regulations had been implemented in 2018 and that 1.4 million ABAWDs would have lost eligibility at some point in the year. Our estimated 2.9 percent reduction in annual benefits is similar to the 2.5 percent reduction the USDA estimated for the five years from 2020 to 2024.

BOX 3

Methodology for ABAWD Estimates

We estimate the effects of the proposed changes as if they had been implemented on January 1, 2018. In other words, we assume ABAWDs who were not meeting work requirements and were in areas newly subject to time limits would start having their three months of time-limited assistance counted in January 2018. The American Community Survey (ACS) data used for the analysis lack sufficient detail to identify all waived areas within a state. We therefore begin with a SNAP baseline in which ABAWDs are randomly selected as living in waived areas so the shares living there match the share of the state's poor population living in those areas according to Census Bureau local area estimates.[a]

To estimate the effects of the proposed ABAWD regulations, we review each county and New England township with a waiver in 2018 and remove waivers from areas with unemployment rates below 7 percent unless they are in a labor market area with an unemployment rate of 7 percent or higher.[b] We eliminate statewide waivers to be consistent with the proposed regulations. Unemployment rates used in waiver calculations are typically for the 24-month period that ends one year before the waivers are applied, so we average 2015 and 2016 unemployment rates for determining which areas would qualify for 2018 waivers.[c] We then recalculate the share of the state's poor population living in waived areas and make a corresponding reduction in the share of ABAWDs assumed to be living in waived areas. Results of these calculations are shown in the first two columns of table 1.

We apply the ABAWD rules to each person determined to be in an area subject to time limits to determine if they work enough hours to meet the work requirements. Those not meeting the requirement are allowed three months of assistance.[d] Prior research has found little or no effect of ABAWD time limits on employment and so we do not model any change in work behavior among people subject to the time limit (Harris 2018; Stacy, Scherpf, and Jo 2016).

[a] The Census Bureau estimates are five-year averages from the 2017 ACS obtained from the American FactFinder (ID: S1701, poverty status in the past 12 months).

[b] Because of data restrictions, we assume that all tribal reservations that had a waiver in 2018 would continue to qualify.

[c] Lizbeth Silberman (US Department of Agriculture, Food and Nutrition Service), letter to regional SNAP directors, December 2, 2016, https://fns-prod.azureedge.net/sites/default/files/snap/SNAP-Guide-to-Supporting-Requests-to-Waive-the-Time-Limit-for-ABAWDs.pdf.

[d] We also capture the provision that grants an additional three months of eligibility to ABAWDs who use their first three months of time-limited benefits, then meet the work requirement, and then subsequently fail to meet the work requirement.

TABLE 1

Share of Poor Population in Waived Areas and Effect of Proposed Changes to ABAWD Time Limit Waivers, if Implemented in 2018

	Share of Poor Population in Waived Areas		Change in SNAP Participation					
			Households		People		Annual Benefits	
	Base-line	Proposed rule	Number (000s)	%	Number (000s)	%	Number ($mills)	%
Total			**-587.6**	**-3.0%**	**-715.9**	**-1.8%**	**-1,581.5**	**-2.9%**
Alabama	0%	0%	0.0	0.0%	0.0	0.0%	0.0	0.0%
Alaska	100%	65%	-1.2	-3.1%	-1.5	-1.8%	-4.1	-2.7%
Arizona	31%	22%	-5.9	-1.6%	-6.7	-0.8%	-16.1	-1.4%
Arkansas	0%	0%	0.0	0.0%	0.0	0.0%	0.0	0.0%
California	100%	20%	-171.9	-9.0%	-198.0	-4.9%	-446.3	-7.3%
Colorado	2%	0%	-0.1	-0.1%	-0.2	-0.04%	-0.6	-0.1%
Connecticut	81%	34%	-8.2	-3.8%	-10.8	-2.8%	-22.7	-4.2%
Delaware	0%	0%	0.0	0.0%	0.0	0.0%	0.0	0.0%
DC	100%	0%	-11.5	-16.9%	-13.2	-11.5%	-30.3	-17.0%
Florida	0%	0%	0.0	0.0%	0.0	0.0%	0.0	0.0%
Georgia	42%	9%	-25.9	-3.7%	-32.2	-2.1%	-69.9	-3.3%
Hawaii	1%	0%	0.0	0.0%	0.0	0.0%	0.0	0.0%
Idaho	13%	4%	-0.3	-0.5%	-0.3	-0.2%	-0.8	-0.4%
Illinois	96%	3%	-66.3	-7.3%	-85.7	-4.8%	-185.3	-7.8%
Indiana	0%	0%	0.0	0.0%	0.0	0.0%	0.0	0.0%
Iowa	0%	0%	0.0	0.0%	0.0	0.0%	0.0	0.0%
Kansas	0%	0%	0.0	0.0%	0.0	0.0%	0.0	0.0%
Kentucky	62%	24%	-8.8	-3.1%	-12.4	-2.1%	-26.2	-3.3%
Louisiana	100%	29%	-21.3	-5.3%	-26.2	-3.2%	-57.8	-5.0%
Maine	0%	0%	0.0	0.0%	0.0	0.0%	0.0	0.0%
Maryland	39%	25%	-5.4	-1.6%	-6.3	-1.0%	-14.2	-1.7%

	Share of Poor Population in Waived Areas		Change in SNAP Participation					
			Households		People		Annual Benefits	
	Base-line	Proposed rule	Number (000s)	%	Number (000s)	%	Number ($mills)	%
Massachusetts	24%	14%	-5.2	-1.2%	-6.7	-0.9%	-15.4	-1.5%
Michigan	69%	5%	-40.3	-5.9%	-47.3	-3.6%	-102.9	-6.1%
Minnesota	19%	3%	-1.9	-0.9%	-2.6	-0.6%	-5.2	-1.0%
Mississippi	0%	0%	0.0	0.0%	0.0	0.0%	0.0	0.0%
Missouri	0%	0%	0.0	0.0%	0.0	0.0%	0.0	0.0%
Montana	35%	15%	-0.6	-1.1%	-0.6	-0.5%	-1.6	-1.1%
Nebraska	0%	0%	0.0	0.0%	0.0	0.0%	0.0	0.0%
Nevada	100%	5%	-26.2	-11.6%	-30.7	-7.2%	-67.8	-11.7%
New Hampshire	0%	0%	0.0	0.0%	0.0	0.0%	0.0	0.0%
New Jersey	57%	8%	-6.6	-1.7%	-9.5	-1.3%	-19.9	-2.1%
New Mexico	100%	48%	-9.0	-4.2%	-11.6	-2.6%	-24.9	-4.2%
New York	46%	14%	-38.4	-2.5%	-48.3	-1.8%	-101.9	-2.6%
North Carolina	0%	0%	0.0	0.0%	0.0	0.0%	0.0	0.0%
North Dakota	11%	6%	-0.03	-0.1%	-0.03	-0.1%	-0.1	-0.1%
Ohio	16%	4%	-8.3	-1.2%	-9.8	-0.7%	-21.6	-1.1%
Oklahoma	0%	0%	0.0	0.0%	0.0	0.0%	0.0	0.0%
Oregon	37%	7%	-16.9	-4.7%	-20.8	-3.2%	-46.5	-5.3%
Pennsylvania	73%	4%	-59.1	-6.3%	-73.2	-4.1%	-159.6	-6.9%
Rhode Island	100%	7%	-5.7	-6.2%	-7.2	-4.7%	-15.3	-6.9%
South Carolina	0%	0%	0.0	0.0%	0.0	0.0%	0.0	0.0%
South Dakota	32%	23%	-0.3	-0.8%	-0.3	-0.4%	-0.8	-0.6%
Tennessee	6%	4%	-0.6	-0.1%	-0.9	-0.1%	-2.5	-0.2%
Texas	0%	0%	0.0	0.0%	0.0	0.0%	0.0	0.0%
Utah	3%	2%	-0.1	-0.1%	-0.1	-0.1%	-0.2	-0.1%
Vermont	8%	0%	0.0	0.0%	-0.04	-0.1%	0.0	0.0%
Virginia	25%	5%	-4.5	-1.3%	-5.3	-0.8%	-11.9	-1.3%
Washington	73%	18%	-29.6	-6.0%	-37.4	-4.3%	-88.5	-7.8%
West Virginia	87%	34%	-7.2	-4.4%	-10.1	-3.1%	-20.6	-4.8%
Wisconsin	0%	0%	0.0	0.0%	0.0	0.0%	0.0	0.0%
Wyoming	0%	0%	0.0	0.0%	0.0	0.0%	0.0	0.0%

