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Report to the Chairman, Committee on the Budget, U.S. Senate

June 2017

FEDERAL LOW-INCOME PROGRAMS

Eligibility and Benefits Differ for Selected Programs Due to Complex and Varied Rules

Accessible Version

GAO-17-558

GAO Highlights

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

June 2017

FEDERAL LOW-INCOME PROGRAMS

Eligibility and Benefits Differ for Selected Programs Due to Complex and Varied Rules

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 Recommends

GAO is not making recommendations in this report.

View GAO-17-558. For more information, contact Kathryn Larin at (202) 512-7215 or larink@gao.gov.

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.

Contents

Letter		1
	Background	3
	Selected Federal Low-Income Programs Vary with Regard to Target Populations, Rules for Counting Income and Assets, and Benefits	11
	Legal, Administrative, and Financial Constraints Challenge Efforts to Streamline Rules for Low-Income Programs	31
	Agency Comments and Our Evaluation	40
Appendix I: Estimated Number of People Eligible for Selected Low-Income Programs Compared with Program Recipients		41
Appendix II: Selected Deductions for Calculating Income for Determining Program Eligibility		46
Appendix III: Maximum Monthly Income an Applicant May Have and Still Be Eligible for Six Selected Low-Income Programs		48
Appendix IV: GAO Contact and Staff Acknowledgements		51
Appendix V: Accessible Data		52
	Data Tables	52

Tables

	Table 1: Program Purposes, Type of Benefit, and Numbers Served for Six Selected Federal Low-Income Programs	4
	Table 2: Federal Departments and Agencies Responsible for Six Low-Income Programs	7
	Table 3: Target Populations among Selected Low-Income Programs (as of December 31, 2016)	11
	Table 4: Work Requirements for Eligible Adults among Selected Low-Income Programs (as of December 31, 2016)	13
	Table 5: Applicant Unit and Whose Income Is Counted in Determining Eligibility among Selected Low-Income Programs (as of December 31, 2016)	15

Table 6: Types and Amounts of Earned Income Disregarded in Determining Initial Financial Eligibility, by Selected Low-Income Program (as of December 31, 2016) 16
Table 7: Benefits from Selected Federally-Funded Low-Income Programs That Are Either Included or Excluded when Counting Income for Financial Eligibility (as of December 31, 2016) 18
Table 8: Deductions for Child Care Expenses in Calculating Income for the Purpose of Determining Eligibility for Selected Low-Income Programs (as of December 31, 2016)19
Table 9: Standards and Methods Used to Set Income Limits for Program Eligibility (as of December 31, 2016) 21
Table 10: Average Benefit and Annual Adjustment of Benefits Across Six Selected Low-Income Programs 29
Table 11: Deductions for Utilities Expenses in Calculating Income for the Purpose of Determining Eligibility for Selected Low-Income Programs (as of December 2016) 46
Table 12: Deductions for Selected Other Expenses in Calculating Income for the Purpose of Determining Eligibility for Selected Low-Income Programs (as of December 2016) 46

Figures

Figure 1: Federal Expenditures on Benefits for Six Low-Income Programs, in Billions, Fiscal Year 2015 6
Figure 2: Program Recipients as a Percent of Total U.S. Population in 2015 9
Figure 3: Conceptual Overview of Key Features of the Eligibility Determination Process for Selected Low-Income Programs 10
Figure 4: Illustration of Maximum Monthly Amounts of Income an Applicant May Have and Still Be Eligible for Three Selected Low-Income Programs with Nationally-Set Maximum Income Limits 23
Figure 5: Illustration of Range of Maximum Monthly Amounts of Income an Applicant May Have and Still Be Eligible for Four Selected Low-Income Programs with State Variations in Income Limits 24
Figure 6: Asset Limits for Determining Initial SNAP and TANF Program Eligibility, Range by Number of States (as of August 2016) 27

Figure 7: Congressional Committees, Federal Agencies, and State and Local Governments Involved in the Six Programs 33
Figure 8: Estimated Number of People Eligible for Benefits Compared to Those Receiving Benefits, 2012, for Four Low-Income Programs 42
Figure 9: Illustration of Maximum Monthly Amounts of Income an Applicant May Have and Still Be Eligible for Six Selected Low-Income Programs 49
Accessible Data for Figure 1: Federal Expenditures on Benefits for Six Low-Income Programs, in Billions, FY 2015 52
Accessible Data for Figure 2: Program Recipients as a Percent of Total U.S. Population in 2015 52
Accessible Data for Figure 3: Conceptual Overview of Key Features of the Eligibility Determination Process for Selected Low-Income Programs 52
Accessible Data for Figure 4: Illustration of Maximum Monthly Amounts of Income an Applicant May Have and Still Be Eligible for Three Selected Low-Income Programs with Nationally-Set Maximum Income Limits 53
Accessible Data for Figure 5: Illustration of Range of Maximum Monthly Amounts of Income an Applicant May Have and Still Be Eligible for Four Selected Low-Income Programs with State Variations in Income Limits 53
Accessible Data for Figure 6: Asset Limits for Determining Initial SNAP and TANF Program Eligibility, Range by Number of States (as of August 2016) 54
Accessible Data for Figure 7: Congressional Committees, Federal Agencies, and State and Local Governments Involved in the Six Programs 54
Accessible Data for Figure 8: Estimated Number of People Eligible for Benefits Compared to Those Receiving Benefits, 2012, for Four Low-Income Programs 55
Accessible Data for Figure 9: Illustration of Maximum Monthly Amounts of Income an Applicant May Have and Still Be Eligible for Six Selected Low-Income Programs 55

Abbreviations

ACF	Administration for Children and Families
AGI	Adjusted Gross Income
AMI	Area Median Income
BBCE	broad-based categorical eligibility
CCDF	Child Care and Development Fund

CMS	Centers for Medicare & Medicaid Services
CPI	Consumer Price Index
CRS	Congressional Research Service
EITC	Earned Income Tax Credit
FNS	Food and Nutrition Service
FPG	federal poverty guidelines
HHS	Department of Health and Human Services
HUD	Department of Housing and Urban Development
IRS	Internal Revenue Service
MAGI	Modified Adjusted Gross Income
MOE	maintenance of effort
PHA	Public Housing Agency
PPACA	Patient Protection and Affordable Care Act
SNAP	Supplemental Nutrition Assistance Program
SSA	Social Security Administration
SSI	Supplemental Security Income
TANF	Temporary Assistance for Needy Families
TRIM3	Transfer Income Model, version 3
USDA	Department of Agriculture
WIC	Special Supplemental Nutrition Program for Women, Infants, and Children

U.S. GOVERNMENT ACCOUNTABILITY OFFICE
441 G St. N.W.
Washington, DC 20548

June 29, 2017

The Honorable Michael B. Enzi
Chairman
Committee on the Budget
United States Senate

Dear Mr. Chairman:

Various federal programs provide cash or noncash assistance to millions of individuals, families, or households whose incomes fall below defined levels and who meet other eligibility requirements. Many of these programs provide supports to address a range of basic needs for low-income people, including cash assistance, food, housing, and health care. According to the most recent agency data available, in fiscal year 2015, the federal government expended nearly $540 billion in benefits for six programs for low-income people: 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).

As we have reported in the past, the numerous financial and nonfinancial eligibility rules for federal low-income programs can confuse applicants and increase program administration challenges.[1, 2] For applicants, these rules have sometimes made it difficult and burdensome to navigate the application process for some programs. For program staff, separate rules for each program mean that staff have to keep track of and apply different rules when determining eligibility, even though they may collect and document much of the same personal and financial information from applicants. In light of these issues, the Senate Committee on the Budget

[1] In this report, we use the term “rules” to refer generally to the programs’ requirements, regardless of the source of those requirements, which may be found in federal or state statutes or regulations, depending on the program.

