

# Assessing Changes to SNAP Work Requirements in the 2018 Farm Bill

Proposal as Passed by the House Committee on Agriculture

Gregory Acs, Laura Wheaton, and Elaine Waxman

May 2018 Updated May 2018

Policymakers continually grapple with how best to structure safety net programs so that they provide adequate assistance to low-income people while encouraging them to work, save, and move toward self-sufficiency. In this brief, we examine legislation recently passed by the House Committee on Agriculture, <sup>1</sup> the Agriculture and Nutrition Act of 2018 (the 2018 reauthorization of the farm bill), which significantly expands and intensifies work requirements in the Supplemental Nutrition Assistance Program (SNAP, formerly known Food Stamps) and implements significant penalties for those who do not comply with those requirements.

The 2018 farm bill was approved by the House Committee on Agriculture in April 2018 and would change certain eligibility and benefit features and restructure work requirements for adults receiving SNAP benefits. The bill would require able-bodied adults ages 18 through 59 who are not pregnant, caring for a child under age 6, or caring for a person with substantial health limitations (i.e., someone deemed "incapacitated") to work or participate in employment and training activities for at least 20 hours per week.

Adults subject to the proposed work requirements would have one month to find employment that offers a sufficient number of hours or to enroll in employment or training programs; if they do not, they risk being excluded from benefits for 12 months unless they come into compliance or become exempt from the work requirement. States would be expected to provide an employment and training slot for any adult who is unable to find work that meets the required hours or is unable to obtain a slot in a program funded under the federal Workforce Innovation and Opportunity Act. States would also be able to request waivers of the requirement in areas with high unemployment and would be able to exempt up to 15 percent of those who would otherwise fail the work requirements.

We use the Urban Institute's newly developed ATTIS (Analysis of Transfers, Taxes, and Income Security) microsimulation model and data from the American Community Survey (ACS) to assess how many people and households would likely be affected by the House Committee's farm bill proposal nationally as well as in each of the 50 states and the District of Columbia. We estimate the number of people who would participate in SNAP in 2018 if key eligibility and benefit provisions in the proposal were enacted, the number of people who would be subject to the work requirement, and the number of people who are not working or do not work enough hours to meet the work requirements.<sup>2</sup> Our goal is to examine how many people are potentially subject to proposed work requirements; how many would currently meet the work requirements; and how many would be at risk of losing SNAP benefits if they do not meet the work requirements, obtain a slot in an employment and training program, live in an area covered by a waiver, or receive an exemption.

Our estimates are an upper bound because we do not capture certain exemptions and do not account for the fact that states could seek waivers for areas of high unemployment. We therefore characterize the results as the number of people *potentially* subject to work requirements.

#### We find the following:

- If key farm bill provisions (other than the work requirement) had been in effect in 2018, we estimate 38.9 million people would participate in SNAP in the average month of the year. Of these, 7.9 million (20 percent) would be potentially subject to the work requirements.
- Of the 7.9 million people who are potentially subject to the work requirement in the average month of the year, we estimate that 5.2 million (66 percent) do not currently work enough to satisfy the work requirement.
- Among SNAP households with children, we estimate that 2.7 million households have at least one adult member who is potentially subject to work requirements in the average month. Of these, an estimated 1.6 million (58 percent) have at least one adult who does not currently work enough to meet the requirements. These families may be at risk of having benefits reduced or losing them altogether if a parent or caregiver does not comply.
- Over half of SNAP participants who do not work enough to satisfy the work requirement in at least one month of the year do work enough to satisfy the requirement in another month. Over the course of a year, 9.8 million SNAP participants are potentially subject to the work requirement and do not work enough to meet the requirement in at least one month. Out of those 9.8 million, 5.1 million (52 percent) do work enough to satisfy the requirement in at least one other month of the year.
- Among SNAP households with children, 1.9 million units potentially subject to work requirements would have at least one month in which no adult would meet the work requirement. Of these, 1.1 million (60 percent) have at least one adult who worked enough to meet the work requirement in another month of the year.

The share of people affected by the proposal's work requirements varies by state. In a given month, the national average share of SNAP participants who are potentially subject to work requirements but currently not meeting them is 66 percent, but shares across states range from 74 percent in Nevada and Washington to 46 percent in Hawaii.

The implications for states are as follows:

Because we do not capture certain exemptions or account for waivers from the work requirement in areas with high unemployment, our findings provide states with an upper-bound estimate of the number of people who may need the employment and training services states are expected to offer. The proposed legislation anticipates a growing demand for employment and training services and allocates \$1 billion a year for them, but given the large number of SNAP recipients who we estimate do not currently work enough to comply with the new work requirements, that figure may be inadequate. For example, if states needed to provide employment and training services to half of the 9.8 million people we estimate do not work enough to meet the work requirement in at least one month of the year, the additional federal funding averages about \$204 per person annually.

A 2017 report on SNAP Employment and Training services indicates that the most common service received by SNAP Employment and Training participants to date is job search training (62 percent), followed by skills assessment (33 percent). The closest job-related activity used by SNAP Employment and Training participants was workfare or community service (19 percent), which in most cases is unlikely to lead to permanent employment or significant skill development (Rowe, Brown, and Estes 2017). As a result, state SNAP Employment and Training programs have relatively little experience offering specific job training and skill development on a large scale.

States will also need to significantly scale their administrative capacity to monitor monthly compliance for all SNAP participants expected to be covered by the new work requirements, provide referrals to employment and training slots, and establish new procedures for enforcing lock-out periods. Consequently, the proposed expansions are likely to require new investments by states because states bear part of the administrative costs of SNAP even though the benefits are paid with federal dollars. Local economies may also lose resources if people who otherwise qualify for SNAP are excluded from the program and purchase less food at grocery stores and food retailers (Hanson 2010).

