

HB 196

BROAD-BASED CATEGORICAL ELIGIBILITY

Representative Genevieve Mina
House District 19 - Airport Heights, Mountain View, Russian Jack

SUPPLEMENTAL NUTRITION ASSISTANCE PROGRAM



SNAP provides essential support to millions of eligible low-income individuals and families, facilitating access to nutritious food. 1 in 8 Alaskans utilize this benefit.

SNAP benefits are **100% funded by federal dollars** via Food and Nutrition Services (FNS) within the U.S. Department of Agriculture (USDA).

Individual states and territories are mandated to participate in SNAP, but each jurisdiction has the flexibility to administer their programs for their specific needs within certain FNS guidelines. The Division of Public Assistance administers Alaska's SNAP program.

SNAP PROGRAM HISTORY

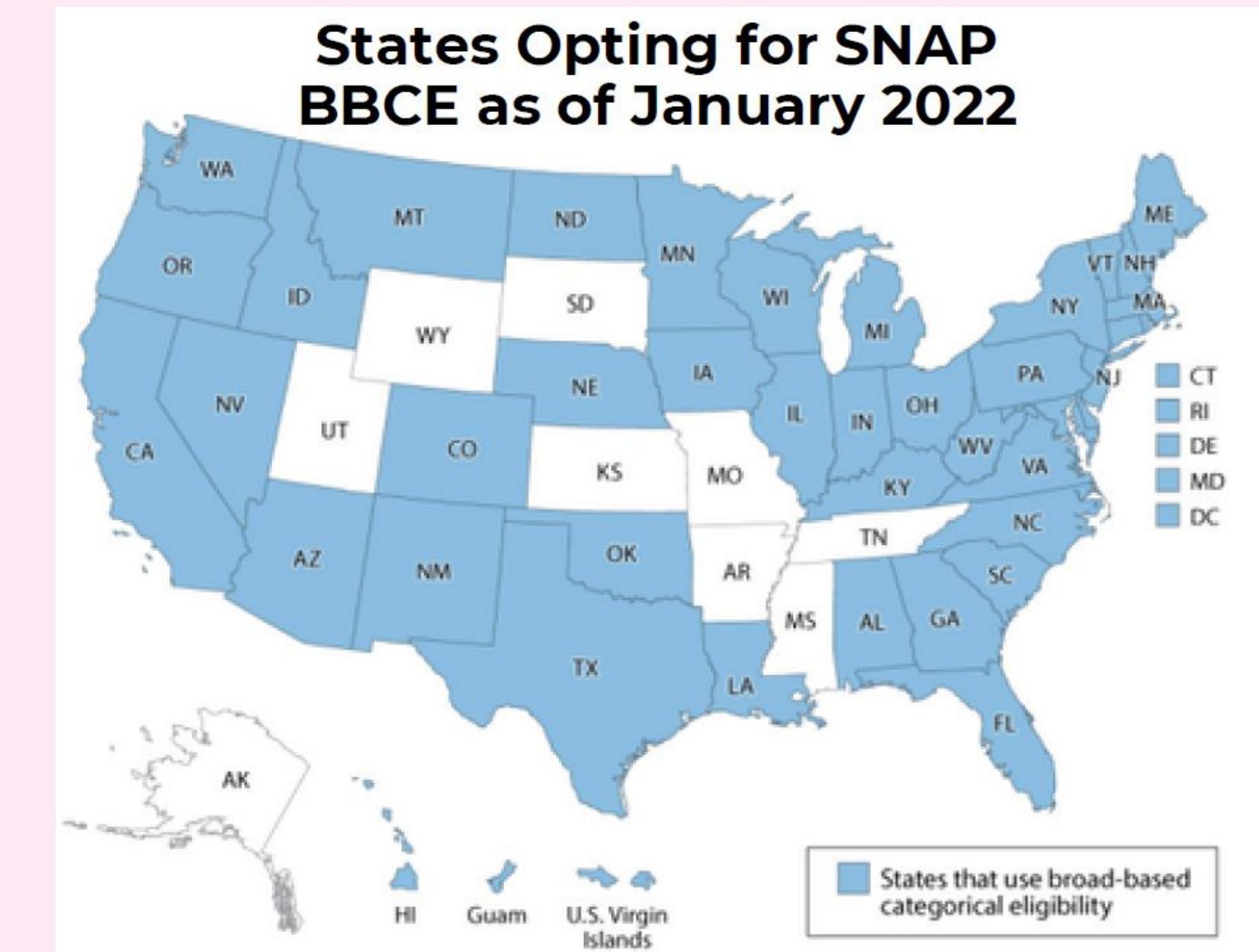
<i>Food Stamp Origins</i>	<i>Alaska joins Food Stamp Program</i>	<i>Personal Responsibility and Work Opportunity Act</i>	<i>BBCE for Food Stamps</i>	<i>Rebranding as SNAP</i>
1939-1964	1972	1996	1999	2008
Food stamps were first established during the Great Depression to provide food assistance to those in need while disposing of surplus agricultural production.	Part of a nationwide rollout, Alaska adopted the Food Stamp Program in October 1972.	Temporary Assistance for Needy Families (TANF) was introduced as part of the 1996 Personal Responsibility and Work Opportunity Act (PRWORA).	A USDA rule change allowed states to apply broad-based categorical eligibility (BBCE) as another method of assessing food stamp eligibility.	The 2008 Farm Bill renamed food stamps as the Supplemental Nutrition Assistance Program (SNAP) to reflect its focus on nutrition and expanding eligibility to a broader range of low-income individuals and families.