[2] GAO, *Means-Tested Programs: Determining Financial Eligibility is Cumbersome and Can Be Simplified*, GAO-02-58 (Washington, D.C.: Nov. 2, 2001); *Human Services Programs: Opportunities to Reduce Inefficiencies*, GAO-11-531T (Washington, D.C.: Apr. 5, 2011); and *Welfare: Issues to Consider in Assessing Proposals for Reform,* GAO/HRD-87-51BR (Washington, D.C.: Feb. 19, 1987).

asked us to examine eligibility rules and benefits for low-income programs.

This report examines (1) in what ways eligibility rules and benefits for selected federal low-income programs vary across these programs; and (2) what is known about challenges associated with efforts to streamline varying eligibility rules for federal low-income programs.

To address the first question, we analyzed and compared the target populations and rules for determining eligibility and benefits—including financial and other eligibility rules—across six federally-funded low-income programs: (1) EITC,[3] (2) Medicaid,[4] (3) Housing Choice Vouchers, (4) SNAP, (5) SSI, and (6) TANF.[5] We selected these six programs because they are among the largest of the federally-funded low-income programs addressing basic needs, and they illustrate similarities and variations in how financial eligibility is determined among such federally-funded low-income programs.[6] The programs we selected were intended

[3] The EITC is a tax credit, which reduces tax liability dollar-for-dollar. The EITC can result in a cash refund for the taxpayer, if the credit exceeds the taxpayer's tax liability. In other cases, the EITC may reduce a taxpayer's tax liability but does not result in a refund. In this report, we focus on people who self-certify for and receive an EITC refund and the benefit they receive. We consider the refunded portion of the EITC to be a low-income program for the purposes of this report because it subsidizes the wages of low-income workers and provides a direct cash benefit to the taxpayer. The refunded portion of the EITC was among the four largest federal spending programs for people with low-incomes in fiscal year 2013, according to our prior work. GAO, *Federal Low-Income Programs: Multiple Programs Target Diverse Populations and Needs*, GAO-15-516 (Washington, D.C.: July 15, 2015).

[4] In this report, we focus on individuals eligible for Medicaid under Modified Adjusted Gross Income (MAGI) rules (referred to in this report as "MAGI-eligible"). As of January 1, 2014, MAGI rules are to be used in determining eligibility for most of Medicaid's non-elderly, non-disabled populations. A different eligibility process, not discussed in this report, is used for other groups of people, including the elderly and disabled individuals who qualify for Medicaid on the basis of being blind or disabled without regard to whether the individual is eligible for SSI.

[5] TANF is a block grant to states that emphasizes work and time-limited cash assistance and gives states wide discretion on how to use TANF funds, including for various noncash services. In this report, we focus on TANF cash assistance, which is defined as "assistance" under the U.S. Department of Health and Human Services' regulations.

[6] We previously reported that Medicaid (the largest program in terms of federal spending and program recipients), SNAP, SSI, and the refunded portion of the EITC comprised almost two-thirds of fiscal year 2013 federal obligations among the 80 plus federal programs we examined that provide aid to people with low incomes. See GAO-15-516. By financial eligibility rules, we mean rules regarding income and asset limits, as opposed to nonfinancial eligibility rules, such as those related to having a disability.

to illustrate this variability rather than serve as a comprehensive inventory of all of the eligibility requirements or an exhaustive description of differences among programs. We obtained information for these comparative analyses, including the program target populations and eligibility and benefit rules, using a two-step process. First, we reviewed relevant federal agency reports, documents, and agency guidance, as well as GAO and Congressional Research Service (CRS) reports describing program eligibility rules and benefits. In some cases, we also reviewed relevant federal laws and regulations, although we did not conduct a comprehensive legal review. Second, to ensure the accuracy of this information and our analysis, we obtained confirmation of the applicable program information and rules as of December 2016 from the specific agency that administers each program, such as the U.S. Department of Agriculture, Food and Nutrition Service (FNS) for SNAP.

To address the second question, we relied primarily on findings and analyses from previous GAO reports on the six selected programs. To supplement our prior work, we also reviewed CRS and other governmental reports on low-income programs, as well as selected reports and testimony by research and policy organizations with expertise in this area.[7]

We conducted this performance audit from May 2016 through June 2017 in accordance with generally accepted government auditing standards. Those standards require that we plan and perform the audit to obtain sufficient, appropriate evidence to provide a reasonable basis for our findings and conclusions based on our audit objectives. We believe that the evidence obtained provides a reasonable basis for our findings and conclusions based on our audit objectives.

Background

The six selected federal programs have varying purposes and are designed to target different segments of the low-income population, according to information confirmed by the administering agencies (see

[7] In selecting policy reports and testimony from research and policy organizations, we considered those that discussed eligibility or benefit issues, looked across low-income programs rather than at a single program, and offered a range of perspectives on these programs. Reports and testimony we reviewed were from the American Enterprise Institute, the American Public Human Services Association, the Center for Law and Social Policy jointly with the Urban Institute, and the Heritage Foundation.

table 1). For example, EITC targets working families, whereas SSI targets the elderly, blind, and disabled. Because potential participants must generally meet a test of financial need in order to be eligible for benefits, these programs are commonly referred to as "means-tested programs."[8] Three of the programs—EITC, SSI, and TANF—provide direct cash assistance to recipients, while the other programs provide an in-kind benefit, meaning that the recipient receives a good or service rather than cash.[9] The six programs serve millions of low-income people, ranging from nearly 69 million individuals a month for Medicaid to about 4 million individuals a month for TANF in fiscal year 2015, according to our analysis of agency data, as confirmed by the agencies.

Table 1: Program Purposes, Type of Benefit, and Numbers Served for Six Selected Federal Low-Income Programs

Program	Purpose/population	Type of benefit	Number of individuals served in an average month in FY 2015 (unless otherwise noted)
Earned Income Tax Credit (EITC) (refunded portion)[a]	To offset the burden of taxes, including Social Security taxes; provide an incentive to work; and provide income support to low-income families with earnings.	Cash assistance	23.7 million tax returns (rounded)[b]
Housing Choice Vouchers	To enable very low-income families, the elderly, and the disabled to afford decent, safe, and sanitary housing in the private market.	In-kind benefit in the form of a rent subsidy	5.32 million[c]
Medicaid	To finance the delivery of health care services to eligible low-income adults, children, pregnant women, elderly adults and people with disabilities	In-kind benefit in the form of health care services	68.9 million (projected)[d]
Supplemental Nutrition Assistance Program (SNAP)	To alleviate hunger and malnutrition and permit low-income households to obtain a more nutritious diet by increasing their food purchasing power.	In-kind benefit in the form of electronic benefits for food	45.8 million

[8] In this report, we may use the terms "participants," "recipients," or "beneficiaries" interchangeably to refer to individuals, families, or other entities that are receiving benefits from one of our selected low-income programs.

[9] SNAP benefits are generally considered in-kind assistance, though these benefits are provided to SNAP recipients through Electronic Benefit Transfer cards. These cards work generally like a debit card at approved SNAP retailers, where recipients swipe their card and enter their personal identification number to pay for eligible food items. Similarly, Housing Choice Vouchers are also considered in-kind assistance in the form of a voucher that can be used to pay for rent. As mentioned previously, states may use their TANF block grant funds to provide both cash assistance and noncash services to eligible participants; however, in this report we focus on TANF cash assistance.

Program	Purpose/population	Type of benefit	Number of individuals served in an average month in FY 2015 (unless otherwise noted)
Supplemental Security Income (SSI)	To provide a minimum income for aged, blind or disabled individuals who have very limited income and assets.	Cash assistance	8.2 million[e]
Temporary Assistance for Needy Families (TANF) cash assistance	To provide assistance to needy families so that children may be cared for in their own homes or in the homes of relatives, among other purposes.[f]	Cash assistance	4.18 million

Source: GAO analysis of prior GAO work and agency data, as confirmed by the agencies. | GAO-17-558

Note: While GAO did not independently verify the legal accuracy of the information in this table, we confirmed the information with the cognizant agencies. Individuals may receive benefits from more than one program. The data in this table cannot be used to determine the total number of individuals served through all six programs.