## Proposed Changes to SNAP in the Agriculture and Nutrition Act of 2018

More than one in eight Americans<sup>3</sup> participated in SNAP in fiscal year 2017, and the average recipient household received approximately \$254 a month in benefits, or about \$126 a person (FNS 2017). SNAP benefits paid out to families in that year totaled nearly \$64 billion. For individuals and households who qualify for the program, benefits are computed based on family size and income with various allowances for housing and other costs.

In April 2018, the US House of Representatives Committee on Agriculture approved a legislative proposal to reauthorize the farm bill; as of this brief's publication, the proposal is awaiting a vote by the full House. The legislation expands and intensifies work requirements for adults ages 18 to 59. Among other provisions, the proposed bill would also modestly increase the amount of benefits those with earned income could receive, narrow the categories of people considered eligible for benefits, and change the rules on the value of assets individuals and families can have and on the treatment of some expenses.

Under current law, most people ages 16 to 59 without health limitations face modest work requirements. If they are working, they may not leave their jobs or reduce their hours without good cause, and if they are not working, they must look for work and accept offered opportunities. A subset of these people are known as able-bodied adults without dependents (ABAWDs). ABAWDs ages 18 to 49 currently face more stringent work requirements. They 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, or live in an area that has received a waiver from the requirements because of high unemployment or insufficient work.

#### **Proposed Work Requirements and Penalties**

Under the proposed legislation, adults ages 18 through 59 would need to work an average monthly minimum of 20 hours a week or earn the equivalent of working 20 hours a week at the federal minimum wage to qualify for SNAP benefits. The requirement would go into effect in 2021 and would increase to 25 hours a week in 2026. If they are unable to meet the required hours, they must participate in an employment and training program to qualify for benefits. Exemptions can be granted for people who have a disabling health condition, who are pregnant, or who are caring for a child under age 6 or for a person with substantial health limitations (i.e., someone deemed "incapacitated"). People who are not exempt have one month to comply with the proposed work requirement or be excluded from benefits for 12 months unless they comply or become exempt from the work requirement. If a participant falls out of compliance a second time, they would be excluded from SNAP benefits for 36 months or until they comply or receive an exemption.

#### **Proportion of Earnings Not Counted Toward Eligibility**

Under current law, 20 percent of earnings are deducted from income when calculating the SNAP benefits a household can receive (termed an "earnings disregard"). The goal of this provision is to encourage work and reduce the adverse impact on benefits when participants increase their earnings from work. In the proposed legislation, this amount would increase to 22 percent.

#### Narrowing of Broad-Based Categorical Eligibility

The proposed legislation would significantly reduce the flexibility states currently have to increase the income eligibility limit and waive asset tests through an option known as broad-based categorical eligibility (BBCE). Forty states (as well as SNAP programs in Guam and the Virgin Islands) currently use BBCE.<sup>5</sup>

Most states with BBCE eliminate the net income test and eliminate or increase the asset limit. Thirty-one states also use BBCE to increase the gross income limit for SNAP eligibility from the federal standard of 130 percent of the federal poverty level (FPL) to a higher threshold, ranging from 150 percent of FPL up to the limit of 200 percent of FPL. The higher gross income limit helps avoid a "benefit cliff" faced by some households that have income modestly above the gross income limit but that also have shelter or child care expenses that are high enough to make them otherwise eligible for SNAP benefits. Because the benefit amount falls as income rises, BBCE does not substantially increase the number of participating households. In 2016, 5.8 percent of participating households had gross income above 130 percent of FPL (Lauffer 2017).

The proposed legislation limits BBCE to households in which monthly gross income does not exceed 130 percent of FPL and that receive cash assistance or "ongoing and substantial services." We follow the Congressional Budget Office interpretation that states would continue to be able to waive the net income limit through BBCE but would no longer be able to raise the gross income limit above 130 percent of FPL (CBO 2018). We further assume that states would no longer be able to eliminate or modify the asset test through BBCE.

#### **Asset Limits**

The proposed legislation also changes SNAP's asset limits. Asset limits reflect the assumption that families experiencing temporary income losses should draw on their savings to tide themselves over. However, expecting a family to spend down all their assets before qualifying for benefits discourages saving and potentially undermines a family's ability to manage future income shocks (Ratcliffe et al. 2016).

The proposed legislation raises the maximum value of financial assets a household can have and still qualify for benefits from \$2,250 to \$7,000 for households with no members with disabilities or members over age 60, and it raises that value from \$3,500 to \$12,000 for households with members with disabilities or members age 60 and higher.<sup>8</sup> Currently under BBCE, 34 states and DC (as well as SNAP programs in Guam and the Virgin Islands) have eliminated asset tests; another five have relaxed asset ceilings. Current law also allows states to altogether eliminate the federal asset tests for vehicles, exempt at least one vehicle from the test, or raise the allowed value. All states have taken some version of these options.<sup>9</sup>

The proposed legislation curtails that state flexibility regarding assets and vehicles. Consequently, if the 2018 farm bill is passed by Congress, many households in states that have adopted BBCE will face

stricter asset limits on both savings and vehicle values, although households in those handful of states that have not adopted BBCE and retained the federal asset limits would now have higher asset limits. Households will have to document their asset values, increasing the administrative steps needed to verify and complete a SNAP application.