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Optional flexibility available to states since 1999, and 42 states and 2 territories have adopted BBCE.

BBCE would allow DOH to change two major SNAP eligibility requirements:

- Increase the income limit from 130% to 200% of Alaska Poverty Level
- Eliminate the asset test*



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*Currently, households cannot have assets (including cash in the bank exceeding \$2,250 or \$3,500 for households with at least one elderly or disabled family member.

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Softens the “benefit cliff” as earnings rise

SNAP supports work in part by phasing benefits down gradually by 24 to 36 cents for each dollar of increased earnings. A family can lose all their SNAP benefits from a small earnings increase that raises its gross income over SNAP’s eligibility threshold.

Lets low-income households save for the future

Having modest savings and assets enables low-income families to escape poverty by avoiding debt, weathering unexpected financial disruptions, and better preparing to support themselves in retirement. Under regular federal SNAP rules, countable assets cannot exceed \$2,250 for most households; BBCE lets states eliminate those limits for SNAP.

Simplifies SNAP administration

BBCE reduces the application processing complexity by eliminating the asset test, saving roughly **90 minutes** per application.

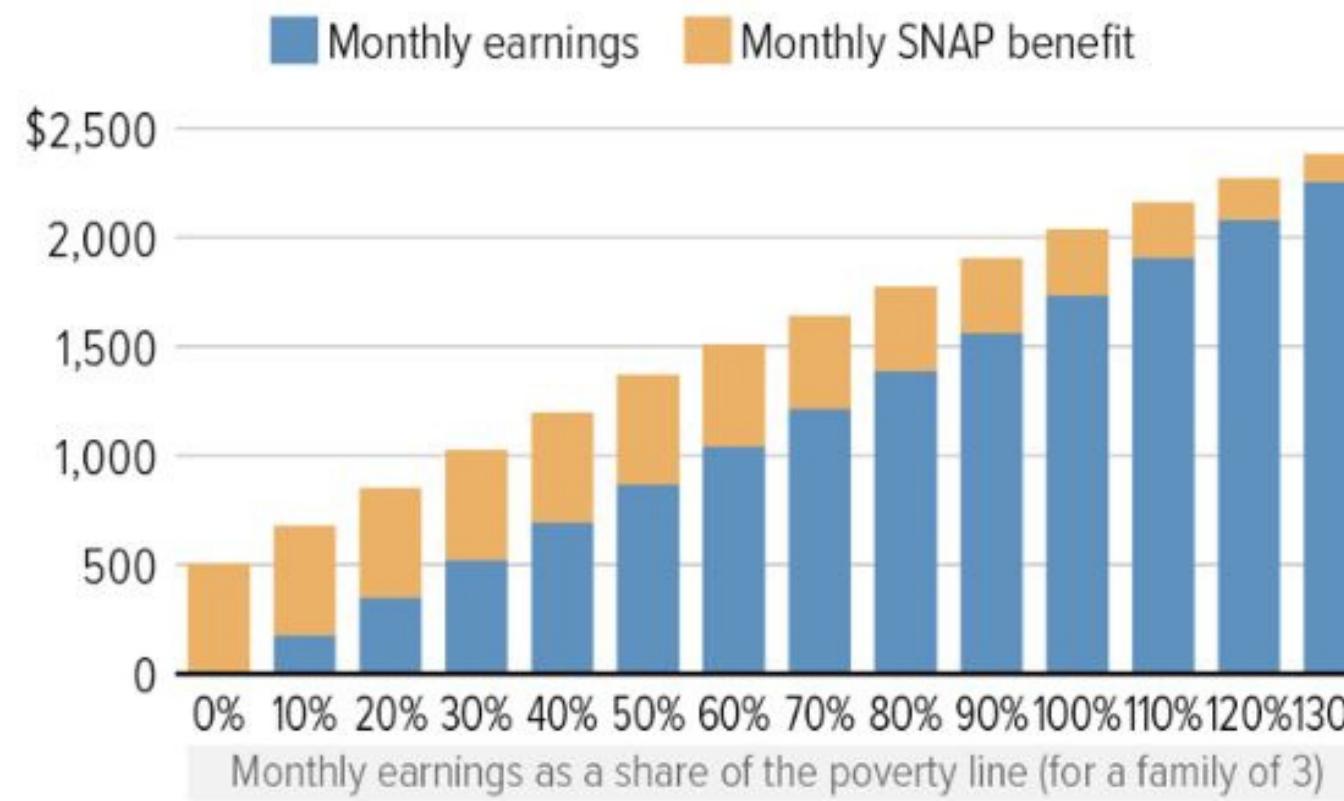
Moreover, BBCE does not contribute substantially to SNAP costs. According to the Congressional Budget Office, only about 4 percent of SNAP program costs (and about 8 percent of SNAP participation) are due to BBCE.