Source: ATTIS simulation on 2016 ACS, reweighted to 2018 SNAP QC totals. See box 2 for details.

Notes: Changes in SNAP participation for households and people are monthly; change in benefits is annual.

TABLE 2

Eligibility and Benefit Loss from Proposed Changes to ABAWD Time Limit Waivers if Implemented in 2018, by Demographic Subgroup

	Lost Eligibility			Benefits Reduced		
	Number (000s)	Percent	Average benefit loss ($)	Number (000s)	Percent	Average reduction ($)
Total households	**603.5**	**3.1%**	**194**	**102.7**	**0.5%**	**158**
Household type[a]						
With children	0.0	0.0%	0	0.0	0.0%	0
With adult age 60+	1.0	0.0%	266	22.1	0.4%	157
With person who has a disability	0.4	0.0%	80	27.6	0.6%	145
None of the above	602.3	15.7%	194	53.9	1.4%	165
Earnings						
With earnings	28.5	0.5%	196	48.6	0.8%	161
Without earnings	575.0	4.3%	194	54.1	0.4%	156
Family income as percentage of poverty guidelines						
<50	567.5	8.2%	198	26.0	0.4%	180
50-<100	23.3	0.3%	152	50.3	0.6%	149
100-<130	6.5	0.2%	49	13.9	0.5%	135
130+	6.2	0.4%	73	12.5	0.8%	173
Race and ethnicity of household head						
Non-Hispanic white	274.5	2.9%	192	51.2	0.5%	157
Non-Hispanic black	144.3	3.2%	196	23.8	0.5%	159
Hispanic	129.3	3.0%	193	19.0	0.4%	163
Non-Hispanic Asian	5.9	3.3%	199	1.1	0.6%	155
Non-Hispanic, races excluding the above	49.4	4.2%	195	7.6	0.6%	152

Source: ATTIS simulation on 2016 ACS, reweighted to 2018 SNAP QC totals. See box 2 for details.

Notes: Changes in eligibility and benefits for SNAP households are monthly.

[a] The "with children," "with adult age 60+," and "with person who has a disability" categories overlap.

Restricting Broad-Based Categorical Eligibility

Under current regulations, states can increase income eligibility limits (up to a maximum of 200 percent of FPG) and waive asset tests through an option known as broad-based categorical eligibility (BBCE). Under BBCE, households are categorically eligible for SNAP if they qualify for a noncash TANF or state maintenance-of-effort–funded benefit and have passed the income test and asset test (if any) required for that benefit. BBCE expands upon SNAP's long-standing categorical eligibility policy, which provides eligibility to households in which all members receive Supplemental Security Income, TANF cash assistance, or cash assistance from state General Assistance programs. The 1996 welfare reform law that created TANF provides states flexibility to meet its goals through provision of cash assistance or services, so categorical eligibility was extended to include services as well as cash assistance (CRS 2019). Most states confer BBCE eligibility by providing a service, such as an informational brochure or a referral to services funded by TANF or maintenance-of-effort dollars for which the household is eligible. Forty states, the District of Columbia, Guam, and the Virgin Islands had BBCE in 2018.[9]

In the absence of BBCE, households must have monthly net income (income after deductions) below the FPG ($1,702 for a three-person family in 2018). In addition, households without an elderly member or a person with a disability must have gross income below 130 percent of FPG ($2,213 for a three-person family in 2018). Households must have no more than $2,250 in countable assets, or $3,500 for households with a person age 60 or older or a person with a disability.

Most states with BBCE waive the SNAP asset test, and six set a higher asset limit than the federal limit. All but 10 states with BBCE in 2018 had a higher gross income limit for SNAP eligibility, ranging from 150 percent to 200 percent of FPG. The higher gross income limit helps avoid a "benefit cliff" that happens when households with income modestly above the gross income limit have such high shelter or child care expenses that they are otherwise eligible for SNAP benefits. Because benefits fall as income rises, benefits phase out for most households before the higher income limits are reached. However, households with one or two members continue to qualify for a minimum benefit ($15 in 2018) as long as they remain eligible.[10]

The proposed rule would place additional requirements on the types of benefits that confer categorical eligibility. Qualifying noncash services would be substantial (valued at $50 or more a month), ongoing (received or authorized to be received for six months or more), and used for subsidized employment, work supports, or child care. Households could also qualify for categorical eligibility based on receipt of substantial and ongoing cash assistance.

According to our estimates, *if BBCE had been eliminated in 2018, the average monthly number of participating households would have fallen 7.9 percent, reducing annual benefits by 3.6 percent* (table 3). This estimate is slightly lower than the USDA's estimate of a 9 percent reduction in households and a 5 percent reduction in annual benefits, most likely because of our data limitations involving assets.

Eliminating BBCE would reduce SNAP participation, with the greatest effect in states with BBCE policies that both increase the income limit and eliminate the asset test. The number of participating households would fall by more than 10 percent in 14 states; Delaware (17.7 percent), Oregon (14.2 percent), Vermont (14 percent), and Wisconsin (16.2 percent) would have the largest percentage reductions.