#### Other Changes in Treatment of Expenses under SNAP

The proposed legislation includes other changes affecting how household eligibility for SNAP is determined. These include modifications to the military housing allowance, the homeless housing credit, and the standard utility allowance for nonelderly households receiving energy assistance. The legislation mandates three policies that were previously available as state options, requiring that child support payments be disregarded (rather than deducted) from income when determining eligibility and benefits, requiring that participants cooperate with child support enforcement, and providing five months of transitional benefits to families leaving TANF.

# Methods for Assessing Impact of Proposed Changes to SNAP

To assess how many individuals and families will be affected by the proposed eligibility changes and the SNAP work requirements nationwide and in each state, we use the Urban Institute's newly developed ATTIS microsimulation model. <sup>10</sup> The model uses data from the ACS and assesses eligibility for and participation across multiple safety net programs, including SNAP. The model applies detailed state-level program rules to each household in the ACS and determines eligibility and benefits for the household based on its individual income and demographic characteristics. By varying the program rules, we can assess how proposed policy changes affect eligibility and participation in that program. Because the underlying ACS data are representative at the state level, we can assess how the impacts of policy changes vary by state.

Because the data underlying the current version of the model represent the US population in 2015, we "age" the data to better represent the US population and economy in  $2018.^{11}$  This means, in part, increasing observed employment and earnings to reflect 2018's stronger economy along with smaller program caseloads.

We begin by estimating the number of people who would participate in SNAP in 2018 if key provisions of the 2018 farm bill were implemented but before we apply the proposal's work requirements. Specifically, we consider the effects of changes in the earned income disregard, BBCE, asset limits, and transitional benefits for families leaving TANF. Because of data limitations, we do not capture changes in the proposed legislation to vehicle tests, the child support deduction or cooperation provisions, the military housing allowance, the homeless housing credit, or the standard utility allowance for nonelderly households receiving energy assistance.

After we simulate what the SNAP caseload would be in the average month of 2018 under the program rules proposed in the legislation, we assess the number of individuals and households who would be subject to the proposed work requirements that would go into effect in 2021. We assume that no individual or household has yet been disqualified for failure to comply with work requirements (except able-bodied adults who are not meeting work requirements and have already exceeded their three months of benefits).

We count SNAP participants as potentially subject to the proposed legislation's work requirements if they are ages 18 to 59 and are not receiving disability income or in a family with a child under age 6. The proposal provides an exemption for caretakers of a child under age 6, and we assume this exemption would be applied to all adults within the family. Because we lack information on full- versus part-time student status in the ACS data, we exclude students from the analysis. We did not capture other potential exemptions, such as a person being physically or mentally unfit for work (unless he or she is receiving disability income), pregnant, a caregiver for an incapacitated person, or covered by a state's option to exempt 15 percent of those who would otherwise fail the work requirements. We also did not capture the ability for states to request waivers of the work requirements in areas with high unemployment. The results provide upper-bound estimates on the share of SNAP recipients potentially subject to work requirements.

We then assess the individuals and households potentially subject to the proposed work requirements to determine

- how many are meeting the requirement by working a monthly average of at least 20 hours a
  week or by having monthly earnings equivalent to working at least 20 hours a week at the
  minimum wage;
- how many are not working currently and would be likely to lose benefits under the one-month compliance rule unless they are able to quickly find work or a slot in an employment and training program; and
- how many do not have sufficient work hours to meet the requirements in at least one month but would meet the requirements in at least one other month over the course of the year.

Our goal is to provide insight into how many individuals are potentially subject to proposed work requirements, how many currently work enough hours to satisfy the work requirement, and how many are at risk of losing SNAP benefits unless they meet the work requirement or obtain a slot in an employment and training program. Additional details about the development of the estimates and data limitations can also be found in the appendix and in the companion technical report (Wheaton, Giannarelli, and Morton 2018).

# How Many Individuals and Families Would Be Affected by Proposed SNAP Work Requirements?

#### **National Findings for Individuals**

We start from a 2018 baseline in which approximately 41.3 million people receive SNAP in the average month in 2018 *before* implementing the 2018 farm bill's proposed policy changes and work requirements.<sup>13</sup>

- After simulating the bill's policy changes affecting eligibility and benefit calculations, we estimate that 38.9 million individuals would be receiving SNAP benefits in a given month in 2018. This is approximately 2.4 million fewer recipients than would be expected to participate in 2018 under current law, and the estimate assumes no one was removed from the rolls for failure to comply with the new work requirements.<sup>14</sup>
- Of these 38.9 million SNAP recipients,
  - » 7.9 million (20 percent) are potentially subject to the proposed work requirements in a given month. Of those, 2.7 million (34 percent) are working enough hours to meet the threshold of 20 hours a week.
  - » Among the 7.9 million SNAP recipients potentially subject to work requirements, 5.2 million (approximately 66 percent) are not currently working enough to meet them and may not qualify for an exemption or reside in an area with a waiver. Unless they qualify for and obtain an exemption or reside in an area covered by a waiver, these individuals would need to find work or enroll in employment or training programs within one month of implementation of the proposed changes. Otherwise, they would be excluded from benefits for 12 months unless they comply with or become exempt from the work requirement. A subsequent failure to comply with work requirements would result in exclusion from SNAP benefits for 36 months or until they comply with or become exempt from the work requirement.
- We also examine the pattern of current work activity over the course of a year. We find that 9.8 million SNAP recipients would have at least one month in which they are potentially subject to the proposed work requirements but not meeting them. However, 52 percent of this group would meet the requirements in at least one other month during the year. In other words, these individuals are working the required number of hours under the proposed legislation, but they are doing so intermittently. Under the proposed work requirements, they would risk losing benefits in the months of the year in which they are working the least and in which their incomes are likely the lowest.