Source: Center of Budget and Policy Priorities, “SNAP’s “Broad-Based Categorical Eligibility” Supports Working Families and Those Saving for the Future.” July 2019.

<https://www.cbpp.org/research/food-assistance/snaps-broad-based-categorical-eligibility-supports-working-families-and-ftn4>

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SNAP Benefits Gradually Phase Out as Earnings Rise

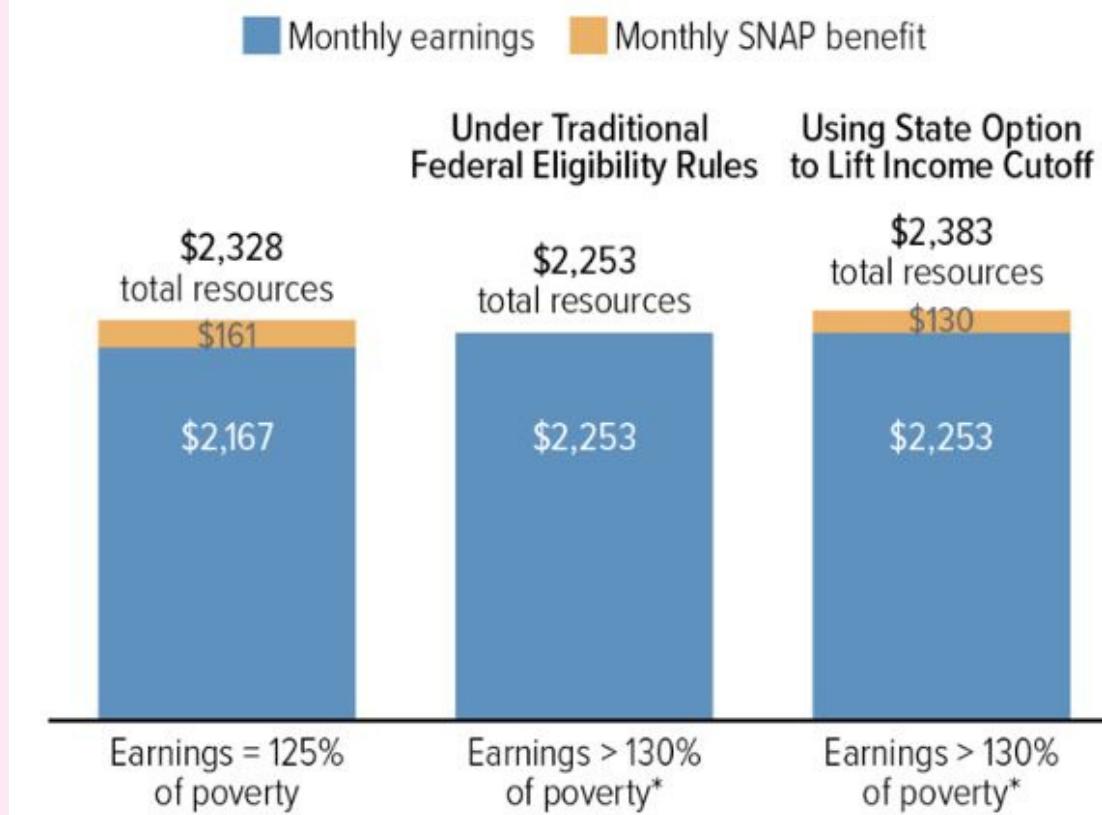


Note: This chart shows the phase out for a family of three with earned income that claims the \$164 standard deduction and the 20 percent earned income deduction, and that has \$1,209 in monthly shelter costs (the median value for working households of three with children that have incomes at or above 125 percent of poverty based on the fiscal year 2017 SNAP household characteristics data, inflated to 2019 dollars).

Source: CBPP calculation based on fiscal year (FY) 2019 SNAP federal benefit parameters and FY 2017 SNAP household characteristics data.