Households with an adult age 60 or older would be most likely to be affected by the proposed rule. Nearly 12 percent of such households would lose eligibility (table 4). Households containing members with disabilities would be the least likely to be affected: 4.5 percent lose eligibility under the proposed rule. Nearly 12 percent of households with earnings would become ineligible, compared with 6 percent of those without. Seventy-two percent of households with gross income above 130 percent of FPG would become ineligible; the remaining 28 percent would maintain eligibility because they have an adult age 60 or older or someone with a disability and are therefore not subject to the federal gross income limit. Ten percent of non-Hispanic white and Asian households would lose eligibility, compared with 5 percent of non-Hispanic black households and 6.5 percent of Hispanic households.

Households losing eligibility under the proposed change to categorical eligibility would lose an average of $105 a month, with the highest average losses among households with children ($166), earnings ($135), income below 50 percent of FPG ($270), and a non-Hispanic Asian head of household ($159). The level of loss varies by income level and family size. SNAP benefits are higher at lower income levels. Households with income below 50 percent FPG who lose eligibility with elimination of BBCE would lose an average of $270 a month, compared with $52 a month for those with incomes between 100 and 130 percent FPG. Households with income above 130 percent FPG that lose eligibility due to BBCE lose somewhat more on average ($84) than households between 100 and 130 percent FPG. Households above 130 percent FPG that lose benefits are more likely to be households with children that are larger on average and qualify for higher benefits due to their larger size.

BOX 4

Methodology for BBCE Estimates

The 2018 SNAP baseline models BBCE policies in effect in 2018. We then simulate the proposed policy change, this time eliminating BBCE and applying the federal income and asset tests to each household. Because of data limitations, we likely understate the number of households that would become ineligible by the imposition of asset limits. We estimate asset values based on income from rents, dividends, and interest; we do not capture rules regarding vehicles.

We assume that states would not create new benefits that would qualify households for categorical eligibility under the new rules. We also assume that households in which all members receive cash assistance would continue to qualify.

TABLE 3

Effect of Eliminating Broad-Based Categorical Eligibility (BBCE), if Implemented in 2018

	State BBCE Policy 2018		Change in SNAP Participation					
			Households		People		Annual Benefits	
	Asset limit	Gross income limit (% of FPG)[a]	Number (000s)	%	Number (000s)	%	Number ($mills)	%
Total			**-1,559.1**	**-7.9%**	**-3,029.3**	**-7.6%**	**-1,958.5**	**-3.6%**
Alabama	No limit[b]	130%	-6.7	-1.9%	-10.5	-1.4%	-11.9	-1.2%
Alaska	--	--	0.0	0.0%	0.0	0.0%	0.0	0.0%
Arizona	No limit	185%	-31.2	-8.3%	-71.4	-8.3%	-43.7	-3.7%
Arkansas	--	--	0.0	0.0%	0.0	0.0%	0.0	0.0%
California	No limit	200%	-210.4	-11.0%	-432.6	-10.7%	-342.8	-5.6%
Colorado	No limit[b]	200%	-16.1	-7.4%	-32.6	-7.3%	-30.1	-4.8%
Connecticut	No limit	185%	-28.0	-12.8%	-57.1	-15.0%	-39.8	-7.3%
Delaware	No limit	200%	-11.7	-17.7%	-19.9	-15.0%	-9.3	-5.4%
DC	No limit	200%	-5.3	-7.9%	-8.0	-6.9%	-6.9	-3.9%
Florida	No limit	200%	-188.9	-11.5%	-364.1	-11.5%	-223.1	-5.5%
Georgia	No limit[b]	130%	-38.2	-5.4%	-61.3	-4.1%	-27.6	-1.3%
Hawaii	No limit	200%	-6.2	-7.5%	-13.0	-8.2%	-23.2	-5.3%
Idaho	$5,000	130%	-0.2	-0.3%	-0.3	-0.2%	-0.4	-0.2%
Illinois	No limit[b]	165%	-81.6	-9.0%	-158.0	-8.9%	-93.1	-3.9%
Indiana	$5,000	130%	-0.7	-0.3%	-2.0	-0.3%	-1.9	-0.2%
Iowa	No limit	160%	-15.7	-9.8%	-34.0	-10.0%	-18.1	-4.3%
Kansas	--	--	0.0	0.0%	0.0	0.0%	0.0	0.0%
Kentucky	No limit[b]	130%	-7.1	-2.5%	-13.9	-2.4%	-9.3	-1.2%
Louisiana	--	--	0.0	0.0%	0.0	0.0%	0.0	0.0%
Maine	$5,000	185%	-7.5	-8.8%	-14.6	-9.5%	-7.1	-3.7%
Maryland	No limit	200%	-40.5	-11.9%	-74.8	-11.9%	-44.2	-5.4%
Massachusetts	No limit[b]	200%	-44.9	-10.2%	-91.0	-11.9%	-82.8	-7.9%
Michigan	$5,000[c]	200%	-65.9	-9.7%	-125.5	-9.7%	-46.2	-2.7%
Minnesota	No limit	165%	-19.5	-9.4%	-43.0	-10.6%	-22.2	-4.4%
Mississippi	No limit	130%	-1.8	-0.8%	-3.6	-0.7%	-4.2	-0.7%
Missouri	--	--	0.0	0.0%	0.0	0.0%	0.0	0.0%
Montana	No limit	200%	-5.2	-9.4%	-12.3	-10.8%	-9.9	-6.8%
Nebraska	$25,000[d]	130%	-0.5	-0.6%	-1.0	-0.6%	-1.5	-0.7%
Nevada	No limit	200%	-26.3	-11.6%	-48.9	-11.5%	-28.3	-4.9%
New Hampshire[e]	No limit	185%	-3.9	-9.3%	-11.5	-14.0%	-8.0	-8.3%
New Jersey	No limit	185%	-39.5	-10.4%	-78.5	-10.8%	-50.1	-5.2%
New Mexico	No limit	165%	-13.4	-6.3%	-28.9	-6.4%	-15.9	-2.7%
New York	No limit[b]	150%[f]	-118.6	-7.8%	-219.0	-8.0%	-147.5	-3.8%
North Carolina	No limit	200%	-58.8	-9.6%	-95.3	-8.2%	-82.1	-4.7%
North Dakota	No limit	200%	-1.8	-7.4%	-4.4	-8.6%	-3.5	-5.0%
Ohio	No limit[b]	130%	-45.1	-6.4%	-71.1	-4.9%	-40.8	-2.1%
Oklahoma	No limit	130%	-4.8	-1.8%	-8.5	-1.5%	-14.5	-1.8%
Oregon	No limit	185%	-51.1	-14.2%	-92.5	-14.4%	-69.9	-8.0%
Pennsylvania	No limit[b]	160%	-104.8	-11.1%	-200.6	-11.3%	-114.9	-5.0%
Rhode Island	No limit[b]	185%	-10.5	-11.4%	-19.3	-12.5%	-12.7	-5.7%
South Carolina	No limit[b]	130%	-10.9	-3.6%	-18.2	-2.9%	-11.2	-1.3%
South Dakota	--	--	0.0	0.0%	0.0	0.0%	0.0	0.0%
Tennessee	--	--	0.0	0.0%	0.0	0.0%	0.0	0.0%
Texas	$5,000[g]	165%	-101.5	-6.3%	-223.8	-5.9%	-91.5	-1.8%
Utah	--	--	0.0	0.0%	0.0	0.0%	0.0	0.0%

