



Regulatory Reform at a Glance

Proposed Rule: Revision of SNAP Categorical Eligibility

The Issue

In July 2019, the U.S. Department of Agriculture (USDA) Food and Nutrition Service (FNS) published a proposed rule entitled “Revision of Categorical Eligibility in the Supplemental Nutrition Assistance Program (SNAP)”. This action closes a loophole that allows states to make participants in certain programs “categorically eligible” to participate in SNAP.

The Background

The law authorizing SNAP includes specific income and asset standards to ensure the program targets those at greatest need for benefits. But the law also allows states to confer “categorical eligibility” on those who have already been certified for similar means-tested programs—that is, programs that check income, assets, and other circumstances, to ensure applicants are eligible—such as Temporary Assistance for Needy Families (TANF).

Some states have expanded the use of categorical eligibility so that many households who receive SNAP may barely participate in these other programs—they may, for example, only receive an information brochure. These kinds of “benefits” often are given without determining income or assets. As a result, SNAP financial eligibility standards are not applied in the same way to households in states where “expanded categorical eligibility” or “broad based categorical eligibility” has been adopted. As a result, some households can qualify when they would not under regular program rules.

The reform proposal would limit categorical eligibility to those who receive substantial, ongoing assistance from TANF; this would mean cash or non-cash benefits valued at a minimum of \$50 per month for at least 6 months.

3.1 million

In 2020, 3.1 million SNAP participants, about 8 percent of the total, are expected to be eligible for benefits only because of their state’s adoption of expanded categorical eligibility policies.

Summary of Proposed Changes

The proposed rule would limit the use of expanded categorical eligibility in SNAP by:

Closing the “Nominal Benefits Loophole”



- Currently, states apply categorical eligibility with benefits as minimal as an informational brochure describing social services or hotline numbers provided to households.
- These nominal benefits are often given without checking income and assets to ensure households are eligible.
- The proposed rule would keep categorical eligibility but allow it only in circumstances where strong eligibility tests are much more likely to happen.

Linking SNAP Flexibility to Substantial, Ongoing, Work-Supporting Benefits



- For states to apply categorical eligibility for SNAP under the proposal, a household must receive a TANF benefit valued at a minimum of \$50 per month.
- The household must receive benefits for at least 6 months.
- For non-cash TANF to allow categorical eligibility, the program must provide benefits or services that support work, such as subsidized employment or childcare.

Improving Consistency and Equity Between States



- Congress designed SNAP to be available to individuals and families in similar circumstances across the country, no matter where they live.
- But Today’s expanded categorical eligibility replaces this principle with a patchwork of different rules in different states.
- This proposal helps to ensure that eligibility for SNAP is consistent from state-to-state, and better aligns SNAP with other federal benefit programs for households in need.