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SNAP's Broad-Based Categorical Eligibility Encourages Work



*Earnings are equal to 130.1% of poverty or \$2,253 per month, just above the federal gross income threshold in fiscal year 2019.

Note: SNAP broad-based categorical eligibility allows states to raise income cutoffs by aligning SNAP's income limit to that of a household's Temporary Assistance for Needy Families-funded benefit. This chart shows monthly earnings and SNAP benefits for a family of three with earned income that claims the \$164 standard deduction, the 20 percent earned income deduction, and has \$1,209 monthly shelter cost.

Source: CBPP calculation based on fiscal year (FY) 2019 SNAP federal benefit parameters and FY 2017 SNAP household characteristics data.

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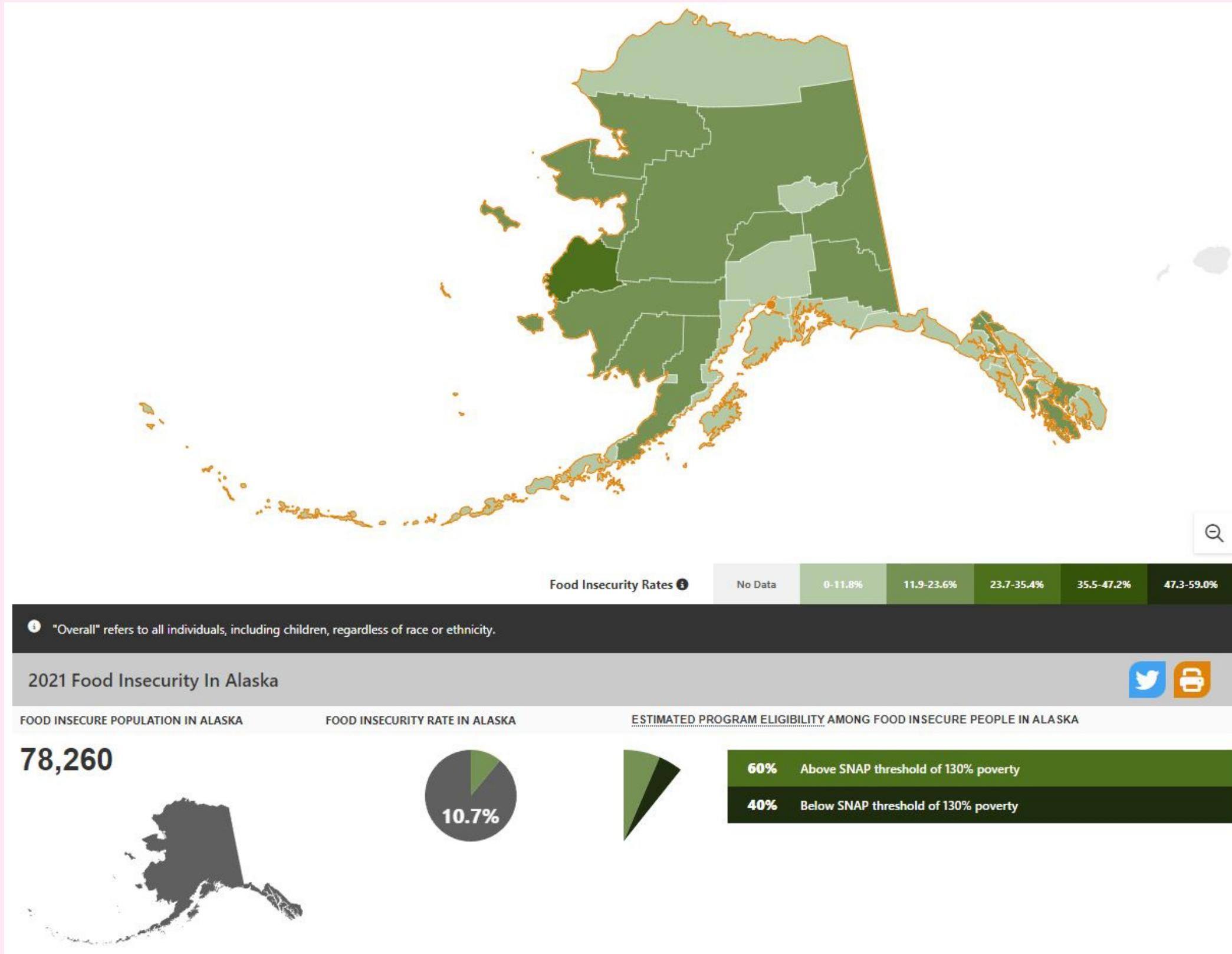
SNAP + BBCE Works!