	State BBCE Policy 2018		Change in SNAP Participation					
			Households		People		Annual Benefits	
	Asset limit	Gross income limit (% of FPG)[a]	Number (000s)	%	Number (000s)	%	Number ($mills)	%
Vermont	No limit	185%	-5.6	-14.0%	-11.8	-16.7%	-7.7	-8.3%
Virginia	--	--	0.0	0.0%	0.0	0.0%	0.0	0.0%
Washington	No limit	200%	-60.9	-12.3%	-119.6	-13.8%	-82.5	-7.3%
West Virginia	No limit[b]	200%	-15.7	-9.6%	-28.5	-8.6%	-18.4	-4.3%
Wisconsin	No limit	200%	-52.4	-16.2%	-104.4	-16.2%	-59.8	-7.7%
Wyoming	--	--	0.0	0.0%	0.0	0.0%	0.0	0.0%

Sources: State BBCE policies from the USDA's "Broad Based Categorical Eligibility Chart," last updated October 2018. Estimated changes in SNAP participation from an ATTIS simulation on 2016 ACS, reweighted to 2018 SNAP QC totals (see box 2 for details).

Notes: Changes in SNAP participation for households and people are monthly; change in benefits is annual.

-- = no BBCE policy

[a] Households with an adult age 60 or older or a person with a disability are not subject to the gross income limit.

[b] Households with income over 200 percent of the federal poverty guidelines (FPG) are not categorically eligible and face a $3,500 asset limit.

[c] The value of the first vehicle is excluded, but other vehicles with fair-market values over $15,000 are counted.

[d] The limit applies to liquid assets.

[e] Households must have a dependent child to qualify.

[f] Households must have earned income to qualify. Households with dependent care expenses are eligible up to 200 percent of FPG.

[g] Up to $15,000 of the value of a first vehicle is excluded; any excess value, and the value of other vehicles, is counted.

TABLE 4

Eligibility Loss from Proposed Changes to Categorical Eligibility if Implemented in 2018, by Demographic Subgroup

	Number (000s)	Percent	Average benefit loss ($)
Total households	**1,565.5**	**7.9%**	**105**
Household type[a]			
With children	525.3	6.5%	166
With adult age 60+	585.0	11.8%	69
With person who has a disability	191.6	4.5%	32
None of the above	342.9	9.0%	108
Earnings			
With earnings	727.2	11.6%	135
Without earnings	838.2	6.3%	78
Family income as percentage of poverty guidelines			
<50	123.6	1.8%	270
50-<100	125.5	1.5%	216
100-<130	232.2	9.0%	52
130+	1,084.2	71.8%	84
Race and ethnicity of household head			
Non-Hispanic white	958.7	10.0%	105
Non-Hispanic black	228.8	5.1%	78
Hispanic	275.6	6.5%	113
Non-Hispanic Asian	17.6	9.8%	159
Non-Hispanic, races excluding the above	84.7	7.2%	133

Source: ATTIS simulation on 2016 ACS, reweighted to 2018 SNAP QC totals. See box 2 for details.

Notes: Changes in eligibility and lost benefits for SNAP households are monthly.
[a] The "with children," "with adult age 60+," and "with person who has a disability" categories overlap.

Creating a Uniform Approach to the SUA

The SNAP eligibility determination and benefit calculation include a deduction for excess shelter expenses, including utilities. The deduction equals the amount by which shelter expenses exceed half a household's income after other deductions. The deduction is capped (at $535 a month in 2018) for households without an elderly person or a member with a disability.[11]

In most states, households are required to claim a standard utility allowance instead of reporting actual expenses.[12] In 2018, 63 percent of SNAP households received a heating and cooling standard utility allowance (HCSUA), which covers heating and cooling costs, telephone service, and other utilities. Five percent received a telephone-only allowance, which is available to households with no other utility costs. About one-quarter (26 percent) of households did not receive an allowance. A small share (less than 5 percent) received utility allowances for utilities other than heating and cooling or claimed actual expenses for the deduction.[13]

States have flexibility in the data and methods used to set standard utility allowances. The proposed rule would standardize the methodology for calculating standard utility allowances, setting it at the USDA's estimate of the 80th percentile for low-income households' utility costs within the state based on national survey data. This would reduce the variation in HCSUAs across states, with some receiving a higher allowance and some receiving a lower allowance. The telephone allowance would be replaced with a telecommunications allowance reflecting the cost of one telephone, basic internet service, or both. The HCSUA would also incorporate the telecommunications standard.

The proposed changes primarily affect benefit amounts, with little effect on participation. We estimate that aggregate benefits would fall in 29 states and increase in the remaining 21 states and Washington, DC. Benefits would fall by more than 5 percent in 12 states; Vermont (21.6 percent), New York (11.1 percent), South Dakota (11.0 percent) and Maine (10.8 percent) would have the biggest reductions. Mississippi would receive the highest percentage increase in total benefits (4.9 percent), followed by Alabama (3.4 percent), and Arizona (3.2 percent). Nationally, the amount spent on SNAP benefits would fall by $786 million (1.5 percent).

We estimate that about 22,000 (0.1 percent) of households would lose eligibility and another 71,000 (0.4 percent) would begin participating in an average month of 2018 because they either become eligible or were previously eligible and chose to participate once the benefit was higher. This results in a net 0.3 percent increase in the average monthly number of participating households. Thirteen percent of households would have higher benefits, with an average gain of $14, and 16 percent would have lower benefits, with an average loss of $33 (table 6).

Households that include an adult age 60 or older or someone with a disability would most likely be affected by the proposed change to the SUA. The change would reduce benefits for 25 percent of households that include someone with a disability (table 6), with an average reduction of $36 a month. Twenty-two percent of elderly households would have a reduction, with an average reduction of $38 a month. Benefits would increase for 20.7 percent of households that include someone with a disability and 17.5 percent of elderly households, with average increases of $15. Fifteen percent of households with children would receive lower benefits and 13 percent would receive a benefit increase. Households with no children, adults age 60 or older, or people with disabilities would be the least affected: 4 percent would receive lower benefits, and 3 percent would receive higher benefits.

Households below 50 percent of FPG are the least likely income group to be affected by the SUA change, with 5 percent receiving lower benefits and the same share receiving higher benefits. This group includes households without income or with very little income who receive the maximum benefit even without the excess shelter expense deduction.

Asian and non-Hispanic white households would be most likely to receive lower benefits. Twenty-three percent of Asian households would have lower benefits, losing an average $46 a month. Eighteen percent of non-Hispanic white households would have lower benefits, losing an average $34 a month. Hispanic and non-Hispanic black households would be most likely to have increased benefits. About 16 percent of these households would receive higher benefits, with average increases of $14–$15 a month.

