Highlights of GAO-17-558, a report to the Chairman, Committee on the Budget, U.S. Senate

Why GAO Did This Study

Various federal programs provide cash assistance, food, housing, and health care to millions of individuals, families, and households whose income falls below defined levels and who meet other eligibility requirements. As GAO previously reported, the numerous financial and nonfinancial rules for determining eligibility for such low-income programs can confuse applicants and increase program administration challenges. GAO was asked to examine eligibility rules for low-income programs.

This report examines (1) the ways in which eligibility rules and benefits for selected federal low-income programs vary across the programs; and (2) what is known about challenges associated with efforts to streamline these rules. GAO reviewed relevant agency guidance and other information provided by agencies and analyzed financial eligibility rules and benefits across six low-income programs. GAO confirmed all information on program rules with the respective administering agencies. GAO selected these programs because they are among the largest of the federally funded programs addressing low-income people’s basic needs and they illustrate variations in eligibility rules among low-income programs. GAO also reviewed previous GAO reports and selected reports from the Congressional Research Service and other knowledgeable research and policy organizations.

What GAO Found

Six key federally funded programs for low-income people vary significantly with regard to who is eligible, how income is counted and the maximum income applicants may have to be eligible, and the benefits provided. In fiscal year 2015, the most current data available, the federal government spent nearly $540 billion on benefits for these six programs—the Earned Income Tax Credit (EITC), Medicaid, the Housing Choice Voucher program, Supplemental Nutrition Assistance Program (SNAP), Supplemental Security Income (SSI), and Temporary Assistance for Needy Families (TANF). The target population for each of these programs differs, for example, people who are elderly or disabled or who have dependent children. Further, some programs have conditions for continued eligibility, such as participation in work activities under TANF. The six programs also vary in what income is and is not counted when determining an applicant’s eligibility. For example, certain programs, such as SNAP, disregard a portion of earned income, while others do not. The maximum amount of income an applicant may have and still be eligible for benefits, which is determined for some programs at the federal level and for others at the state or local level, also differs significantly. As of December 2016, this amount ranged from $5,359 per month for one state’s Medicaid program to $0 per month in one state for TANF cash assistance, for a single parent with two children. Benefit levels also differed across the six selected programs, with average monthly benefits for these programs ranging in fiscal year 2015 from $258 for SNAP to $626 for Housing Choice Vouchers, and four of the six programs adjust benefits annually.

Legal, administrative, and financial constraints pose challenges to efforts to streamline varying eligibility rules for federal low-income programs, according to GAO’s current and previous work. A key challenge is that the programs are authorized by different federal statutes enacted at different times in response to differing circumstances. Other laws, such as appropriations laws, can also have an impact on federal programs and their rules. As a result, streamlining eligibility rules would require changing many laws and coordination among a broad set of lawmakers and congressional committees. A further challenge is that a different federal agency or office administers each program GAO reviewed. For some of these programs, such as TANF, state governments also establish some program rules, making it more difficult to streamline rules at the federal level within or across these programs. Finally, financial constraints may also affect efforts to streamline program rules. For example, if rule changes raise the income eligibility limit in a program, more people may become eligible and that program’s costs may increase. Despite these challenges, Congress, federal agencies, and states have taken some steps to streamline program administration and rules, such as by making greater use of data-sharing where permitted by federal law and aligning programs’ applications and eligibility determination processes. For example, SSI recipients in most states are automatically eligible for Medicaid, and GAO previously reported that some states have integrated the SNAP eligibility process with other low-income programs, such as through combined applications and common eligibility workers.

What GAO Recommends

GAO is not making recommendations in this report.