[a]The EITC is a tax credit that reduces tax liability dollar-for-dollar. The EITC can result in a refund for the taxpayer, if the credit exceeds the taxpayer's tax liability. In other cases, the EITC may reduce a taxpayer's tax liability but does not result in a refund. In this report, we focus on people who claim and receive an EITC refund and the benefit they receive.

[b]This figure represents the number of 2015 tax returns that contained a claim for and resulted in a refund from the EITC and does not represent the number of individuals served in an average month. These returns were filed in 2016. In addition to the 23.7 million tax returns that resulted in a refund, 3.6 million tax returns contained a claim for the EITC that resulted in an offset of taxes owed but not a refund. The number of individuals served, which may include both spouses and children in the household, would be higher than the number of tax returns. According to a Treasury official, an internal analysis estimated that 70.8 million individuals received an EITC in calendar year 2015, either as a tax filer or one of the qualifying children on the return. This estimate includes all individuals who received an EITC, not just those who received a refund.

[c]This figure represents the number of persons served by a Housing Choice Voucher in December 2015 (single point-in-time).

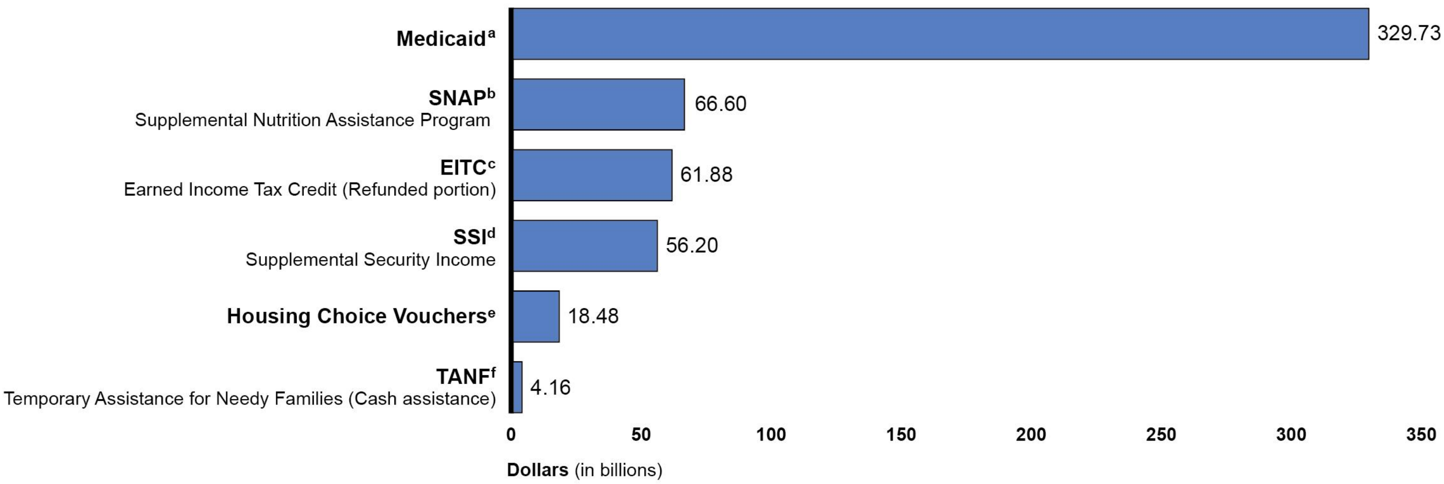
[d]This figure represents the total projected average monthly enrollment for Medicaid.

[e]This figure represents the number of individuals who received at least one SSI payment during calendar year 2015. For SSI, a state can choose to supplement federal payments with state funds to whatever extent it finds appropriate with respect to the needs of its citizens and the resources of the state. States may administer their own program or they may enter into an agreement whereby the federal government administers the state program in exchange for a fee. This figure does not include those served by the SSI State Supplementary Programs.

[f]The other purposes of TANF are to end the dependence of needy parents on government benefits by promoting job preparation, work, and marriage; prevent and reduce the incidence of out-of-wedlock pregnancies and establish annual numerical goals for preventing and reducing the incidence of these pregnancies; and encourage the formation and maintenance of two-parent families. We do not report spending on or numbers served by noncash assistance services related to these purposes.

Medicaid is the largest program in terms of expenditures on benefits among the six selected programs, according to information provided by the administering agencies, totaling $329.73 billion in federal spending for the entire Medicaid population in fiscal year 2015 (see fig.1).[10] Federal spending on benefits for the five other programs ranged from $4.16 billion for TANF cash assistance to $66.60 billion for SNAP in that year. In TANF and Medicaid, states and the federal government generally share in the cost of benefits, whereas benefits are entirely federally funded for EITC, SNAP, SSI, and Housing Choice Vouchers.[11]

Figure 1: Federal Expenditures on Benefits for Six Low-Income Programs, in Billions, Fiscal Year 2015



Source: GAO analysis of agency data and documentation, as confirmed by the agencies. | GAO-17-558

Note: The numbers in this figure represent federal expenditures for program benefits in the 50 states and the District of Columbia unless noted otherwise.

[10] Figure 1 represents expenditures on the total Medicaid population, not just those whose financial eligibility is determined based on Modified Adjusted Gross Income rules. Medicaid differs from the other programs we selected in that the costs of benefits or services received are generally driven by individual health care needs and the rising costs of the health care market generally, as well as recent expansions to the eligible population. According to CRS, spending on Long Term Services and Supports (LTSS) makes up a sizeable portion of Medicaid expenditures (federal and state), accounting for about 26 percent of all Medicaid spending, despite LTSS recipients representing a relatively small share of the total Medicaid population, at 6.4 percent. LTSS benefits include nursing facility services and home health services. Other types of LTSS include case management services, personal care services, and private duty nursing.

[11] The federal government and states share in the financing of the Medicaid program, with the federal government matching most state expenditures for Medicaid services based on a statutory formula. As a condition of receiving federal TANF block grant funds, states are required to spend a certain amount of their own funds on TANF-allowable categories—called state maintenance of effort (MOE) spending. In fiscal year 2015, state spending on cash assistance benefits totaled $3.64 billion, according to our analysis of agency data, as confirmed by the agency.

[a]Represents expenditures on the total Medicaid population, not just those whose financial eligibility is determined based on Modified Adjusted Gross income rules. In fiscal year 2015, states paid an additional $194.53 billion in Medicaid benefits, not shown in the figure.

[b]Includes SNAP expenditures made on behalf of recipients in Guam and the U.S. Virgin Islands.

[c]Includes EITC expenditures for the refunded portion only. In fiscal year 2015, an additional $2.12 billion was expended on offsets for taxes owed, not shown in the figure.

[d]Includes SSI expenditures made on behalf of recipients in the Northern Mariana Islands.

[e]Includes Housing Choice Voucher expenditures made on behalf of recipients in Guam, the Northern Mariana Islands, Puerto Rico and the U.S. Virgin Islands. Because of how the Department of Housing and Urban Development reports its data, this figure includes administrative costs as well as costs for benefits.

[f]States spent an additional $3.64 billion of their state maintenance of effort (MOE) funds for cash assistance benefits in fiscal year 2015, not shown in this figure.

Several federal departments and agencies or offices administer and oversee the six selected low-income programs (see table 2).