Our estimates are similar to the USDA estimates; some differences likely stem from different data sources, estimation years, and methodologies. Our estimate of a net 1.5 percent reduction in SNAP benefits is close to the USDA estimate of 1.6 percent, and our estimates by state are generally within 1 or 2 percentage points of the USDA estimates.[14] We estimate that 16 percent of households would have lower benefits and 13 percent would have higher benefits due to the proposed change. The corresponding estimates from the USDA are 19 and 16 percent, respectively. Households gaining benefits gain an average of $14 in our estimate, compared with $13 in the USDA estimate. Those losing benefits lose an average of $33, compared with $31 in the USDA estimate.[15]

BOX 5

Methodology for SUA Estimates

The 2018 SNAP baseline simulation randomly assigns use of the HCSUA and telephone allowance to households that pay utilities separately from their rent or mortgage so the share of households using these allowances in the state matches the actual share according to the 2018 SNAP Quality Control (QC) data. The estimates do not capture allowances for individual utilities or deductions for actual expenses. The estimates capture variation in the HCSUA in several states that change the allowance by household size and assign an average allowance for Alaska based on its regional HCSUAs.

We use 2017 HCSUAs estimated by the USDA using the proposed methodology to simulate the effects of the proposed rule.[a] We adjust the HCSUA dollar amounts for consistency with the year of the data.[b] We follow the assumption used in the USDA's regulatory impact statement of a $55 telecommunications allowance, the maximum the USDA estimates would be allowed. The USDA's estimates assume that some states would have a lower allowance than the cap. Our estimates make the $55 telecommunications allowance available in all states. The estimates do not capture proposed regulatory changes affecting the small share of households receiving utility allowances other than the HCSUA or telecommunications allowance.

[a] "FY 2017 SNAP HCSUA Values and Proposed Rule Impacts, by State", July 29 2019, https://fns-prod.azureedge.net/sites/default/files/resource-files/FY%202017%20HCSUA%20Values%20and%20Proposed%20Rule%20Impacts.pdf.

[b] Because our simulation relies on 2016 ACS data reweighted to reflect the 2018 SNAP caseload, we use 2016 HCSUAs and telephone allowances and adjust the USDA's alternative HCSUA values to reflect 2016. We believe this approach adequately captures the relative change in the HCSUA between the current and proposed rule. We assume the 2017 HCSUAs would have been finalized in September 2016, so we adjust the USDA's 2017 HCSUAs developed with the proposed methodology to 2016 values based on the change in the fuel consumer price index between June 2015 and June 2016. We do not adjust the assumed $55 telephone allowance.

TABLE 5

Effect of Proposed Changes to Standard Utility Allowance and Telephone Allowance

	Change to Allowance		Change in SNAP Participation					
			Households		People		Benefits	
	HCSUA	Telecommunications	(000s)	%	(000s)	%	($mills)	%
Total			**49.3**	**0.3%**	**83.8**	**0.2%**	**-785.6**	**-1.5%**
Alabama	79	20	3.9	1.1%	4.7	0.6%	33.0	3.4%
Alaska	-178	19	-0.04	-0.1%	-0.1	-0.1%	-3.2	-2.1%
Arizona	166	27	6.4	1.7%	12.8	1.5%	37.9	3.2%
Arkansas	41	30	0.6	0.3%	0.6	0.2%	4.4	1.0%
California	-24	36	0.5	0.03%	0.8	0.02%	-26.0	-0.4%
Colorado	-137	-19	0.0	0.0%	-0.1	-0.02%	-25.5	-4.0%
Connecticut	-189	29	-0.9	-0.4%	-2.6	-0.7%	-38.4	-7.1%
Delaware	59	19	0.5	0.7%	1.1	0.8%	2.6	1.5%
DC	23	-16	0.0	0.0%	0.0	0.0%	0.9	0.5%
Florida	45	18	9.6	0.6%	18.9	0.6%	76.1	1.9%
Georgia	53	20	2.0	0.3%	2.8	0.2%	32.8	1.6%
Hawaii	134	29	0.0	0.0%	0.0	0.0%	0.4	0.1%
Idaho	-57	15	0.1	0.2%	0.1	0.1%	-4.8	-2.3%
Illinois	31	27	3.0	0.3%	6.3	0.4%	21.6	0.9%
Indiana	-44	24	-0.4	-0.2%	-0.5	-0.1%	-13.5	-1.7%
Iowa	-8	29	0.0	0.0%	-0.1	-0.02%	-0.6	-0.1%
Kansas	12	19	0.4	0.4%	0.5	0.3%	1.6	0.6%
Kentucky	37	19	0.5	0.2%	0.7	0.1%	10.5	1.3%
Louisiana	-2	9	0.0	0.0%	0.0	0.0%	-0.7	-0.1%
Maine	-222	11	-0.3	-0.3%	-0.8	-0.5%	-20.6	-10.8%
Maryland	19	15	1.4	0.4%	2.8	0.5%	5.1	0.6%
Massachusetts	-162	11	-7.3	-1.7%	-10.1	-1.3%	-76.2	-7.3%
Michigan	-143	22	-1.1	-0.2%	-3.4	-0.3%	-105.8	-6.2%
Minnesota	-122	17	-0.1	-0.04%	-0.2	-0.1%	-19.3	-3.8%
Mississippi	114	26	5.5	2.4%	6.8	1.4%	31.5	4.9%
Missouri	37	3	4.6	1.4%	6.5	0.9%	15.4	1.7%
Montana	-179	19	-1.4	-2.5%	-2.0	-1.8%	-10.0	-7.0%
Nebraska	-114	4	-0.4	-0.5%	-1.0	-0.6%	-8.7	-4.0%
Nevada	117	31	2.2	1.0%	4.9	1.1%	16.3	2.8%
New Hampshire	-137	28	-0.1	-0.3%	-0.2	-0.3%	-4.8	-4.9%
New Jersey	19	26	1.7	0.4%	4.5	0.6%	8.0	0.8%
New Mexico	33	14	1.1	0.5%	1.7	0.4%	6.1	1.0%
New York	-251	22	-2.7	-0.2%	-8.4	-0.3%	-429.1	-11.1%