The proposed legislation anticipates a growing demand for employment and training services and allocates \$1 billion a year for them, but given the large number of SNAP recipients who we estimate are

potentially subject to the work requirements and do not work enough to meet them, that figure may be inadequate. Indeed, even if states try to provide employment and training services to only half of the 9.8 million people we estimate do not work enough to meet the work requirements in at least one month of the year, the additional federal funding averages about \$204 per person annually. Recent analysis of employment and training programs that promote opportunity suggest that most programs may cost from \$7500 to more than \$14,000 per participant (Pavetti 2018), far more than the additional funds allocated in the bill. Other data from selected Workforce Innovation and Opportunity Act programs at the state level suggest that costs may range from \$3000 to around \$14,000 per person (Mikelson and Hecker, forthcoming).

Because people move into and out of jobs and onto and off of SNAP from month to month, the number of people who may find themselves out of compliance with work requirements in at least one month over the course of a year (9.8 million) is 24 percent higher than the number who would potentially fail the work requirement in the average month (7.9 million).

Given that the proposed legislation specifies that a person's first instance of failure to comply with work requirements would exclude him or her from SNAP benefits for up to 12 months, the proposed legislation appears to have minimal accommodation for people whose hours fluctuate or who work intermittently. Effective employment and training slots could reduce cycling in and out of benefits, but it is not clear that these programs can help participants find and retain jobs that would provide sufficient and stable hours over time. Concerns have previously been raised about the effectiveness of SNAP employment and training programs; in response, Congress authorized the creation of 10 pilot programs in the 2014 farm bill with the goal of identifying and testing the most effective strategies for achieving outcomes (Oliveira et al. 2018). The pilot results will not be available until 2021.

#### State-Level Findings for Individuals

The percentage of estimated SNAP participants who are estimated to be potentially subject to the new work requirements but not meeting them in the average month varies from 46 percent in Hawaii to 74 percent in Nevada and Washington (table 1).

In two states (Hawaii and Kansas), fewer than half of those subject to work requirements would fail to meet them based on their current work effort. In contrast, 70 percent or more of those who are potentially subject to the work requirements would not be meeting them in Arizona, California, the District of Columbia, Louisiana, Michigan, Nevada, New York, and Washington. The states with the largest SNAP caseloads are also the ones with the largest number of people not meeting the program's proposed work requirements. We estimate that 612,000 people in California and over 325,000 people each in Florida, New York, and Texas are not working enough to meet the proposed work requirements.

TABLE 1
People Participating in SNAP, by State
Thousands of people

			Average Monthly		
State	Total	# potentially subject to work requirement	# potentially subject to work requirement and not meeting it	% of total potentially subject to work requirement who are not meeting it	% who did not meet the work requirement in one month who met it in another month <sup>a</sup>
Alabama	783	153	94	61	48
Alaska	97	25	16	66	61
Arizona	793	152	111	73	44
Arkansas	402	61	34	56	52
California	3,738	834	612	73	50
Colorado	456	91	60	66	59
Connecticut	342	70	44	63	54
Delaware	122	32	21	66	50
DC	96	22	16	70	60
Florida	2,962	559	326	58	52
Georgia	1,551	335	224	67	47
Hawaii	120	19	9	46	43
Idaho	175	27	16	59	58
Illinois	1,704	404	275	68	53
Indiana	647	95	57	60	52
lowa	316	63	36	57	63
Kansas	225	32	16	49	62
Kentucky	644	127	86	68	53
Louisiana	896	220	158	72	45
Maine	152	27	16	59	55
Maryland	575	119	77	65	51
Massachusetts	678	130	83	64	55
Michigan	1,266	259	183	71	53
Minnesota	381	52	33	62	64
Mississippi	519	94	58	62	44
Missouri	761	142	85	60	61
Montana	109	23	16	69	57
Nebraska	174	25	15	57	57 57
Nevada	398	94	70	74	57 57
New Hampshire	79	15	9	63	71
New Jersey	720	130	84	65	52
New Mexico	441	104	71	68	45
New York	2,741	606	423	70	49
North Carolina	1,139	188	113	60	48
North Dakota	45	5	3	62	65
Ohio	1,448	237	149	63	56
Oklahoma	577	107	64	60	54
Oregon	581	130	86	66	58
Pennsylvania	1,648	345	231	67	56
Rhode Island	136	28	19	68	55
	686	150	101	67	49
South Carolina South Dakota	95	18	101		49 45
				64 40	
Tennessee Texas	1,034	239	162 487	68 67	50 52
	3,740	726			
Utah	205	25 12	14	53 55	56
Vermont	62	13	7	55	61

	Average Monthly				
State	Total	# potentially subject to work requirement	# potentially subject to work requirement and not meeting it	% of total potentially subject to work requirement who are not meeting it	% who did not meet the work requirement in one month who met it in another month <sup>a</sup>
Virginia	776	157	100	64	56
Washington	765	161	119	74	54
West Virginia	328	77	52	68	49
Wisconsin	581	104	53	51	61
Wyoming	33	5	3	59	71
US total	38,941	7,861	5,207	66	52

Source: Analysis of Transfers, Taxes, and Income Security 2018 estimates based on 2015 ACS data aged to 2018.

Note: Work requirement is as proposed by the Agriculture and Nutrition Act of 2018, H.R. 2, 115th Congress (2018), as passed by the House Committee on Agriculture.