Table 2: Federal Departments and Agencies Responsible for Six Low-Income Programs

Program	Federal department	Federal agency or office
Earned Income Tax Credit	U.S. Department of the Treasury	Internal Revenue Service
Medicaid	U.S. Department of Health and Human Services	Centers for Medicare & Medicaid Services
Housing Choice Vouchers	U.S. Department of Housing and Urban Development	Office of Public and Indian Housing
Supplemental Nutrition Assistance Program	U.S. Department of Agriculture	Food and Nutrition Service
Supplemental Security Income	N/A	Social Security Administration
Temporary Assistance for Needy Families	U.S. Department of Health and Human Services	Administration for Children and Families

Source: Agency documentation. | GAO-17-558

The funding structure of these low-income programs differs, which to some extent may affect the number of program recipients. SNAP, EITC, SSI, and Medicaid are open-ended entitlement programs, which means that the government is legally required to make payments to individuals or families who meet the requirements established by law. As a result, all individuals or families who apply for these programs and are eligible are entitled to benefits. In contrast, the Housing Choice Voucher and TANF cash assistance programs are not entitlement programs, and the number of recipients may be limited, in part, by these programs' funding amounts.[12] Programs also differ in their source of funding: some programs are entirely federally-funded, while in other programs, the states and the federal government each contribute some funding for benefits, program administration, or both.

Partly because the programs have different purposes and to some extent target different populations, the six low-income programs vary in the extent of their reach. Figure 2 shows the number of program recipients, according to agency data, as a percentage of the total U.S. population.[13] As a general comparison, in 2015, Medicaid served 22 percent of the population, or more than 1 in 5 people,[14] while TANF served 1 percent of the total U.S. population in that year.[15]

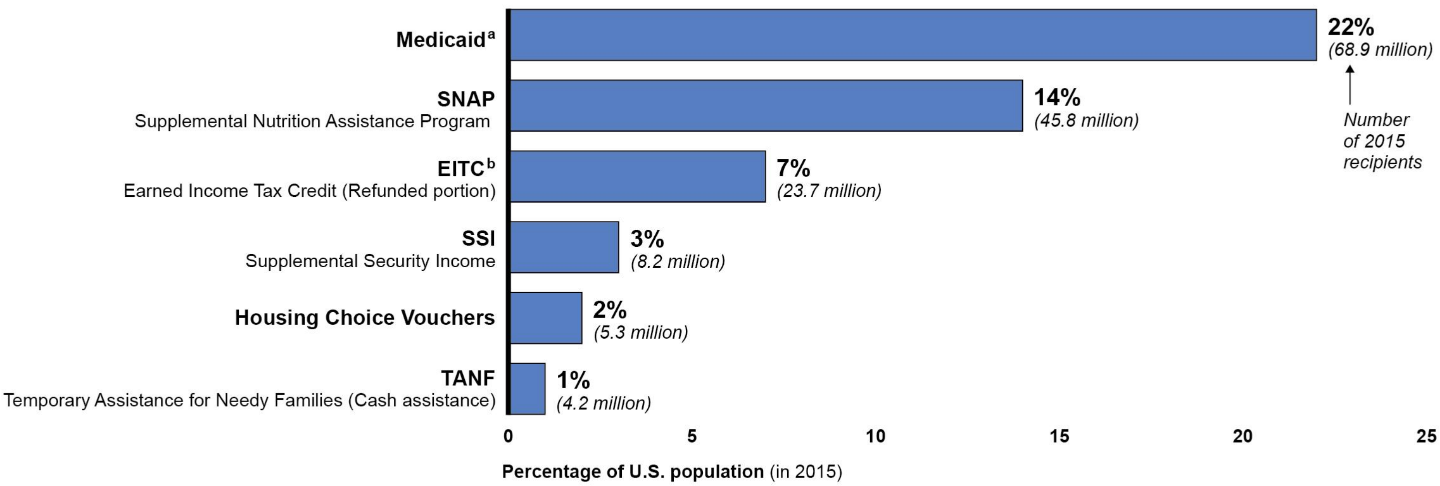
[12] CRS, *Need-Tested Benefits: Estimated Eligibility and Benefit Receipt by Families and Individuals*, R44327 (Washington, D.C.: Dec. 30, 2015).

[13] The percentages are not strictly comparable due to differences in the agency data. See figure note for further detail.

[14] In this instance, we are referring to the total Medicaid population, not just those who are MAGI-eligible.

[15] See appendix I for information on participation rates for subsidized housing (which includes the Section 8 Housing Choice Voucher program, as well as the project-based rental assistance program and the public housing program), SNAP, SSI, and TANF. The participation rates show the numbers served for each program as a percentage of the eligible population.

Figure 2: Program Recipients as a Percent of Total U.S. Population in 2015



Source: GAO analysis of agency data and documentation, as confirmed by the agencies, and population data from the U.S. Census Bureau. | GAO-17-558

Note: We calculated these percentages by comparing the number of individuals, and for EITC, tax returns, that receive benefits from each program to the total U.S. population for 2015 (estimated as of March 2016). The percentages are not strictly comparable because the underlying time unit for numbers served varies (i.e. SNAP, TANF, and Medicaid report numbers served as monthly averages for fiscal year 2015, while Housing Choice Vouchers report numbers served in December 2015 (single point-in-time), SSI reports numbers served at any one time during calendar year 2015, and EITC reports the total number of tax returns receiving refunds n calendar year 2015.)

[a]Represents the total number of Medicaid recipients, not just the subset whose financial eligibility is determined based on Modified Adjusted Gross Income rules.

[b]This reflects the number of tax returns that self-certified for the EITC and received a refund from it. Because tax returns may be for one or more individuals, this percentage should be considered a minimum. According to a Treasury official, an internal analysis estimated that 70.8 million individuals, or about 22 percent of the U.S. population, received an EITC in calendar year 2015, either as a tax filer or one of the qualifying children on the return. This estimate includes all individuals who received an EITC, not just those who received a refund.

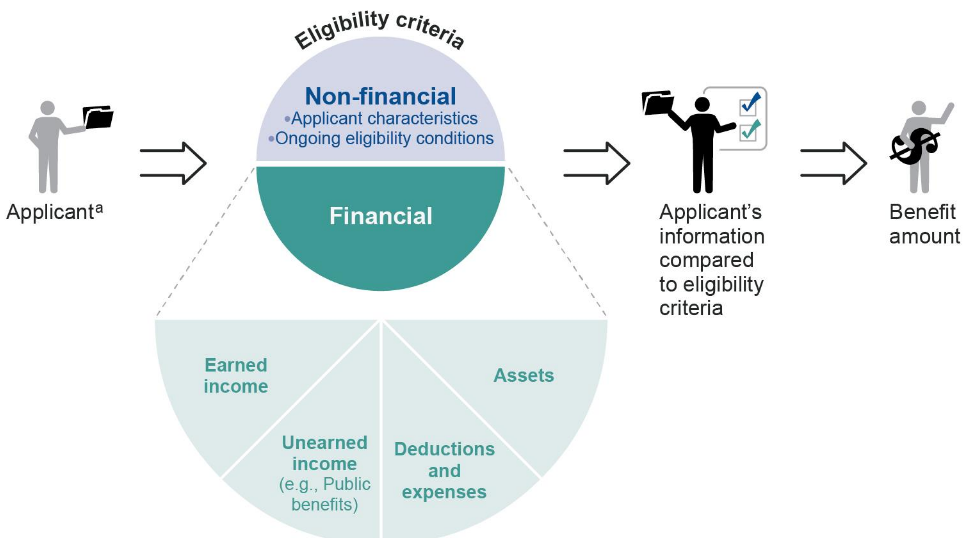
Process for Determining Eligibility

Common basic elements exist in how the six low-income programs determine program eligibility.[16] Figure 3 provides a conceptual overview of the types of elements typically considered when determining eligibility for these low-income programs. Generally, several factors are taken into

[16] While there are common elements in how these six programs determine eligibility, the specific requirements vary by program.

consideration to assess applicant eligibility.[17] For determining financial eligibility, the factors commonly considered include how much income the applicant has (both earned, such as wages, and unearned, such as income from other public benefit programs), as well as, for some programs, the applicant's assets. Further, certain nonfinancial factors may be taken into consideration to assess applicant eligibility, such as whether the applicant has a dependent child or a disability or is working. If an applicant is found to be eligible for a program, the benefit amount they are eligible for is then determined using the benefit rules for that particular program.[18]

Figure 3: Conceptual Overview of Key Features of the Eligibility Determination Process for Selected Low-Income Programs



Source: GAO analysis of agency documentation, as confirmed by the agencies. | GAO-17-558

[17] In this report, we use the term "applicant" to refer to a potential program recipient. Depending on the program, the applicant unit may be an individual, married couple, family, or household. However, there is no application process for the EITC. Taxpayers self-certify their eligibility and claim the credit on their tax returns.

