

ISSUE

The U.S. Department of Agriculture (USDA) posted a proposed [rule](#) change that affects how states can increase the Federal Poverty Limit (FPL) for Supplemental Nutrition Assistance (SNAP) eligibility using Broad-Based Categorical Eligibility (BBCE). The proposed rule could negatively affect eligibility for approximately 38,000 Washington SNAP households each month. USDA is requesting comments on the proposed rule change. Comments are due by September 22, 2019.

BACKGROUND

In 2000, 7 CFR 273.2(j) established BBCE for SNAP as an option for states. Under this rule, USDA allows states to expand SNAP eligibility to more families/individuals through this BBCE policy. BBCE makes households that receive any services funded by Temporary Assistance for Needy Families (TANF) - such as a toll-free number or brochure - categorically eligible (CE) for SNAP. Under BBCE policies, states are able to increase federal SNAP limits on household income and remove limits on assets. In Washington State, BBCE increases the maximum income level for SNAP from 130 percent of the FPL to 200 percent of the FPL.

A CE assistance unit already meets most eligibility requirements for Basic Food (SNAP). It is important to note CE does not guarantee Basic Food benefits, but rather allows clients to automatically meet the following requirements for Basic Food:

- Countable resource limit;
- Maximum gross monthly income up to 200% FPL; and
- Maximum net monthly income.

POTENTIAL CASELOAD IMPACTS:

From July 2017 to June 2018, a monthly average of 40,333¹ households (76,975 individuals) over the 130 percent FPL qualify for Basic Food based on BBCE. Individuals and families between 130 and 200 percent of FPL in Washington [do not have resources to be self-sufficient in meeting basic needs](#). For this reason, Washington adopted broad based categorical eligibility for up to 200 percent of FPL.

Under the proposed rules, recipients of qualified cash assistance or child care subsidy programs may continue to qualify for CE. Based on this provision, we estimate that 5,122 households with income above 130% FPL would retain CE based on receipt of a qualifying cash program and/or childcare subsidies. By maintaining CE for cash assistance and extending it the Working Connections Child Care (WCCC) recipients, we estimate the number of potential Basic Food households negatively impacted would decline from 40,333 to 35,211 households per month.

'17-'18 BBCE Cases Average	CE Qualifying Criteria	HHs Remaining CE	Total HHs No Longer BBCE
40,333	Receiving TANF, ABD, SSI, or WCCC	5,122	35,211

Approximately 3,201² average monthly households are recipients of the Working Family Support (WFS) program and have income over the 130 percent FPL. Households must receive Basic Food to qualify for WFS. If the FNS proposal is enacted, 407

¹ Based on eMAPS report 4800 SNAP/FAP Clients and Households Between 130% FPL and 200% FPL, July 2017 to June 2018, produced August 6, 2019

² Based on eMAPS report 4799 Total WFS/FAP Clients Between 130% FPL and 200% FPL, July 2017 to June 2018, produced August 2, 2019

estimated households could remain qualified as CE under a cash or child care program, leaving 2,794 households no longer qualified for Basic Food and, as a result, no longer eligible for WFS.

Program	BBCE HHs over 130% FPL	CE Qualifying Criteria	Potentially Ineligible HHs
SNAP	40,333	5,122	35,211
WFS	3,201	407	2,794

PROGRAM IMPACTS:

With proposed changes for BBCE, it is anticipated that an average of 35,211 households would be potentially ineligible for ongoing Basic Food assistance each month. With an average of \$60.02³ monthly allotment per household, this would result in approximately \$3,636,198 in spending removed from the local economy each month.

The average 35,211 households per month that would potentially become ineligible under this proposal equates to 175,600⁴ Washingtonians that may no longer receive Basic Food in a given year. These residents include some of the most vulnerable populations, including 19,263 children under 5 years old, 46,839 school aged children⁵, and 15,838 elderly individuals. The proposed rule blocks access to supplemental assistance to purchase food necessary for the health and well-being of our most vulnerable populations.

The proposed rule also negatively impacts access to additional resources for the 175,600 individuals who would no longer receive SNAP benefits. These Washingtonians would no longer have access to direct certification for the free or reduced price school meal programs, summer lunch, Summer EBT, employment and training, free cell phone, and Low Income Home Energy Assistance Program (LIHEAP) payments.

The Working Family Support (WFS) program provides additional funding to working SNAP households with children. In addition, this program increases the TANF Work Participation Rate (WPR). The department’s WPR rate will be negatively impacted due to a decrease in eligible Basic Food recipients.

This proposed change also limits opportunities for job seekers to access important employment and training programs. Job seekers accessing services from America’s Job Centers and Workforce Innovation and Opportunity Act (WIOA) are automatically eligible for WIOA services when eligible for SNAP.