These estimates do not account for the waivers that states would be able to obtain in areas with high unemployment or for states' ability to exempt up to 15 percent of participants who would otherwise fail the work requirement. Of the states where at least 70 percent of participants potentially subject to work requirements do not meet them, California, the District of Columbia, Louisiana, and Nevada currently receive waivers from ABAWD time limits for their entire state; the remaining states have waivers covering portions of the state.<sup>15</sup>

As with the national estimates, many participants who would not be estimated to meet the requirements in a given month *would* meet them in at least one other month during the year; the share of such people ranges from 71 percent in Wyoming and New Hampshire to 43 percent in Hawaii.

#### Findings for All Households and Households with Children

Focusing on households<sup>16</sup> receiving SNAP, we see much the same pattern as we do for individual adult participants. (See table 2 for both national and state-level findings.) Our model indicates that out of 18 million households expected to be receiving SNAP under the proposed legislation in the average month of 2018, 6.6 million (37 percent) would have at least one individual potentially subject to work requirements, and 4.7 million (71 percent) of those subject to work requirements would have at least one member not working enough to satisfy the work requirement. An estimated 7.7 million households potentially subject to the work requirement would have at least one month of the year in which nobody was meeting the work requirement. Of these, we estimate that 4.3 million (55 percent) have at least one month in the year where at least one member would meet the work requirement.

<sup>&</sup>lt;sup>a</sup> The participant does not necessarily need to be receiving SNAP in the month he or she works enough to meet the work requirement.

TABLE 2
Units Participating in SNAP, by State
Thousands of units

	Average Monthly				
•			# of units with at	% of units	% of units that did
		# of units with at	least one	subject to	not meet the work
		least one	participant	work	requirement in
		participant	subject to work	requirement	one month that
		subject to work	requirement and	that are not	met it in another
State	Total	requirement	not meeting it	meeting it	month
Alabama	354	123	82	66	52
Alaska	44	20	14	71	67
Arizona	330	128	99	77	46
Arkansas	156	51	32	62	53
California	1,670	720	558	78	54
Colorado	211	720 79	55	70 70	62
Connecticut	186	59	39	66	57
	64	29	19		52
Delaware				67 71	
DC	54	21	15	71	62
Florida	1,441	456	286	63	55
Georgia	687	279	201	72	50
Hawaii	51	14	8	55	50
Idaho	70	23	15	64	56
Illinois	841	339	247	73	56
Indiana	251	82	53	65	54
Iowa	138	52	32	63	67
Kansas	87	27	14	53	65
Kentucky	291	103	74	72	56
Louisiana	420	186	140	75	48
Maine	83	23	15	63	58
Maryland	290	101	70	69	54
Massachusetts	375	112	76	68	57
Michigan	586	223	169	76	55
Minnesota	163	46	31	67	65
Mississippi	211	77	51	66	46
Missouri	337	118	76	64	65
Montana	48	18	14	74	60
Nebraska	74	22	14	63	60
Nevada	184	80	63	79	59
New Hampshire	41	12	8	67	74
New Jersey	336	110	77	70	56
New Mexico	209	82	60	73	51
New York	1,426	517	386	75 75	52
North Carolina	478	155	99	64	52
North Dakota	20	4	3	65	63
Ohio	635	203	137	67	59
Oklahoma	261	88	58	66	60
	302	111	78	70	61
Oregon	302 861	291		70 71	59
Pennsylvania Rhode Island	78	291 25	206 18	71 71	59 59
					59 54
South Carolina	309	123	88	71 47	
South Dakota	41	15	10	67 72	49 52
Tennessee	473	198	143	72	53
Texas	1,604	598	435	73	56
Utah	68	20	12	60	58

		Average Monthly			
State	Total	# of units with at least one participant subject to work requirement	# of units with at least one participant subject to work requirement and not meeting it	% of units subject to work requirement that are not meeting it	% of units that did not meet the work requirement in one month that met it in another month <sup>a</sup>
Vermont	36	10	7	65	63
Virginia	357	133	92	69	59
Washington	381	136	107	78	56
West Virginia	165	62	45	73	54
Wisconsin	272	84	48	58	67
Wyoming	12	4	3	68	76
US total	18,061	6,593	4,682	71	55

Source: Analysis of Transfers, Taxes, and Income Security 2018 estimates based on 2015 ACS data aged to 2018.

Note: Work requirement is as proposed by the Agriculture and Nutrition Act of 2018, H.R. 2, 115th Congress (2018), as passed by the House Committee on Agriculture.

Among the 8.2 million SNAP households with children under age 18, almost 2.8 million would be potentially subject to work requirements, and 1.6 million (58 percent) of those subject to work requirements would have at least one member not meeting them in the average month of the year (see table 3 for both national and state-level findings). An estimated 1.9 million households with children that contain an adult potentially subject to work requirements would have at least one month of the year in which no adult would meet the work requirement. Of these, 1.1 million (60 percent) have at least one adult who worked enough to meet the work requirement in another month of the year. <sup>17</sup>

TABLE 3
Units with Children Participating in SNAP, by State
Thousands of units

	Average Monthly				
State	Total	# of units with at least one participant subject to work requirement	# of units with at least one participant subject to work requirement and not meeting it	% of units subject to work requirement who are not meeting it	% of units that did not meet the work requirement in one month that met it in another month <sup>a</sup>
Alabama	171	66	39	58	53
Alaska	16	6	4	58	63
Arizona	172	54	33	62	54
Arkansas	96	32	17	53	68
California	966	262	171	65	56
Colorado	105	33	18	54	69
Connecticut	63	23	14	61	65
Delaware	25	12	6	51	47
DC	17	6	3	42	67
Florida	566	196	108	55	61

<sup>&</sup>lt;sup>a</sup> The unit does not necessarily need to be receiving SNAP in the month that a member works enough to meet the work requirement.