	Change to Allowance		Change in SNAP Participation					
			Households		People		Benefits	
	HCSUA	Telecommunications	(000s)	%	(000s)	%	($mills)	%
North Carolina	0	25	-0.1	-0.01%	-0.5	-0.04%	-14.8	-0.9%
North Dakota	-231	20	-0.6	-2.5%	-0.7	-1.4%	-5.1	-7.3%
Ohio	-152	16	-0.1	-0.02%	-0.5	-0.03%	-113.5	-5.8%
Oklahoma	-23	7	-0.1	-0.03%	-0.1	-0.01%	-5.4	-0.7%
Oregon	-110	-4	-0.4	-0.1%	-0.9	-0.1%	-35.2	-4.0%
Pennsylvania	-155	22	-0.9	-0.1%	-3.7	-0.2%	-187.6	-8.1%
Rhode Island	-127	32	-0.1	-0.1%	-0.1	-0.1%	-12.0	-5.4%
South Carolina	77	28	1.7	0.6%	2.3	0.4%	24.3	2.9%
South Dakota	-358	9	-0.5	-1.2%	-0.5	-0.6%	-14.7	-11.0%
Tennessee	39	32	2.4	0.5%	2.6	0.3%	6.9	0.5%
Texas	66	19	14.1	0.9%	33.4	0.9%	110.2	2.2%
Utah	50	9	1.2	1.6%	1.7	0.9%	3.6	1.4%
Vermont	-351	19	-0.5	-1.4%	-1.1	-1.6%	-20.2	-21.6%
Virginia	108	6	4.7	1.4%	7.1	1.0%	18.6	2.0%
Washington	-63	-8	-0.6	-0.1%	-1.8	-0.2%	-26.7	-2.4%
West Virginia	-50	55	0.0	0.0%	0.0	0.0%	-8.2	-1.9%
Wisconsin	-89	25	-0.1	-0.04%	-0.5	-0.1%	-22.4	-2.9%
Wyoming	-30	-3	0.0	0.0%	0.0	0.0%	-0.4	-1.1%

Source: ATTIS simulation on 2016 ACS, reweighted to 2018 SNAP QC totals. See box 2 for details.

Notes: Changes in SNAP participation for households and people are monthly; change in benefits is annual.

TABLE 6

Effects on Benefits from Proposed Changes to the Standard Utility Allowance if Implemented in 2018, by Demographic Subgroup

	Has Lower Benefits			Has Higher Benefits		
	Number (000s)	Percent	Average reduction ($)	Number (000s)	Percent	Average increase ($)
Total households	**3,190.3**	**16.2%**	**33**	**2,608.7**	**13.2%**	**14**
Household type						
With children	1,231.6	15.2%	27	1,049.6	13.0%	13
With adult age 60+	1,071.3	21.5%	38	871.3	17.5%	15
With a person who has a disability	1,067.5	25.0%	36	881.1	20.7%	15
None of the above	139.4	3.6%	25	104.4	2.7%	13
Earnings						
With earnings	1,007.6	16.0%	28	895.4	14.2%	13
Without earnings	2,182.6	16.3%	35	1,713.4	12.8%	15
Family income as percentage of poverty guidelines						
<50	342.3	4.9%	23	343.2	4.9%	13
50-<100	2,116.1	24.5%	35	1,837.6	21.2%	14
100-<130	510.2	19.7%	32	317.0	12.2%	14
130+	221.5	14.7%	35	110.9	7.3%	14
Race and ethnicity of household head						
Non-Hispanic white	1,722.2	18.0%	34	1,083.5	11.3%	14
Non-Hispanic black	604.1	13.4%	32	713.4	15.8%	15
Hispanic	631.4	14.8%	31	681.3	16.0%	14
Non-Hispanic Asian	41.7	23.2%	46	14.2	7.9%	10
Non-Hispanic, races excluding the above	190.9	16.3%	32	116.2	9.9%	14

Source: ATTIS simulation on 2016 ACS, reweighted to 2018 SNAP QC totals. See box 2 for details.
Notes: The results show the change in average monthly benefits for SNAP households.
[a] The "with children," "with adult age 60+," and "with person who has a disability" categories overlap.

Combined Effect of Proposed Regulations

The combined effects of the proposed regulations would vary considerably by state (table 7). States with higher BBCE income limits, greater use of ABAWD waivers, and HCSUAs above the new standard would have the largest reductions in participation and benefits. States without BBCE (or using BBCE only to waive or increase the asset limit), with few or no ABAWD waivers under current rules, and with HCSUAs below the new standard would be most likely to see benefits increase. These states would not be affected (or would be minimally affected) by the proposed BBCE and ABAWD changes but would experience higher benefits through the proposed HCSUA and telecommunications allowance changes.

If implemented in 2018, the combined changes would have had the following effects:

- The number of households participating in an average month of the year would have fallen by 2.1 million (10.8 percent).
- The number of people receiving SNAP would have fallen by 3.7 million (9.4 percent), and the total SNAP benefits paid would have fallen by $4.2 billion (7.8 percent).

The average monthly number of participating households would have fallen by at least 15 percent in California, Connecticut, Delaware, the District of Columbia, Illinois, Michigan, Nevada, Oregon, Pennsylvania, Rhode Island, Vermont, Washington, and Wisconsin; the District of Columbia (24 percent) and Nevada (22 percent) would have the highest reductions. Participation would fall by 2 percent or less in Alabama, Idaho, Indiana, Nebraska, Oklahoma, South Carolina, and Wyoming. Participation would increase slightly in Arkansas, Kansas, Mississippi, Missouri, Tennessee, Utah, and Virginia. These states would have increased participation from the higher utility allowances and would be unaffected (or minimally affected) by the BBCE and ABAWD changes. Vermont would experience the largest reduction in total benefits (28.6 percent), followed by Pennsylvania (19.4 percent), the District of Columbia (19.2 percent), Connecticut (18 percent), Rhode Island (17.4 percent), and New York (17.2 percent).

The proposed changes would remove 2.2 million households from SNAP and reduce benefits for 3.1 million others (table 8).

- Households losing eligibility would lose an average of $127 a month.
- Households with lower benefits would lose an average of $37.
- About 2.5 million households would have higher benefits, with an average increase of $14.
- A relatively small number (67,000) would start participating in SNAP (not shown).

Reductions in participation would be particularly pronounced for households without children, elderly members, or disabled members (24.3 percent reduction) and for elderly households (12.4 percent).

- Households with members with disabilities would be the most likely to have benefit increases (20.5 percent, with an average monthly increase of $15) as well as reductions (25.3 percent, with an average reduction of $39).
- More than 20 percent of elderly households would have lower monthly benefits ($41 lower on average), and 17 percent would have higher benefits ($15 higher on average).
- Although households with children are less likely to be affected by the policy changes, more households with children would experience benefit reductions or increases than the other groups. About 0.5 million households with children would lose eligibility, 1.1 million would have lower benefits ($28 lower on average), and 1 million would have higher benefits ($13 higher on average) under the combined policy scenarios.

Nearly three-quarters (73.9 percent) of households with gross income above 130 percent of FPG would lose eligibility, with an average benefit loss of $83. About 10 percent of households with income below 50 percent of FPG would lose eligibility, with an average benefit loss of $211.

Non-Hispanic black and Hispanic households would be somewhat less likely than other groups to lose eligibility or to have lower benefits and would be somewhat more likely to gain benefits.

- Eight percent of black and 9.5 percent of Hispanic households would lose eligibility, compared with 13 percent of non-Hispanic Asian and white households.
- About 14 percent of Non-Hispanic black and Hispanic participants would receive lower benefits, compared with 17 percent of non-Hispanic white households and 22 percent of non-Hispanic Asian households.
- Fifteen percent would receive higher benefits, relative to 11 percent of non-Hispanic white households and 7 percent of non-Hispanic Asian households.

