

106,000 HUNGRY FAMILIES AND CHILDREN WILL LOSE FOOD ASSISTANCE UNDER PROPOSED CHANGES TO SNAP RULES

NC JUSTICE CENTER FACT SHEET

The Supplemental Nutritional Assistance Program (SNAP, formerly known as food stamps) is one of the nation's most effective tools in fighting poverty and hunger. Last year, more than 1.3 million North Carolinians benefited from the program.¹ A special provision in SNAP called broad-based categorical eligibility (BBCE) is at risk due to a proposed rule change by the Trump Administration. Without BBCE, 3.1 million people across the nation would lose access to food assistance and more than 500,000 children would be at risk of losing school meals.² **This includes 106,000 North Carolinians, nearly 38,000 of whom are children.**³

This fact sheet details the impacts of Broad-Based Categorical Eligibility in North Carolina.

How does Broad-Based Categorical Eligibility work?

Broad-based categorical eligibility is a provision in SNAP that gives states the flexibility they need to administer the program in a way that makes sense and maximizes program efficiency. BBCE allows states to adjust income eligibility limits so that low-income families that have difficulty paying for things like child care or housing can receive help putting food on the table.⁴

North Carolina has been a model on how to use BBCE to reduce hunger and hardship among struggling North Carolinians. In addition to ensuring low-income working families have the food assistance they need, BBCE encourages households to save and lowers the administrative cost of implementing SNAP.

BBCE is an important tool in reducing the “benefit cliff”

Without BBCE, families who earn a raise at work or see a small increase in income are at risk of losing their SNAP benefits. Often times, the loss in benefits may be greater than the increase in income, effectively reducing the amount of resources in the household despite working hard to earn more. BBCE allows North Carolina to “phase down” benefits as families earn more, ensuring workers aren't punished for doing well.

BBCE encourages savings and financial planning

Under regular SNAP regulations, most households are not allowed to have assets or savings that exceed \$2,250. Under BBCE, North Carolina has eliminated those limits, allowing low-income families to save money in order to avoid debt, weather financial emergencies, and save to better support themselves during retirement.

BBCE reduces the state costs of administering SNAP

In North Carolina, case workers and county DSS offices are often overwhelmed with caseloads. BBCE simplifies the SNAP application process by eliminating the need for case workers to investigate household assets and often reduces the number of documents required to confirm eligibility. Just last month, the Mississippi Department of Human Services estimated eliminating BBCE would cost the state \$1.5 million to implement.

Research has shown that broad-based categorical eligibility does not significantly increase program cost or participation, but rather gives states the tools they need to better implement and deliver food assistance.⁵

¹ Author's analysis of program participation data from NC Department of Health and Human Services

² Letter to U.S. Department of Agriculture, Secretary Perdue from U.S. House of Representatives, Committee on Education and Labor. July 26, 2019. Available here: <https://edlabor.house.gov/imo/media/doc/2019-07-26%20Chairman%20Scott%20to%20Secretary%20Perdue%20SNAP%20Cat%20EI%20Proposed%20Rule%5b1%5d.pdf>

³ Special data request to NC Department of Health and Human Services, June 2019

⁴ Rosenbaum, Dottie. SNAP's "Broad-Based Categorical Eligibility" Supports Working Families and Those Saving for the Future. Center on Budget and Policy Priorities, Washington D.C. July, 2019. Available here: <https://www.cbpp.org/research/food-assistance/snaps-broad-based-categorical-eligibility-supports-working-families-and>

⁵ Ibid.