	Average Monthly				
			# of units with at	% of units	% of units that did
		# of units with at	least one	subject to	not meet the work
		least one	participant	work	requirement in
		participant	subject to work	requirement	one month that
		subject to work	requirement and	who are not	met it in another
State	Total	requirement	not meeting it	meeting it	month
Georgia	327	114	61	53	57
Hawaii	23	9	5	53	55
Idaho	41	15	8	55	67
Illinois	327	107	61	57	59
Indiana	155	56	33	59	56
Iowa	72	28	16	55	65
Kansas	55	20	9	47	67
Kentucky	139	48	27	56	63
Louisiana	175	64	37	57	55
Maine	26	10	6	56	54
Maryland	120	38	22	59	57
Massachusetts	121	46	27	58	63
Michigan	254	97	54	56	63
Minnesota	91	25	13	50	72
Mississippi	122	46	24	53	54
Missouri	159	57	32	56	65
Montana	22	7	5	65	59
Nebraska	42	12	6	47	73
Nevada	79	24	16	65	55
New Hampshire	16	6	4	55	72
New Jersey	164	56	34	61	59
New Mexico	79	25	14	55	55
New York	504	175	101	57	55
North Carolina	283	101	57	57	55
North Dakota	11	2	1	46	91
Ohio	321	108	- 57	53	66
Oklahoma	125	42	27	64	56
Oregon	105	32	19	61	60
Pennsylvania	295	101	61	61	62
Rhode Island	25	7	4	56	72
South Carolina	145	53	33	61	62
South Dakota	20	7	4	59	63
Tennessee	208	74	42	57	60
Texas	825	247	141	57	63
Utah	49	15	8	57	72
Vermont	10	4	3	74	69
Virginia	176	60	35	58	57
Washington	154	48	31	65	5 <i>7</i>
West Virginia	57	21	13	62	64
Wisconsin	117	43	21	49	77
Wyoming	8	3	2	61	89
US total	8,245	2,745	1,584	58	60
O3 lulai	0,243	2,/43	1,504	J0	00

Source: Analysis of Transfers, Taxes, and Income Security 2018 estimates based on 2015 ACS data aged to 2018.

Note: Work requirement is as proposed by the Agriculture and Nutrition Act of 2018, H.R. 2, 115th Congress (2018), as passed by the House Committee on Agriculture.

<sup>&</sup>lt;sup>a</sup> The unit does not necessarily need to be receiving SNAP in the month that a member works enough to meet the work requirement.

### **Summary and Discussion**

Using the Urban Institute's new ATTIS microsimulation model, we estimate that if the proposed 2018 farm bill as passed by the House Committee on Agriculture were in place in 2018, 5.2 million people potentially subject to work requirements would not satisfy the proposed SNAP work requirements in an average month. Over the course of the entire year, 9.8 million people would fail to meet the proposed work requirement in at least one month, but more than half work enough to satisfy the requirements in at least some point during the year. The impact of the proposed changes is expected to vary across states, an important consideration for assessing the proposal's potential impact. Note also that the current proposal significantly expands work requirements in SNAP for parents with school-age children and that failure to meet those requirements may put an estimated 1.6 million families at risk of reduced benefits or a loss of benefits altogether.

The proposed legislation provides for some exemptions to work requirements and allows states to request waivers of the work requirement in areas with high unemployment. We do not capture the effects of waivers and certain exemptions here. Therefore, our estimates may be considered an upper-bound estimate of those who may be affected by the proposed changes. The bill directs states to provide employment and training services to SNAP recipients who are affected by the work requirements but not satisfying them, and it adds \$1 billion to support those training activities. However, that funding is likely to be insufficient given the significant number of people who may need those services, especially given the short time individuals have to find a job or risk losing their SNAP benefits. If half of the 9.8 million SNAP participants who are estimated to not meet the requirements in at least one month of the year were to seek education and training services, the average amount of federal funds available to states would be \$204 per person. Given that other research has suggested that effective job training programs may cost from \$3000 to \$14,000 per person, the proposed investment may not be sufficient to meet the demand or produce the desired outcomes.

Further, states have little experience providing job-specific training or skill development on a large scale through their existing SNAP Employment and Training programs. A 2017 report on SNAP Employment and Training completed for USDA indicates that the most common service received by participants to date is job search training (62 percent), followed by skills assessment (33 percent). The closest job-related activity used by participants was workfare or community service (19 percent), which in most cases is unlikely to lead to permanent employment or significant skill development (Rowe, Brown, and Estes 2017).

Previous research has shown that by themselves, work requirements in safety net programs do not necessarily help people find well-paying jobs or lift them out of poverty (Hahn 2018). Therefore, policymakers need to carefully consider the pros and cons of various approaches as they consider the 2018 farm bill. The current proposal presents some challenges that policymakers may want to carefully consider, such as that the time period for considering an individual to be in compliance is relatively short (one month), that state administrative procedures and investments are expected to increase

considerably, that state flexibility to tailor program rules would be reduced, and that the need for high-quality employment and training programs is likely well beyond current capacity.

# Appendix: Comparing Alternative Approaches to Estimating the Scale and Scope of Work Requirements

Different approaches to estimating the scale and scope of the number of people affected by the proposed work requirements yield different results. Here we compare our main findings at the national level to results using different data and a different microsimulation model.