[18] Benefits for Medicaid are provided in the form of health care services to beneficiaries. As opposed to a benefit that is calculated by a formula, the level of health care services provided is determined by the beneficiaries' health care needs and the benefit design in the state. States make decisions regarding what health services to cover beyond the minimum coverage and benefits standards required by federal law, and they establish the amount, duration, and scope of services within broad federal guidelines.

Note: This figure provides a general overview of common steps taken in determining eligibility for our six selected programs; the specific requirements vary by program. This figure does not include rules used to determine benefit amounts.

[a]In this figure, we use the term "applicant" to refer to a potential program recipient. Depending on the program, the applicant may be an individual, married couple, family, or household. However, there is no application process for the EITC. Taxpayers self-certify their eligibility and claim the credit on their tax returns.

Selected Federal Low-Income Programs Vary with Regard to Target Populations, Rules for Counting Income and Assets, and Benefits

Selected Programs Target a Range of Low-Income Populations, Including People Who Are Elderly or Disabled or Those with Dependent Children, and Some Require Work

In addition to having different program purposes, the six programs we reviewed target a range of low-income populations, including people with some earnings, people who are elderly or disabled, or families with dependent children, according to our analysis of agency documents, as confirmed by the agencies (see table 3). The programs' nonfinancial eligibility rules establish the specific characteristics an individual or household must have, if any, in order to be eligible for the program.[19] For example, to qualify for TANF, families generally must have a dependent child, while for SSI, the applicant must be 65 years old or older, blind, or have a disability that meets certain requirements.

Table 3: Target Populations among Selected Low-Income Programs (as of December 31, 2016)

Program	Target population
Earned Income Tax Credit (EITC)	Low-income working families with children age 18 or younger, disabled children, students under 23, and childless adults with earned income below set limits.
Housing Choice Vouchers	Low and very low-income families, individuals age 65 or older, and the disabled (which may include single individuals).

[19] Unless otherwise indicated, in this report we focus on the rules for each program that are set at the federal level, although some program rules may vary by state.

Program	Target population
Medicaid	Low-income families with dependent children; pregnant women; individuals age 65 or older, or blind or disabled individuals; nonelderly, nondisabled low-income individuals in certain states.
Supplemental Nutrition Assistance Program (SNAP)	Low-income households.
Supplemental Security Income (SSI)	Low-income individuals age 65 or older or blind or disabled children or adults.
Temporary Assistance for Needy Families (TANF)	Needy families with children.[a]

Source: GAO analysis of agency documentation, as confirmed by the agencies. | GAO-17-558

Note: While GAO did not independently verify the legal accuracy of the information in this table, we confirmed the information with the cognizant agencies.

[a]For TANF, this includes eligible families with a pregnant woman and families with a dependent child.

Federal low-income programs sometimes have overlapping target populations, and program rules for some programs allow those who qualify for one program to be automatically eligible for another—also known as categorical eligibility—which, as we have previously reported, can both ease access to these programs as well as reduce administrative costs.[20] For example, according to SSA, in most states SSI recipients are automatically eligible for Medicaid, and we have previously reported that some TANF recipients are automatically eligible for SNAP. Specifically, TANF cash assistance recipients are categorically eligible for SNAP, and some states have opted to extend categorical eligibility to households authorized to receive certain TANF or state maintenance of effort (MOE)-funded noncash services under broad-based categorical eligibility (BBCE) policies.[21]

Nonfinancial eligibility rules for some of the programs we reviewed also include requirements that participants must comply with as a condition of eligibility for benefits or services, such as participation in work or work-related activities in three of the programs (see table 4). For example, federal TANF rules require states to engage a certain percentage of families receiving cash assistance in specified work-related activities, such as job search and job readiness assistance, if there is an individual

[20] GAO, *Supplemental Nutrition Assistance Program: Improved Oversight of State Eligibility Expansions Needed,* GAO-12-670 (Washington, D.C.: July 26, 2012).

[21] As of August 2016, 39 states and the District of Columbia had expanded SNAP eligibility through BBCE, according to USDA. For more information on BBCE, see GAO-12-670.

in the family who is generally required to work. EITC is unique in that its target population is working low-income people, and therefore, EITC rules require work for initial eligibility. Since EITC is administered through the tax system, it generally requires tax filers who claim the credit to have earned income—as its name suggests—unlike the other programs we reviewed.

Table 4: Work Requirements for Eligible Adults among Selected Low-Income Programs (as of December 31, 2016)

Program	Federal work requirement	Who is required to work, if applicable
Earned Income Tax Credit (EITC)	Yes - In order to receive the EITC benefit, eligible taxpayers must have earned income, such as from wages from working or self-employment earnings.	Taxpayers applying for EITC, or at least one taxpayer in the case of joint returns.
Housing Choice Vouchers	None	N/A
Medicaid	None	N/A
Supplemental Nutrition Assistance Program (SNAP)	Yes - SNAP requires participants to work, register for work, and/or participate in an employment and training program if assigned by the state SNAP agency, unless otherwise exempt.	SNAP recipients ages 16 through 59 who are mentally and physically able to work and who are not otherwise exempt. In addition to the general work requirements, able-bodied adults between 18 and 49 without dependents must work and/or participate in a qualifying work program at least 80 hours per month, or comply with a workfare program, to receive SNAP for more than 3 months in 3 years.
Supplemental Security Income (SSI)	None[a]	N/A
Temporary Assistance for Needy Families (TANF)	Yes - For those receiving TANF cash assistance, federal law requires each state to engage • at least 50 percent of all TANF families with a work-eligible individual and • at least 90 percent of two-parent TANF families with two work-eligible individuals in specified work or work-related activities or face potential financial penalties. However, these percentages are subject to adjustments based on caseload reduction and state spending. The specified work activities include job search and job readiness assistance, among other activities.[b]	Work-eligible individuals in families receiving TANF cash assistance.

Source: GAO analysis of agency documentation, as confirmed by the agencies. | GAO-17-558

Note: While GAO did not independently verify the legal accuracy of the information in this table, we confirmed the information with the cognizant agencies.

[a]In order to be eligible for SSI benefits based on a disability, an adult must have a medically determinable physical or mental impairment that (1) prevents the individual from engaging in any substantial gainful activity, and (2) has lasted or is expected to last at least 1 year or result in death. While disabled adult SSI recipients have generally been determined by the Social Security Administration to be unable to work, taking into account age, education, and work experiences, program rules allow disabled SSI recipients to work and still receive monthly benefits, provided their earnings do not exceed certain limits and other conditions are met.

[b]TANF family participation in 12 specified work activities counts toward the state performance measure: unsubsidized employment, subsidized private sector employment, subsidized public sector employment, on-the-job training, job search and readiness, work experience, community service, vocational educational training, job skills training, education directly related to employment, completion of secondary school, and providing child care to a community service participant. Our review of eligibility rules included only those for TANF cash assistance and not those related to other noncash TANF services.