- Especially effective for families with high expenses
- Encourages employment and career advancement
- Reduces economic hardship
- Promotes financial planning and savings
- Supports a smoother transition to self-sufficiency
- Enhances social and health outcomes

Source: Center of Budget and Policy Priorities, “SNAP’s “Broad-Based Categorical Eligibility” Supports Working Families and Those Saving for the Future.” July 2019.

https://www.cbpp.org/research/food-assistance/snaps-broad-based-categorical-eligibility-supports-working-families-and#_ftn4

FOOD INSECURITY IN ALASKA



Alaska has some of the most food-insecure census regions in the U.S. Food insecurity in Alaska presents unique challenges compared to other states due to its vast geography, remote locations, and the high cost of transporting goods.

On average, 9.5% of AK households were food insecure between 2019-2021.

AK Food Insecurity Rate U.S. Food Insecurity Rate



WHEN WE CAN'T DELIVER ON SNAP

As Alaska pays millions to fix food stamp backlog, lawmakers suggest systemic fixes

Senate committee hears bill intended to ease access to federal food aid program

BY: CLAIRE STREMPLE - FEBRUARY 15, 2024 5:58 AM



 Bulk food in Food Bank of Alaska's Anchorage warehouse on April 21, 2023. (Photo by Claire Stremple/Alaska Beacon)

SNAP Backlog Crisis 2022 - Present

A perfect storm of factors contributed to a significant backlog of SNAP applications that arose in late 2022. These factors included **chronic understaffing at DPA, the ending of the COVID-19 pandemic flexibilities, and the reliance on legacy technology systems.**

As the SNAP backlog ballooned to over 10,000 applications, food pantries around the state saw a record number of families seeking food assistance. Most of these pantries could not keep up with demand.

Bulk food purchasing

Governor Dunleavy added much-needed assistance to food pantries in the form of funding bulk food purchasing to restock pantry shelves. This allowed food banks and pantries to make bulk food purchases to help refill shelves and distribute food to families in need.

FY23 Supplemental: \$1.78 million

FY24 Supplemental: \$3.0 million

FY25: \$1.5 million

SNAP IS AN ECONOMIC DRIVER

- SNAP benefits are one of the most effective forms of economic stimulus because they quickly inject money into the economy
- Every **\$1** in SNAP benefits helps generate an estimated **\$1.50** in economic activity. SNAP dollars are especially impactful for local businesses and rural grocers.



Source: Economic Research Service, U.S. Department of Agriculture, July 2019

<https://www.ers.usda.gov/amber-waves/2019/july/quantifying-the-impact-of-snap-benefits-on-the-u-s-economy-and-jobs/>

Questions?

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