Compared with work done by the Center on Budget and Policy Priorities (CBPP; see Bolen et al. 2018) and an analysis using the TRIM3 microsimulation model (authors' tabulations), the ATTIS model finds fewer people subject to the proposed work requirements, fewer people out of compliance with the requirements, and a slightly lower share out of compliance relative to the total number subject to the requirements (table A.1). Those differences are consistent with our expectations based on differences in the underlying data for each estimate. For example, the CBPP analysis (Bolen et al. 2018) used data from SNAP's quality control system for 2016 (which reflects the SNAP caseload under current law rather than simulating what the caseload would look like under the proposed changes to the program), and the TRIM3 analysis uses data for 2015. State and national SNAP caseloads were higher and employment rates were lower in 2015 and 2016 than we project them to be in 2018. Thus, it is not surprising that ATTIS for 2018 shows fewer people on SNAP, fewer people subject to work requirements, and fewer people out of compliance with the requirements than the other two analyses. Nevertheless, the share of people required to work but not working enough to satisfy the requirements is similar between the ATTIS and TRIM models (66 versus 70 percent, respectively) but somewhat lower than the share in the CBPP study (78 percent).

TABLE A.1
Estimates of People Subject to and Out of Compliance with Proposed SNAP Work
Requirements, by Analysis Method

	2016 Quality Control data	2015 TRIM3 data	ATTIS 2018 data
Subject to work requirements	9.4 million	10.8 million	7.9 million
Out of compliance with work requirements	7.4 million	7.5 million	5.2 million
Percentage out of compliance	78%	70%	66%

**Source:** 2016 Quality Control information from Bolen et al. (2018); Transfer Income Model version, 3 and Analysis of Transfers, Taxes, and Income Security calculations by authors.

**Note:** ATTIS 2018 estimates assume that all adults in unit with child under age 6 are exempt and students are exempt from SNAP work requirements.

As discussions about work requirements continue, it is important to understand how the data and assumptions used for analyses influence the results and how even the "best" estimates are subject to change and revision.

#### **Notes**

- <sup>1</sup> See the Agriculture and Nutrition Act of 2018, H.R. 2, 115th Congress (2018), which recently passed the House Committee on Agriculture with a partisan 26–20 vote.
- <sup>2</sup> Although the proposed bill would give states until 2021 to implement the revised work requirements, for simplicity, we model the changes based on 2018 baseline data.
- <sup>3</sup> About 42.2 million people participated in the average month of fiscal year 2017.
- <sup>4</sup> Estimate is for fiscal years 2021 to 2025; the threshold increases to 25 hours in fiscal year 2026.
- <sup>5</sup> See "Broad-Based Categorical Eligibility," Food and Nutrition Service, last updated February 2018, accessed May 14, 2018, https://fns-prod.azureedge.net/sites/default/files/snap/BBCE.pdf.
- <sup>6</sup> This estimate includes households with a member age 60 or older or a member with disabilities that are not subject to the gross income test as well as other households with incomes above the federal gross income limit that are eligible because of BBCE.
- <sup>7</sup> The gross income test does not apply to households with a member age 60 or older or a member with disabilities.
- <sup>8</sup> Supplemental Nutrition Assistance Program: Resources (Rules on Resource Limits)," Food and Nutrition Service, last published October 2, 2017, https://www.fns.usda.gov/snap/resources-rules-resource-limits.
- 9 Statistics for states with BBCE include Guam and the Virgin Islands. See "Broad-Based Categorical Eligibility," Food and Nutrition Service, last updated February 2018, accessed May 14, 2018, https://fns-prod.azureedge.net/sites/default/files/snap/BBCE.pdf.
- <sup>10</sup> For a description of ATTIS, see Wheaton, Giannarelli, and Morton (2018).
- <sup>11</sup> For a description of the data "aging" process, see the appendix.
- <sup>12</sup> College students attending school more than half time are ineligible for SNAP unless they meet certain exemptions. Among students who *are* eligible for SNAP, being in school at least half time provides an exemption from the work requirement.
- <sup>13</sup> The baseline may slightly overstate SNAP participation in 2018. According to data from the Food and Nutrition Service, 41.4 million people received SNAP in December 2017, but this fell to 40.6 million in January 2018 and 40.0 million in February 2018. See "Program Data: Supplemental Nutrition Assistance Program (SNAP)," Food and Nutrition Service, last published May 4, 2018, https://www.fns.usda.gov/pd/supplemental-nutrition-assistance-program-snap.
- <sup>14</sup> Some people who were estimated to receive SNAP in 2018 (under current 2018 law) became ineligible, while some other people became eligible; in those cases, we selected a portion as receiving benefits consistent with observed participation rates in the 2015 un-aged baseline.
- <sup>15</sup> "Supplemental Nutrition Assistance Program (SNAP): Status of State Able-Bodied Adult without Dependents (ABAWD) Time Limit Waivers Fiscal Year 2018—3<sup>rd</sup> Quarter," Food and Nutrition Service, last updated April 6, 2018, https://fns-prod.azureedge.net/sites/default/files/snap/FY18-Quarter3-ABAWD-Waiver-Status.pdf.
- <sup>16</sup> More specifically, focusing on units receiving assistance; a single household could contain more than one SNAP unit
- <sup>17</sup> When a family member loses eligibility because of a failure to meet the work requirement, eligibility and benefits are reassessed for the remaining unit members. The unit's size, which determines the income eligibility limit and maximum SNAP benefit, is reduced by the removal of the ineligible member, but a prorated share of the ineligible member's income and deductions continue to be counted as available to the unit. Thus, when a family member loses eligibility because he or she fails to meet the work requirement, the remaining unit members are likely to become eligible for a smaller benefit or may lose eligibility entirely; this includes households with children.