Selected Programs Differ Greatly in How Income Is Counted and How Much Income Applicants May Have to Be Eligible

The six low-income programs we reviewed use different rules to determine the financial eligibility of program applicants, according to our analysis of agency documents, as confirmed by the agencies. These variations affect whose income is counted, what income is and is not counted, whether expenses are deducted from income, and how much income applicants may have and still be eligible.

Whose Income Is Counted

The six programs we reviewed differ not only in their definitions of who the benefit is provided to once eligibility is determined—which we refer to as the "applicant unit"—but also in how they count the income of different people when determining applicant eligibility.[22] For some programs, such as SSI, the applicant unit is the individual, while for others, such as SNAP, the unit is the household (see table 5).[23] Further, while programs may use similar terminology, there is no single definition of "family" or "household" used across these low-income programs—the same term may mean different things depending on the program. For purposes of counting income, for example, both TANF and the Housing Choice Voucher program count the income of individuals in a "family." However, in the case of the Housing Choice Voucher program, for example, a single person living alone or a group of persons living together is considered a "family," while for TANF cash assistance, states determine what constitutes a "family" and the family must generally include a

[22] Unlike for the other selected programs, taxpayers self-certify their eligibility for EITC and claim the credit on their tax returns.

[23] As we previously reported, most low-income programs target specific sub-populations and do not serve low-income people generally. See GAO, *Federal Low-Income Programs: Multiple Programs Target Diverse Populations and Needs,* GAO-15-516 (Washington, D.C.: July 30, 2015).

dependent child. In addition, in some programs, the applicant unit differs from whose income is counted when determining financial eligibility. For example, in SSI, while the applicant is typically an individual, the income of the applicant's parent or spouse may be considered when determining eligibility, if that person is living in the applicant's household.

Table 5: Applicant Unit and Whose Income Is Counted in Determining Eligibility among Selected Low-Income Programs (as of December 31, 2016)

Program	Applicant unit	Whose income is counted
Earned Income Tax Credit (EITC)	Individual taxpayers or married couples (if filing a joint return)	Individual taxpayers or married couples (if filing a joint return). All income and earnings amounts are calculated at the tax return level.
Housing Choice Vouchers	Household	Family, meaning a single person or a group of persons living together.
Medicaid	Individual	Household, based on Modified Adjusted Gross Income (MAGI).[a] With certain exceptions, Medicaid defines total household income as the sum of the MAGI-based income of every individual included in the household.[b]
Supplemental Nutrition Assistance Program (SNAP)	Household[c]	Household, including all eligible and ineligible household members (such as those with an intentional program violation). Earned income of children under 18 who are elementary or secondary school students is exempted from countable household income.
Supplemental Security Income (SSI)	Individual or married couple	Individual or married couple applying for benefits, as well as others in the household. For example, if applicant has a spouse living in the same household who is not eligible for benefits, that individual's income is considered. If applicant is under 18 and living in the parent(s) household, parent(s) income is considered.
Temporary Assistance for Needy Families (TANF)	Family	Family, which is determined by the state and includes dependent children, their siblings, and their parents or other caretaker relatives living together.

Source: GAO analysis of agency documentation, as confirmed by the agencies. | GAO-17-558

Note: While GAO did not independently verify the legal accuracy of the information in this table, we confirmed the information with the cognizant agencies.

[a]In this report, we focus on individuals eligible for Medicaid under Modified Adjusted Gross Income (MAGI) rules. MAGI-based Medicaid rules take into account the application of MAGI to individuals who do not file taxes (usually due to no filing requirement), as well as exceptions for certain tax dependents who are treated as non-filers. As of January 1, 2014, MAGI rules are used in determining eligibility for most of Medicaid's non-elderly, non-disabled populations. A different eligibility process, not discussed in this report, is used for other groups of people, including the elderly and disabled individuals who qualify for Medicaid on the basis of being blind or disabled without regard to whether the individual is eligible for SSI.

[b]These exceptions include: the income of a child who is included in the household of his or her natural parent, adopted parent, or step-parent and is not expected to file a tax return is not included in the Medicaid household income; the income of a tax dependent who is not expected to file a tax return is not included in the Medicaid household income of the taxpayer, regardless of whether the tax dependent files a tax return; and Medicaid household income may, at state option, include cash support above nominal amounts provided by another tax payer expected to claim a member of the household (other than a spouse, a natural child, adopted child, or step-child) as a tax dependent.

[c]In general, SNAP defines a household as persons living together who purchase food and prepare meals together for home consumption. Some people (such as spouses and children 21 and under)

who live together are included in the same household even if they purchase and prepare meals separately.

What Income Is and Is Not Counted

The programs we reviewed also differ in how they treat an applicant's earned income—or income earned from working—for the purposes of eligibility determination, according to our analysis of agency documentation, as confirmed by the agencies, with some programs structuring their earned income rules to incentivize work, as we have previously reported (see table 6).[24] For example, when determining income eligibility for SNAP, federal rules disregard 20 percent of the applicant household's earned income. In other words, if an applicant has $1,000 in monthly earned income, only $800 is considered when calculating the household's income eligibility for SNAP.[25] For TANF, states determine earned income rules, and according to HHS, almost all states disregard some earned income, either as a percentage of earnings, a set dollar amount, or both, although the percentage or amount differs by state.

Table 6: Types and Amounts of Earned Income Disregarded in Determining Initial Financial Eligibility, by Selected Low-Income Program (as of December 31, 2016)

Program	Earned income disregarded, for initial eligibility
Earned Income Tax Credit (EITC)	Federally-set rules: Adjusted Gross Income (AGI), which partially determines the credit amount from EITC, includes additional sources of income besides earned income and permits certain allowable deductions. However, there are no specific earned income types that are always disregarded in determining eligibility.[a]
Housing Choice Vouchers	Federally-set rules: After total annual income has been calculated (including both earned and unearned income), there is a mandatory deduction of $480 for each dependent and $400 for any elderly family or disabled family members. In addition, the Housing Choice Voucher excludes earned income of minors, among others, when calculating annual income.
Medicaid	Federally-set rules: Specific earned income disregards are not permitted for Medicaid eligibility under MAGI-based rules.[b]

[24] See GAO-02-58.

[25] The SNAP income eligibility process has both gross and net income tests. The 20 percent earned income disregard occurs when assessing whether the applicant meets the net income test. Under MAGI-based Medicaid rules, an applicant with $1,000 in monthly earned income would have 5 percent of the federal poverty guidelines for their family size deducted from their counted income. For example, if the applicant is part of a three-person family, $84 would be deducted from earned income, and therefore $916 would be considered for determining Medicaid eligibility, as of December 2016.

Program	Earned income disregarded, for initial eligibility
Supplemental Nutrition Assistance Program (SNAP)	Federally-set rules: The federal earned income deduction provides for a 20% deduction of earned income.[c]
Supplemental Security Income (SSI)	Federally-set rules: After total monthly income has been calculated, there is a mandatory deduction of $20 per month of income and $65 per month of earnings for recipients plus one-half of remaining earnings.
Temporary Assistance for Needy Families (TANF)	State-determined rules: As of July 2015, examples of earned income disregards for initial income eligibility included set amounts (e.g., $90) and proportions of earned income (e.g. 20% of earned income).

Source: GAO analysis of agency documentation, as confirmed by the agencies. | GAO-17-558

Note: While GAO did not independently verify the legal accuracy of the information in this table, we confirmed the information with the cognizant agencies. Our review of eligibility rules included only those for TANF cash assistance and not those related to other noncash TANF services.

[a]Taxpayers who receive combat pay, which is generally exempt from tax, have the option to include it in earned income if this results in a larger EITC. Additionally, certain adjustments to income are permitted under tax rules to calculate Adjusted Gross Income. These adjustments include, for example: student loan interest deduction, tuition and fees, alimony paid, educator expenses, and moving expenses.

[b]As of January 1, 2014, the MAGI-based rules have required a state to subtract an amount equal to 5 percentage points of the federal poverty guidelines for the applicable family size from an individual's total income in determining Medicaid eligibility.

