

PolicyPennings by Daryll E. Ray & Harwood D. Schaffer

Categorical eligibility for food stamps: It's origin and adoption by states

With the US election over, attention turns to issues Congress left unfinished when the election recess began, including the farm bill. While dragging the adoption of a farm bill well beyond its expiration, even into a new year, is not a problem in and of itself, this year a delay beyond the “lame duck” session of Congress could significantly reduce the amount of money available for the farm program due to the sequestration cuts that are scheduled to take place next year.

While there is some agreement on the broad outlines of the federal crop insurance program, Republicans in the House want to make cuts to SNAP (Supplemental Nutrition Assistance Program, previously called food stamps) benefits, while some Democrats refuse to vote for legislation that makes those cuts. The Senate did not include cuts in SNAP in its passage of a farm bill. Without an agreement on SNAP, the passage of the farm bill could be delayed into the new year.

Advocates for cutting SNAP complain that the use of this program has grown in part because the Obama administration expanded the use of “categorical eligibility,” leading to increased federal expenditures. In addition to being eligible for SNAP benefits by meeting federal income requirements, households are considered to have “categorical eligibility” if they “already met financial eligibility rules in one specified low-income program,” eliminating the requirement that they go through another financial eligibility determination to receive SNAP benefits.

The Congressional Research Service was asked to provide a report on the program to members and committees of Congress on the issue. The result was “The Supplemental Nutrition Assistance Program: Categorical Eligibility” (<http://www.fas.org/sgp/crs/misc/R42054.pdf>), a report written by Gene Falk and Randy Alison Aussenberg and released in July.

In their report, the authors trace the concept of categorical eligibility for cash assistance recipients back to the early 1970s. They then write, “These rules were eliminated in the rewrite of food stamp law enacted in 1977, but they were reinstated in phases during the early 1980s through 1990. Categorical eligibility was seen as advancing the goals of simplifying administration, easing entry to the program for eligible households, emphasizing coordination among low-income assistance programs, and reducing the potential for errors in establishing eligibility for benefits.

“The Food Security Act of 1985 conveyed categorical eligibility to all households receiving cash aid from Aid to Families with Dependent Children (AFDC), SSI, and state-run GA [General Assistance] programs. These programs had their own income and

resource tests (often more stringent than food stamp tests), so subjecting a household to a separate set of income and resource tests for food stamps was seen as redundant and inefficient.”

With welfare reform in 1996 under a Democratic President and a Republican Congress, AFDC was replaced by Temporary Aid for Needy Families (TANF) which had a broader purpose and gave states broad flexibility to expend funds in achieving “four policy goals: (1) provide assistance to needy families so that children can be cared for in their own homes or in homes of relatives; (2) end dependence by needy parents on government benefits through promoting work, job preparation, and marriage; (3) reduce the incidence of out-of-wedlock pregnancies; and (4) promote the formation and maintenance of two-parent households.”

Falk and Aussenberg continue, “The 1996 welfare reform law did not substantively change SNAP law with respect to categorical eligibility. Rather, it simply replaced the reference to AFDC with one to TANF in the section of law that conveys categorical eligibility. As discussed above, TANF gives states much broader authority than they had under AFDC to offer different types of benefits and services. This expansion of authority under TANF had major implications for categorical eligibility, allowing states to convey categorical eligibility based on receipt of a wide range of human services rather than simply cash welfare.”

While recipients of cash assistance were categorically eligible for SNAP benefits, states had to adopt a policy of expanded categorical eligibility to make recipients of other non-cash benefits funded by TANF and associated state funds eligible to receive SNAP benefits. In response to the financial crisis that greeted it, the Obama administration’s Food and Nutrition Service wrote, “In these times of rising caseloads and shrinking state budgets, expanded categorical eligibility can benefit states by simplifying policies, by reducing the amount of time states must spend to verifying resources, and reducing errors. It can benefit families hurt by the economic crisis.” As a result, the number of states participating in expanded categorical eligibility for SNAP benefits increased.

“The omnibus ‘farm bill’ (H.R. 6083) ordered to be reported by the House Agriculture Committee on July 11, 2012, would restrict TANF-based categorical eligibility in SNAP to households receiving TANF-funded cash assistance. That is, it would end ‘broad-based’ categorical eligibility [authorized in

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1996 legislation but adopted by several additional states following the financial crisis]. This [cash-only] provision was previously approved by the full House in H.R. 5652, the Sequestration Replacement Reconciliation Act. The farm bill that passed the Senate (S. 3240) does not address SNAP categorical eligibility,” write Falk and Aussenberg in their summary.

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