Because, fewer individuals would be eligible for SNAP under this proposed rule change, access to Basic Food Employment and Training (BFET), Washington’s nationally recognized SNAP Employment and Training program, would be limited. The BFET program has a 63.2 percent employment rate and participants earn a median wage of \$15.64. The goal of the program is to assist Basic Food recipients in obtaining a livable wage, helping them reach their full potential. Eligibility for BFET is conditioned on receipt of Basic Food benefits. The services that would be unavailable for all ineligible households include the following:

- Employability assessment
- Case management
- Job readiness training
- Basic skills training (literacy, math, vocational, GED preparation)
- Job search assistance, job placement, and post-employment support services

Due to the duplication of clients who currently qualify for Washington’s Working Connection Child Care Program (WCCC) and SNAP between 130% and 200% of the FPL, SNAP broad based categorically eligibility changes could impact DCYF’s ability to identify a sufficient number of households that meet the criteria for funding with federal TANF non-assistance. The current process, and process we have designed for automation, relies heavily on information in the DSHS Automated Client Eligibility System (ACES) for SNAP (Basic Food) households. A potential reduction in SNAP households would mean we would identify fewer WCCC expenditures that can be funded with the TANF dollars appropriated for WCCC.

This proposed rule change would continue SNAP eligibility for families receiving WCCC as long as their incomes were at or below 200 percent FPL. Families can exceed 200 percent FPL and remain eligible for WCCC under our continuity of care

³ Based on eMAPS report 4800 Total SNAP/FAP Clients and Households Between 130% FPL and 200% FPL, July 2017 to June 2018, produced August 6

⁴ Based on eMAPS report 4789 Total SNAP/FAP Clients Between 130% FPL and 200% FPL on an AU that is NOT also receiving Working Connections Child Care, July 2017 to June 2018, produced July 25, 2019

required by the Child Care Development Fund (CCDF) reauthorization, so DSHS would need to confirm WCCC recipients were at or below 200 percent FPL to make them categorically eligible for SNAP in Washington.

While not directly administered by DSHS, eligibility for free school meals is extended to all children in a household if any member of the household receives Assistance Programs (SNAP / TANF / FDPIR) benefits. The Office of the Superintendent of Public Instruction (OSPI), who operates the Free and Reduced Lunch Programs receives data from DSHS that identifies these students as “Directly Certified.” The proposed rule would potentially decrease the number of households qualifying for categorical eligibility. DSHS preliminary data estimates approximately 15,663 students would no longer be Directly Certified via TANF/SNAP eligibility.

Specific Impact to Child Nutrition Programs:

- Potential decrease in number of eligible students receiving benefits as families would need to complete F/R Meal applications.
- Decrease in number of schools that qualify for the Community Eligibility Provision (CEP). CEP qualification is dependent on Direct Certification numbers

STATE BURDEN

As 10 States do not currently have non-cash TANF-funded programs that confer categorical eligibility and would not be required to report to FNS, FNS anticipates that only the current 43 States with non-cash programs would be required to report to FNS under the new rule. This additional burden is included in the impacts listed below. The Department seeks additional comment on how long it would take States to gather, review and report this information.

Operational impacts:

An estimated 327,780 households under the 130 percent FPL may need resources to be reviewed, impacting application processing times, recalibration of our systems, increased incomplete application and reviews for pending verification. Estimated burden with field staff in determining eligibility or re-determining eligibility based on proposal:

- Initial termination of cases: 6,208 hours or 55 FTEs;
- Ongoing request of verification of resources at MCR or recertification: 8,000 hours or 71 FTEs annually; and
- Ongoing increased case touch time of 4,372 hours or 39 FTEs annually.

Additional operational impacts include expending staff time to update existing training and provide clarified processes for field staff to appropriately determine what households are qualified for CE and if additional verification is needed (e.g. resources), as well as an increase in administrative hearings for denied/closed cases due to resources. These operational impacts would be felt not only by DSHS but also other agencies and community based organizations that contribute to Washington’s federal reporting of TANF maintenance of effort (MOE) spending. MOE spending in excess of minimum requirements helps reduce the state’s TANF work participation rate target and reduce the likelihood of federal funding reduction penalties.

System impacts:

IT systems would require changes for the reduction of the CE Income Standard threshold and ensuring the system counts resources for all cases not meeting CE in addition to time required to make updates to various notices.

Additionally, because WA DSHS’s current SNAP eligibility system is separate from Child Care eligibility, a review on how to integrate the eligibility information between SNAP and Child Care systems to confer CE will be necessary and take additional time as an interface does not currently exist.

Quality Assurance Impacts:

Increase in CAPER errors as well as staffing impacts to the WA Division of Program Integrity (DPI) Quality Control (QC) team and Management Evaluation (ME) team. Staff would need to request additional verification, and additional time completing secondary review processes. This could impact DPI with an additional 179 hours per month from the QC team and 187.5 hours per year for the ME team.