[c]In addition, the standard deduction is available to all SNAP applicants, regardless of whether they have earned income or unearned income, and is meant to cover other household costs not otherwise covered by the other deductions. For fiscal year 2016, the federal standard deduction provided a deduction $155 for households of 1 to 3 people and $168 for a household of 4 (higher for some larger households).

The programs we reviewed also differ greatly in how they treat an applicant's unearned income—which may include benefits received from other federally-funded programs for low-income people—for the purposes of eligibility determination (see table 7). A low-income family is likely to be eligible for and may participate in more than one low-income program. However, not all of those eligible received a benefit. We have previously reported that families receiving TANF cash assistance generally also receive Medicaid and SNAP.[26] However, because of differences in these programs' eligibility rules related to unearned income, TANF benefits are counted as income when determining SNAP eligibility but not counted as income when determining Medicaid eligibility, according to our analysis of agency documents, as confirmed by the agency. In contrast, the cash benefit received from the refunded portion of EITC is not counted as income when determining eligibility for any of the other selected programs. According to a 2015 CRS analysis, of those who received a benefit from one of nine major federally funded low-income programs, an estimated 41 percent received benefits from one program and an

[26] GAO-02-58.

estimated 27 percent received benefits from two programs.[27] The remaining families received benefits from three or more programs. According to CRS, 18 percent of families received benefits from three programs, 9 percent received benefits from four programs, and less than 5 percent received benefits from five or more programs. The nine low-income programs in CRS's analysis included five of the six we reviewed for this report.[28]

Table 7: Benefits from Selected Federally-Funded Low-Income Programs That Are Either Included or Excluded when Counting Income for Financial Eligibility (as of December 31, 2016)

Program	Benefits included	Benefits excluded
Earned Income Tax Credit (EITC)	Benefits that are included in income can affect EITC to the extent that these benefits affect Adjusted Gross Income (AGI). (Generally, however, benefits from low-income programs are not taxable, and therefore are not included in AGI.)	TANF, SSI, SNAP (Generally, however, benefits from low-income programs are not taxable, and therefore are not included in AGI.)
Housing Choice Vouchers	TANF	EITC, SNAP, SSI (for certain purposes)
Medicaid	None	EITC, SNAP, TANF, SSI
Supplemental Nutrition Assistance Program (SNAP)	SSI and TANF	EITC
Supplemental Security Income (SSI)	TANF	EITC, Housing Choice Vouchers, SNAP
Temporary Assistance for Needy Families (TANF)	At state discretion	EITC, others at state discretion

Source: GAO analysis of agency documentation, as confirmed by the agencies. | GAO-17-558

Note: While GAO did not independently verify the legal accuracy of the information in this table, we confirmed the information with the cognizant agencies. Our review of eligibility rules included only those for TANF cash assistance and not those related to other noncash TANF services. The list of programs presented in this table as included or excluded from counted income includes only the six programs we reviewed and is therefore not exhaustive. For example, there are other programs' benefits that are excluded or included, such as Unemployment Insurance, which is included for

27 Congressional Research Service, *Need-Tested Benefits: Estimated Eligibility and Benefit Receipt by Families and Individuals* (Washington, D.C.: Dec. 30, 2015). For more information on program participation by those eligible, see app. I.

28 The CRS report reviewed nine programs: SNAP; TANF; EITC; SSI; Housing Assistance, including the Housing Choice Voucher program, among others; the Additional Child Tax Credit; the Special Supplemental Nutrition Program for Women, Infants, and Children; the Child Care and Development Fund; and the Low-Income Home Energy Assistance Program. Due to data limitations and methodological factors, Medicaid was not included in the central analysis of the CRS report and was instead discussed separately in an appendix.

Medicaid and Housing Choice Vouchers, and the Low-Income Home Energy Assistance Program, which is explicitly excluded for Housing Choice Vouchers and SSI.

Expenses Deducted from Counted Income

In calculating applicants' income levels to determine eligibility, some of the low-income programs we reviewed deduct certain types of expenses from income, such as those for child care, utilities, and shelter, according to our analysis of agency documentation and information provided by agencies, as confirmed by the agencies. Programs may allow the deduction of certain types of expenses when determining applicant eligibility to ensure that the applicants' financial circumstances and ability to meet certain basic needs are more fully captured. For example, Housing Choice Voucher and SNAP both deduct child care expenses when determining program eligibility, while EITC and Medicaid take these expenses into account in other ways (see table 8).[29] (For additional deductions for selected other expenses, see appendix II.)

Table 8: Deductions for Child Care Expenses in Calculating Income for the Purpose of Determining Eligibility for Selected Low-Income Programs (as of December 31, 2016)

Program	Deductions for child care expenses
Earned Income Tax Credit (EITC)	For some taxpayers, a portion of child care expenses can be excluded and are not counted as part of Adjusted Gross Income (AGI). Taxpayers may also be eligible for a child and dependent care tax credit, which has no effect on AGI or earnings for purposes of the EITC, but may affect the portion of the EITC that exceeds tax liability.
Housing Choice Vouchers	Reasonable child care expenses deducted for children under age 13[a]
Medicaid	Child care expenses are generally not disregarded or deducted from income for determining Medicaid eligibility.[b]
Supplemental Nutrition Assistance Program (SNAP)	A household can deduct the actual cost of payments necessary for the care of a dependent if the care enables a household member to accept or continue employment, or training or education that is preparatory for employment.
Supplemental Security Income (SSI)	None.
Temporary Assistance for Needy Families (TANF)	Varies by state. Some states do not deduct any child care expenses while others deduct child care expenses in the same way as Medicaid.

Source: GAO analysis of agency documentation, as confirmed by the agencies. | GAO-17-558

Note: While GAO did not independently verify the legal accuracy of the information in this table, we confirmed the information with the cognizant agencies. Our review of eligibility rules included only those for TANF cash assistance and not those related to other noncash TANF services.

[29] For the Housing Choice Voucher program, each local Public Housing Agency (PHA) administering the program can adopt policies on how it will determine reasonable childcare expenses.

[a]For the Housing Choice Voucher program, each local Public Housing Agency (PHA) administering the program can adopt policies on how it will determine what constitutes a reasonable childcare expense.

[b]However, to the extent child care expenses are excluded from adjusted gross income (AGI) on a tax return, then these exclusions factor into applicants' Modified Adjusted Gross Income (MAGI).

How Much Income Applicants May Have to Be Eligible

A fundamental difference among the six programs we reviewed is the variation in the income limits used for determining applicants' program eligibility, according to our analysis of agency data and documentation, as confirmed by agencies. These programs differed in the ways they measure applicants' income, the standards and methods used to determine the maximum amount of income an applicant may have and still be eligible for the program, whether this amount is set nationwide or varies by state or locality, and the amount of the income limit itself. The various standards and methods used to set income limits by the selected programs include a fixed dollar amount, a percentage of the federal poverty guidelines (FPG) or Area Median Income (AMI), or Modified Adjusted Gross Income (MAGI)(see table 9).[30] For two of the programs—EITC and SSI—the maximum amount of income an applicant may have to be eligible is a federally-set dollar amount that applies nationwide; however, that amount differs by program.[31] For the other four low-income programs we reviewed, the rules for determining the maximum amounts of income an applicant may have and still be eligible, the amounts themselves, and whether they are set nationwide or vary by state or locality, vary significantly, according to our analysis of agency data as confirmed by agencies.[32] For Medicaid, TANF, and in states that have

[30] The FPG are a simplified version of the poverty thresholds that the Census Bureau uses to prepare its estimates of the number of individuals and families in poverty, and are updated annually by the Department of Health and Human Services based on the Consumer Price Index for All Urban Consumers. AMI is determined annually by the Department of Housing and Urban Development based on specified percentages of median family incomes for states and metropolitan and nonmetropolitan areas within states.