TABLE 7

Combined Effect of Proposed Changes to Regulations if Implemented in 2018

	Is State Affected by		Change in SNAP Participation					
			Households		People		Benefits	
	ABAWD change?	BBCE change?	Number (1,000s)	%	Number (1,000s)	%	Number ($mills)	%
Total			**-2,135.8**	**-10.8%**	**-3,721.5**	**-9.4%**	**-4,243.8**	**-7.8%**
Alabama	no	yes	-2.9	-0.8%	-5.8	-0.8%	20.9	2.1%
Alaska	yes	no	-1.3	-3.2%	-1.6	-1.9%	-7.2	-4.8%
Arizona	yes	yes	-32.7	-8.6%	-72.3	-8.4%	-24.3	-2.0%
Arkansas	no	no	0.6	0.3%	0.6	0.2%	4.4	1.0%
California	yes	yes	-381.3	-19.9%	-625.7	-15.4%	-801.4	-13.1%
Colorado	yes	yes	-16.8	-7.7%	-33.6	-7.5%	-55.3	-8.7%
Connecticut	yes	yes	-37.9	-17.3%	-69.8	-18.4%	-97.8	-18.0%
Delaware	no	yes	-11.4	-17.3%	-19.4	-14.6%	-6.8	-4.0%
DC	yes	yes	-16.5	-24.4%	-20.7	-18.0%	-34.3	-19.2%
Florida	no	yes	-181.6	-11.1%	-353.8	-11.2%	-151.4	-3.7%
Georgia	yes	yes	-61.0	-8.7%	-88.6	-5.9%	-64.3	-3.0%
Hawaii	yes	yes	-6.2	-7.5%	-13.0	-8.2%	-22.8	-5.2%
Idaho	yes	yes	-0.4	-0.6%	-0.4	-0.3%	-6.0	-2.9%
Illinois	yes	yes	-144.9	-16.0%	-238.3	-13.4%	-253.9	-10.7%
Indiana	no	yes	-1.1	-0.4%	-2.5	-0.4%	-15.4	-2.0%
Iowa	no	yes	-15.8	-9.8%	-34.1	-10.0%	-18.6	-4.4%
Kansas	no	no	0.4	0.4%	0.5	0.3%	1.6	0.6%
Kentucky	yes	yes	-15.1	-5.4%	-25.2	-4.3%	-24.4	-3.1%
Louisiana	yes	no	-21.3	-5.3%	-26.1	-3.2%	-58.6	-5.0%
Maine	no	yes	-8.8	-10.4%	-16.6	-10.8%	-26.7	-14.0%
Maryland	yes	yes	-44.7	-13.1%	-79.6	-12.7%	-52.3	-6.4%
Massachusetts	yes	yes	-54.9	-12.4%	-104.4	-13.6%	-165.3	-15.8%
Michigan	yes	yes	-111.0	-16.4%	-178.6	-13.7%	-250.3	-14.8%
Minnesota	yes	yes	-21.8	-10.5%	-46.1	-11.3%	-45.4	-8.9%
Mississippi	no	yes	3.6	1.6%	3.0	0.6%	27.0	4.2%
Missouri	no	no	4.6	1.4%	6.5	0.9%	15.4	1.7%
Montana	yes	yes	-6.6	-12.0%	-13.8	-12.0%	-20.4	-14.2%
Nebraska	no	yes	-0.8	-1.1%	-2.0	-1.2%	-10.2	-4.7%
Nevada	yes	yes	-50.8	-22.4%	-77.1	-18.2%	-80.3	-13.9%
New Hampshire	no	yes	-4.0	-9.6%	-11.7	-14.2%	-12.6	-13.0%
New Jersey	yes	yes	-44.5	-11.8%	-85.0	-11.7%	-61.2	-6.4%
New Mexico	yes	yes	-20.9	-9.7%	-38.7	-8.6%	-34.1	-5.7%
New York	yes	yes	-172.8	-11.4%	-290.0	-10.6%	-664.7	-17.2%
North Carolina	no	yes	-59.1	-9.7%	-95.9	-8.3%	-96.2	-5.6%
North Dakota	yes	yes	-2.4	-10.0%	-5.1	-9.9%	-8.5	-12.2%
Ohio	yes	yes	-57.3	-8.2%	-87.0	-6.1%	-173.8	-8.9%
Oklahoma	no	yes	-4.9	-1.9%	-8.6	-1.5%	-19.8	-2.5%
Oregon	yes	yes	-68.6	-19.1%	-113.7	-17.7%	-144.5	-16.6%
Pennsylvania	yes	yes	-174.3	-18.5%	-288.5	-16.3%	-447.5	-19.4%
Rhode Island	yes	yes	-16.6	-18.1%	-26.9	-17.5%	-38.4	-17.4%
South Carolina	no	yes	-8.5	-2.8%	-15.3	-2.4%	13.1	1.6%
South Dakota	yes	no	-0.8	-2.0%	-0.8	-0.9%	-15.5	-11.7%
Tennessee	yes	no	1.8	0.4%	1.6	0.2%	4.3	0.3%
Texas	no	yes	-90.9	-5.7%	-205.9	-5.5%	14.7	0.3%
Utah	yes	no	1.2	1.6%	1.6	0.9%	3.3	1.3%
Vermont	yes	yes	-7.6	-18.8%	-14.2	-20.1%	-26.6	-28.6%
Virginia	yes	no	0.2	0.1%	1.8	0.3%	6.7	0.7%
Washington	yes	yes	-91.5	-18.5%	-157.3	-18.1%	-191.2	-16.9%

	Is State Affected by		Change in SNAP Participation					
			Households		People		Benefits	
	ABAWD change?	BBCE change?	Number (1,000s)	%	Number (1,000s)	%	Number ($mills)	%
West Virginia	yes	yes	-23.1	-14.1%	-38.4	-11.7%	-46.5	-10.9%
Wisconsin	no	yes	-52.9	-16.4%	-105.1	-16.3%	-80.5	-10.4%
Wyoming	no	no	0.0	0.0%	0.0	0.0%	-0.4	-1.1%

Source: ATTIS simulation on 2016 ACS, reweighted to 2018 SNAP QC totals. See box 2 for details.

Notes: Changes in SNAP participation for households and people are monthly; change in benefits is annual.

