

Alaska State Legislature

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Senate Bill 149 Sponsor Statement

*"An Act relating to the supplemental nutrition assistance program;
and providing for an effective date."*

In Alaska, many families and seniors are often forced to make difficult choices between paying bills or putting meals on the table. As costs rise, it becomes more and more challenging for local food banks to keep up with inflation. The Supplemental Nutrition Assistance Program (SNAP) is a crucial tool for low-income households that can provide meals for one in eight Alaskans. A concerning challenge for SNAP recipients is when they supersede the allowed income limit at the food bank and must choose between feeding their families or accepting a pay increase. This scary transition of losing more in benefits than their increase in income is called the "benefits cliff". This cliff encourages a continued reliance on the program while discouraging self-sufficiency and financial stability.

SB 149 adopts broad-based categorical eligibility (BBCE) - a federal flexibility that has been adopted by 42 states and two territories. BBCE mitigates the "cliff" effect by modifying SNAP's income and asset requirements. First, it allows the state to increase SNAP income limit from 130% to 200% of the Alaska poverty standard. Second, it allows the state to waive the SNAP asset test. BBCE allows the state to phase down benefits for working families as their income rises. Lastly, SNAP is an economic driver for grocers and rural communities, and every dollar in SNAP has been shown to yield \$1.70 in economic activity.

The broad-based categorical eligibility in SB 149 will help streamline the administrative process, resulting in potential cost savings for the state. Removing asset tests, which are time-consuming and error prone, will reduce staff time needed to process applications. This efficiency is crucial during periods of increased demand on social support programs.

The implementation of BBCE in Alaska holds the promise of unlocking economic stability, streamlining administrative processes, and fostering more self-sufficient communities. By addressing the limitations of the current system and aligning with modernization efforts, BBCE emerges as a timely and strategic solution to the challenges faced by working families and seniors in Alaska. It is not merely a policy adjustment but a transformative step towards building a more reliant and prosperous future for Alaska and its residents.