

Why GAO Did This Study

Over the last 10 years, participation in the U.S. Department of Agriculture's (USDA) SNAP, previously known as the Food Stamp Program, has more than doubled, and costs have quadrupled. Since 1999, USDA has allowed states to expand SNAP eligibility by adopting BBCE policies, which make households that receive services funded by Temporary Assistance for Needy Families, such as a toll-free number or brochure, categorically eligible for SNAP. Under BBCE policies, states are able to increase federal SNAP limits on household income and remove limits on assets. Although USDA has encouraged states to adopt BBCE to improve SNAP access and administration, little is known about the effects of these policies. GAO was asked to assess: (1) To what extent are households that would otherwise be ineligible for SNAP deemed eligible for the program under BBCE? (2) What effect has BBCE had on program costs? (3) What are the program integrity implications of BBCE? GAO analyzed data from USDA, selected states, and other national sources; conducted site visits to 5 states; and interviewed federal, state, and local officials, as well as others with knowledge of SNAP.

What GAO Recommends

GAO recommends that USDA review state procedures for implementing BBCE, disseminate guidance to states on certifying SNAP households as eligible for school meals, and revisit its guidance on SNAP reporting requirements to ensure they address all households. USDA generally agreed with GAO's recommendations.

View [GAO-12-670](#). For more information, contact Kay Brown at (202) 512-7215 or brownke@gao.gov.

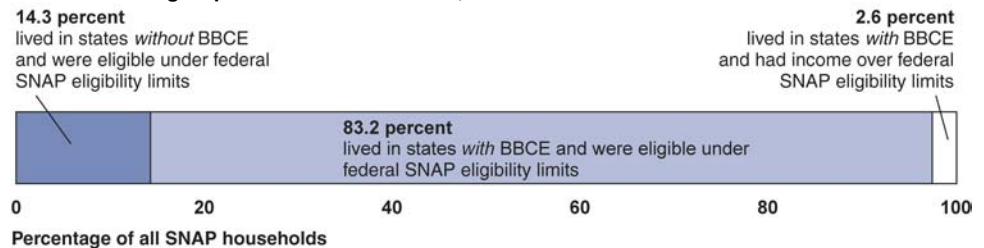
SUPPLEMENTAL NUTRITION ASSISTANCE PROGRAM

Improved Oversight of State Eligibility Expansions Needed

What GAO Found

In fiscal year 2010, GAO estimates that 2.6 percent (473,000) of households that received Supplemental Nutrition Assistance Program (SNAP) benefits would not have been eligible for the program without broad-based categorical eligibility (BBCE) because their incomes were over the federal SNAP eligibility limits. The characteristics of these households were generally similar to other SNAP households, although they were more likely to work or receive unemployment benefits. BBCE removes asset limits in most states, and while reliable data on participants' assets are not available, other data suggest few likely had assets over these limits. Although BBCE contributed to recent increases in SNAP participation, other factors, notably the recent recession, had a greater effect.

Estimated Sub-groups of SNAP Households, Fiscal Year 2010



Source: GAO analysis of SNAP quality control data.

GAO estimates that BBCE increased SNAP benefit costs, which are borne by the federal government, by less than 1 percent in fiscal year 2010. In that year, total SNAP benefits provided to households that, without BBCE, would not have been eligible for the program because their incomes were over the federal SNAP eligibility limits were an estimated \$38 million monthly or about \$460 million for the year. These households received an estimated average monthly SNAP benefit of \$81 compared to \$293 for other households. BBCE's effect on SNAP administrative costs, which are shared by the federal and state governments, is unclear, in part because of other recent changes that affect this spending, such as state budget and staffing reductions in the recent recession.

BBCE has potentially had a negative effect on SNAP program integrity. In recent years, the SNAP payment error rate declined to an historic low, but evidence suggests the decline is primarily due to changes other than BBCE. While BBCE may improve administrative efficiency, both national data and discussions with local staff suggest BBCE may also be associated with more errors. In addition, BBCE has led to unintended consequences for SNAP and related programs. For example, in implementing BBCE, some states are designating SNAP applicants as categorically eligible without providing them with the service required to make this determination. Further, likely because they are unaware of recent USDA guidance, some states certify children for free school meals when their households are determined eligible for SNAP, even though they do not receive SNAP benefits—a result more common in states with BBCE. Finally, because of federal guidance on BBCE, rules for reporting changes in household circumstances now differ by household income level and may leave higher-income households without reporting requirements for several months.