TABLE 8

Combined Effect of Proposed Regulations on SNAP Participation if Implemented in 2018, by Demographic Subgroup

	Higher Benefits			Lose Eligibility			Reduced Benefits		
	Number (000s)	Percent	Average gain ($)	Number (000s)	Percent	Average loss ($)	Number (000s)	Percent	Average reduction ($)
Total households	**2,519.9**	**12.8%**	**14**	**2,202.5**	**11.2%**	**127**	**3,104.1**	**15.8%**	**37**
Household type[a]									
With children	1,000.9	12.4%	13	529.8	6.6%	165	1,147.7	14.2%	28
With adult age 60+	846.4	17.0%	15	618.1	12.4%	66	1,035.2	20.8%	41
With person who has a disability	875.1	20.5%	15	210.7	4.9%	31	1,077.9	25.3%	39
None of the above	93.0	2.4%	13	928.7	24.3%	163	156.7	4.1%	65
Earnings									
With earnings	837.7	13.3%	13	763.4	12.1%	136	940.9	15.0%	34
Without earnings	1,682.3	12.5%	15	1,439.1	10.7%	122	2,163.1	16.1%	38
Family income as percentage of poverty guidelines									
<50	340.2	4.9%	13	680.9	9.8%	211	362.9	5.2%	34
50-<100	1,811.6	20.9%	14	147.6	1.7%	206	2,116.3	24.5%	38
100-<130	309.3	11.9%	14	259.1	10.0%	49	501.7	19.3%	35
130+	58.8	3.9%	15	1,114.8	73.9%	83	123.2	8.2%	43
Race and ethnicity of household head									
Non-Hispanic white	1,040.3	10.9%	14	1,261.1	13.2%	121	1,655.7	17.3%	38
Non-Hispanic black	695.7	15.4%	15	378.1	8.4%	122	607.0	13.5%	37
Hispanic	658.2	15.4%	14	406.3	9.5%	138	612.9	14.4%	35
Non-Hispanic Asian	12.4	6.9%	10	23.9	13.3%	165	40.0	22.3%	49
Non-Hispanic, races excluding the above	113.3	9.7%	15	133.1	11.4%	155	188.5	16.1%	37

Source: ATTIS simulation on 2016 ACS, reweighted to 2018 SNAP QC totals. See box 2 for details.

Notes: Changes in in average eligibility and benefits are monthly.

Conclusion

As the nation's primary food assistance program, SNAP delivered more than $60 billion in benefits to 39.8 million people in 2018. We estimate that if the proposed regulatory changes to BBCE, ABAWD time limit waivers, and standard utility allowances had been implemented in 2018, the average monthly number of participating households would have fallen by 2.1 million, 3.7 million fewer people would have received SNAP, and annual benefits would have fallen by $4.2 billion.

While some states would be minimally affected, others would experience caseload and benefit reductions of 15 percent or more. Nearly a quarter of households without children, elderly, or members with disabilities would lose eligibility. Twelve percent of households with elderly members would lose eligibility as would 7 percent of households with children. Sixteen percent of households would have lower benefits, for an average monthly loss of $37 and 13 percent would have higher benefits, with an average gain of $14.

Analyzing the policies both alone and in combination provides key insights into the extent to which different states and subgroups would be affected. Given the substantial effects, the policies and potential impacts should be considered carefully by policymakers and communities.

Notes

[1] In fiscal year 2018, approximately 40 million people in 20 million households were assisted by SNAP in a typical month, and household monthly benefits averaged $254. See "Supplemental Nutrition Assistance Program Participation and Costs," US Department of Agriculture, Food and Nutrition Service, November 1, 2019, https://fns-prod.azureedge.net/sites/default/files/resource-files/SNAPsummary-11.pdf.

[2] The USDA includes estimates of the effects of the proposed policy changes in *Federal Register* notices and regulatory impact statements. Mathematica has also released estimates of the effects of changes to broad-based categorical eligibility and time-limit waivers. See Cunnyngham (2019) and "State-by-State Impact of Proposed Changes to 'Broad-Based Categorical Eligibility' in SNAP," Mathematica, accessed November 22, 2019, https://www.mathematica.org/dataviz/impact-of-bbce-proposal-on-snap-caseloads?MPRSource=TCSide.

[3] We use "household" when discussing the SNAP assistance unit, which may include all or some members of a physical household.

[4] People meeting the work requirements of another program, participating in an alcohol or drug treatment program, or studying in school or a training program at least half time are also exempt from work registration; see "SNAP Work Requirements," US Department of Agriculture, Food and Nutrition Service, May 29, 2019, https://www.fns.usda.gov/snap/work-requirements.

[5] People who are pregnant or unable to work because of a physical or mental limitation are exempt from the ABAWD work requirement. States are also granted discretionary "15 percent" exemptions equal to 15 percent of the state's caseload that is ineligible because of the ABAWD time limit. Each 15 percent exemption provides eligibility to one ABAWD for one month; see "ABAWD 15 Percent Exemptions," US Department of Agriculture, Food and Nutrition Service, August 25, 2017, https://www.fns.usda.gov/snap/ABAWD/15-percent-exemptions.

[6] The proposed regulation would also end the carry-over of a state's unused 15 percent exemptions from one year to the next. We do not model the effects of this change.

[7] We calculate average monthly estimates by summing all participants' months of participation and dividing by 12.

[8] Though people who lose eligibility for SNAP because of ABAWD time limits do not have children in their household, they may be parents of children living elsewhere (Hahn et. al 2019).

[9] See "Broad-Based Categorical Eligibility," Food and Nutrition Service, https://fns-prod.azureedge.net/snap/broad-based-categorical-eligibility. Our analysis uses the October 2018 eligibility chart, which is no longer available online.

[10] Alaska and Hawaii have higher minimum benefits.

[11] Alaska's cap for the excess shelter expense deduction is $854; Hawaii's cap is $720.

[12] SUAs were mandatory in all states but Arkansas, Hawaii, Tennessee, and Virginia in 2017 (FNS 2018).

[13] See the regulatory impact analysis for Supplemental Nutrition Assistance Program: Standardization of State Heating and Cooling Standard Utility Allowances, 84 Fed. Reg. 52809 (Oct. 3, 2019), available at https://www.regulations.gov/document?D=FNS-2019-0009-0002.

[14] See USDA estimates at "FY 2019 SNAP HCSUA Values and Proposed Rule Impacts, by State," US Department of Agriculture, Food and Nutrition Service. Our estimates differ from USDA's by more than two percentage points in Connecticut, Maine, Minnesota, New Hampshire, New York, North Dakota, and West Virginia, possibly because we do not model changes to utility allowances other than the HCSUA and the telecommunications allowance.

[15] See the regulatory impact analysis for the proposed rule to change standard utility allowances for SNAP, available at https://www.regulations.gov/document?D=FNS-2019-0009-0002.

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Acknowledgments

This brief was funded by the Robert Wood Johnson Foundation as part of their support for the From Safety Net to Solid Ground initiative. We are grateful to them and to all our funders, who make it possible for Urban to advance its mission.

The views expressed are those of the author and should not be attributed to the Urban Institute, its trustees, or its funders. Funders do not determine research findings or the insights and recommendations of Urban experts. Further information on the Urban Institute's funding principles is available at urban.org/fundingprinciples.

The author would like to thank Danielle Kwon and Silke Taylor for research and programming assistance, Fiona Blackshaw and Rachel Kenney for editorial assistance, Karen Cunnyngham for insights about proposed SNAP regulatory changes, and Greg Acs, Linda Giannarelli, Dottie Rosenbaum, and Elaine Waxman for their thoughtful comments on earlier drafts.

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