#### References

- Bolen, Ed, Lexin Cai, Stacy Dean, Brynne Keith-Jennings, Catlin Nchako, Dottie Rosenbaum, and Elizabeth Wolkomir. 2018. *House Agriculture's Farm Bill Would Increase Food Insecurity and Hardship*. Washington, DC: Center on Budget and Policy Priorities.
- CBO (Congressional Budget Office). 2018. Congressional Budget Office Cost Estimate: H.R. 2 Agriculture and Nutrition Act of 2018. Washington, DC: CBO.
- FNS (Food and Nutrition Service). 2017. Supplemental Nutrition Assistance Program: State Activity Report, Fiscal Year 2016. Washington, DC: US Department of Agriculture, Food and Nutrition Service, Supplemental Nutrition Assistance Program, Program Accountability and Administration Division.
- Hahn, Heather. 2018. "Work Requirements in Safety Net Programs: Lessons for Medicaid from TANF and SNAP." Washington, DC: Urban Institute.
- Hanson, Kenneth. 2010. The Food Assistance National Input-Output Multiplier (FANIOM) Model and Stimulus Effects of SNAP. Report 103. Washington, DC: US Department of Agriculture, Economic Research Service.
- Lauffer, Sarah. 2017. Characteristics of Supplemental Nutrition Assistance Program Households: Fiscal Year 2016. Report SNAP-17-CHAR. Washington, DC: US Department of Agriculture, Food and Nutrition Service.
- Mikelson, Kelly S., and Ian Hecker. Forthcoming. "Public Funding for Job Training at the State and Local Level: An Examination of , Massachusetts, Texas and Washington." Washington, DC: Urban Institute.
- Oliveira, Victor, Mark Prell, Laura Tiehen, and David Smallwood. 2018. *Design Issues in USDA's Supplemental Nutrition Assistance Program: Looking Ahead by Looking Back*. Report 243. Washington, DC: US Department of Agriculture, Economic Research Service.
- Pavetti, LaDonna. 2018. "Opportunity-Boosting Job Preparedness Takes Significant Investment, Evidence Shows." Washington, DC: Center on Budget and Policy Priorities.
- Ratcliffe, Caroline, Signe-Mary McKernan, Laura Wheaton, Emma Kalish, Catherine Ruggles, Sara Armstrong, and Christina Oberlin. 2016. *Asset Limits, SNAP Participation, and Financial Stability*. Washington, DC: United States Department of Agriculture.
- Rowe, Gretchen, Elizabeth Brown, and Brian Estes. 2017. SNAP Employment and Training (E&T) Characteristics Study: Final Report. Washington, DC: US Department of Agriculture, Food and Nutrition Service.
- Wheaton, Laura, Linda Giannarelli, and Joyce Morton. 2018. Methods for Estimating SNAP Policy Impacts with an ACS-Based Simulation Model. Washington, DC: Urban Institute.
- Wheaton, Laura, and Victoria Tran. 2018. The Antipoverty Effects of the Supplemental Nutrition Assistance Program. Washington, DC: Urban Institute.

### Frrata

This brief was updated on May 16, 2018. The full name of the ATTIS model was corrected to "Analysis of Transfers, Taxes, and Income Security"; typos were corrected on pages 3, 6, 8, 9, and 15; and tables 1 through 3 were amended to clarify that only some columns are monthly estimates.

### About the Authors



Gregory Acs is vice president for income and benefits policy at the Urban Institute, where his research focuses on social insurance, social welfare, and the compensation of workers. Dr. Acs has studied the low-wage labor market, changes in welfare policies and how they have affected welfare caseloads and the well-being of low-income families, and how state and federal policies affect the incentives families face as they move from welfare to work. Acs holds a PhD in economics and social work from the University of Michigan.



Laura Wheaton is a senior fellow in the Income and Benefits Policy Center at the Urban Institute, where she specializes in the analysis of government safety-net programs, poverty estimation, and the microsimulation modeling of tax and transfer programs. She has analyzed churning in the SNAP program, the effect of SNAP asset limits, the overlap of eligibility between Medicaid and SNAP, and is currently conducting research on the effect of time limits on able bodied adults without dependents. Ms. Wheaton received her MPP from Georgetown University.



**Elaine Waxman** is a senior fellow in the Income and Benefits Policy Center at the Urban Institute. Her expertise includes food insecurity, nutrition and the food assistance safety net, the social determinants of health disparities, and other issues affecting low-income families and communities. She holds an MPP and a PhD from the University of Chicago, where she is a lecturer.

### Acknowledgments

This brief was funded by the Robert Wood Johnson Foundation and the Annie E. Casey Foundation. 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 authors and should not be attributed to the Robert Wood Johnson Foundation, the Annie E. Casey Foundation, or 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.

We would like to thank colleagues at the Center on Budget and Policy Priorities for their helpful comments and suggestions. In addition, we would like to thank Genevieve M. Kenney, Heather Hahn, Linda Giannarelli, and Archana Pyati for additional comments and suggestions.

This work is part of the Urban Institute's 50-year history of forecasting and analyzing major shifts in federal policies, including remaking the safety net. As policymakers consider the profound changes in the safety net, our researchers remain committed to producing important evidence-based resources for policymakers and the American public to understand the implications of changing federal policy.



2100 M Street NW Washington, DC 20037

www.urban.org

#### **ABOUT THE URBAN INSTITUTE**

The nonprofit Urban Institute is a leading research organization dedicated to developing evidence-based insights that improve people's lives and strengthen communities. For 50 years, Urban has been the trusted source for rigorous analysis of complex social and economic issues; strategic advice to policymakers, philanthropists, and practitioners; and new, promising ideas that expand opportunities for all. Our work inspires effective decisions that advance fairness and enhance the well-being of people and places.

Copyright © May 2018. Urban Institute. Permission is granted for reproduction of this file, with attribution to the Urban Institute.