[31] Even for programs with nationwide income limits, these limits will vary depending on the number of people in the applicant household. For example, SSI has different income limits depending on whether the applicant is an individual or a married couple. In the case of EITC, income limits are based on the number of children that are part of the tax unit claiming the credit.

[32] In the case of Housing Choice Vouchers, federal rules require that eligibility be based on AMI; however, AMI varies throughout the country by state and locality—not surprising given the different costs of living in urban and rural areas across the nation.

implemented SNAP BBCE policies, states or localities determine financial eligibility rules for applicants, generally within certain federal guidelines. For example, under SNAP BBCE policies, states have the flexibility to adopt policies that allow certain applicants with incomes up to 200 percent FPG to be eligible, whereas federal rules generally allow applicants with incomes up to 130 percent FPG to be eligible.[33] In the case of TANF, states have flexibility in how they establish eligibility, including choosing both the type of measure and income level they use. For Medicaid and the Housing Choice Voucher program, there are also different income limits for different populations within the program.[34]

Table 9: Standards and Methods Used to Set Income Limits for Program Eligibility (as of December 31, 2016)

Program	Standards and Methods used to set income limits for eligibility
Earned Income Tax Credit (EITC)	Federally-set, specific dollar amounts. The two main income measures used for calculating program eligibility are (individual or joint) earnings and Adjusted Gross Income (AGI). As of December 2016, the maximum income per month for a single mother with two children was $3,721.[a]
Housing Choice Vouchers	Federally-set, percentage of Area Median Income (AMI). HUD uses a relative measure of income, AMI, for determining benefits and eligibility for the Housing Choice Voucher program. AMI is based on specified percentages of median family incomes for metropolitan and nonmetropolitan areas within states. For example, families generally must have incomes no higher than 50 percent of the AMI to be eligible, and 75 percent of newly available vouchers each year must go to families whose incomes do not exceed the higher of (1) the applicable HHS poverty guidelines or (2) 30 percent of AMI.
Medicaid	Federally-set, Modified Adjusted Gross Income (MAGI) based on federal poverty guidelines (FPG), with option for state variation within federal parameters. A federal requirement, MAGI is used to determine Medicaid income eligibility for most nonelderly and nondisabled individuals, including individuals under the age of 21, pregnant women, and adults under the age of 65. The income limits for MAGI-based Medicaid eligibility groups is expressed as a percentage of the official federal poverty guidelines, as updated annually by the Department of Health and Human Services. Specific MAGI percentages vary by state and eligible population.[b] MAGI was created under the Patient Protection and Affordable Care Act to create a standard definition of household income.

[33] Under BBCE, states can allow households authorized to receive certain TANF noncash services to be categorically eligible for SNAP. States that adopt a BBCE policy may increase limits on household gross income to up to 200 percent of FPG. However, categorically eligible households are subject to the same nonfinancial rules as other households, and while the household may be categorically eligible, its income after allowable deductions may be too high to actually receive a SNAP benefit. For the purposes of this report, we refer to the non-BBCE SNAP eligibility rules as "federal rules."

[34] For the Housing Choice Voucher program, families generally must have incomes no higher than 50 percent of the AMI—considered "Very Low-Income"—to be eligible. However, 75 percent of newly available vouchers each year must go to families whose incomes do not exceed the higher of (1) the applicable HHS poverty guidelines or (2) 30 percent of AMI—considered "Extremely Low-Income."

Program	Standards and Methods used to set income limits for eligibility
Supplemental Nutrition Assistance Program (SNAP)	Federally-set, federal poverty guidelines (FPG) with option for state variation within federal parameters. The official federal poverty thresholds—the income levels by which households are considered to be in poverty depending on their size ($1,680 for a family of 3 as of December 2016)—are updated annually by the Census Bureau to reflect current prices. HHS then uses these thresholds to establish federal poverty guidelines, under which households without elderly or disabled individuals generally must have monthly gross income at or below 130 percent of FPG and monthly net income after allowable deductions at or below 100 percent of FPG to qualify for SNAP. Households with elderly (defined as age 60 or older) or disabled individuals only have to meet the net income test of 100 percent of poverty.[c]
Supplemental Security Income (SSI)	Federally-set, specific dollar amounts. SSI has an income break-even point, above which a person no longer qualifies for an SSI benefit. As of December 2016, the Earned Income break-even point for an Individual applicant was $1,551, and for Unearned Income was $753.
Temporary Assistance for Needy Families (TANF)	State-determined: varies by states. Some states use federal poverty guidelines, which are annually adjusted, while others have a defined maximum limit set in state law that is not adjusted.

Source: GAO analysis of agency documentation and data, as confirmed by the agencies. | GAO-17-558

Note: While GAO did not independently verify the legal accuracy of the information in this table, we confirmed the information with the cognizant agencies. Our review of eligibility rules included only those for TANF cash assistance and not those related to other TANF noncash services.

[a]We used the annual amount of $44,648, and divided by 12, to calculate an illustrative average maximum monthly dollar amount a filing individual can have with two children and still qualify for EITC. In fact the EITC is not available on a monthly basis. Taxpayers whose income varies over the year may have earned more or less than this average maximum amount in any given month. In addition, income from investments must be $3,400 or less per year.

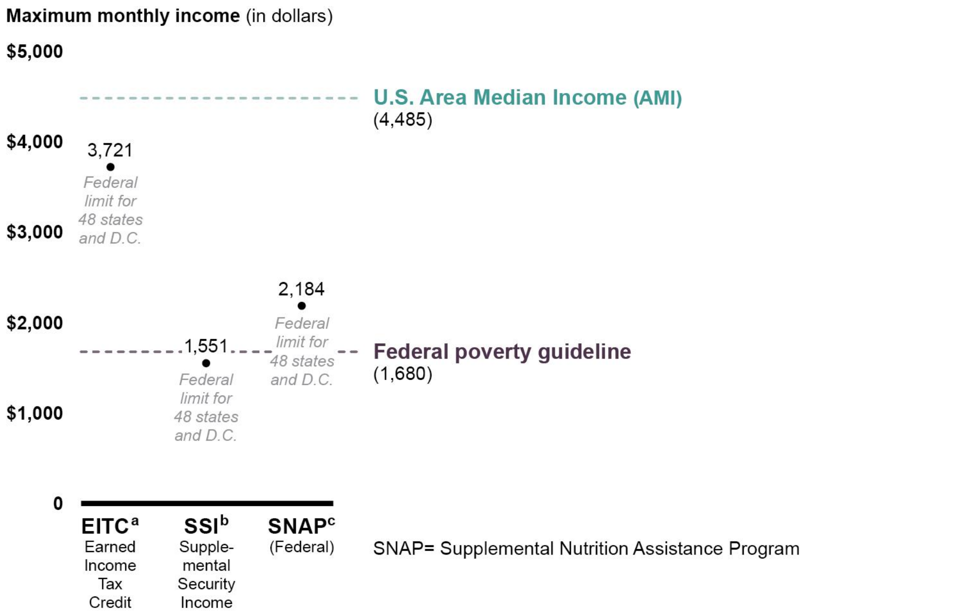
[b]Under the Patient Protection and Affordable Care Act (PPACA), certain groups are exempt from the MAGI income-counting rule. Pre-PPACA income determination rules under Medicaid will continue to apply to the following MAGI-exempted groups: Individuals who are eligible for Medicaid through another federal or state assistance program (e.g., foster care children and individuals receiving SSI; the elderly (defined as aged 65 and older); certain disabled individuals who qualify for Medicaid on the basis of being blind or disabled, without regard to the individual's eligibility for SSI; the medically needy (defined as individuals who are members of one of the broad categories of Medicaid-covered groups, but who do not meet the applicable income requirements); and enrollees in a Medicare Savings Program (e.g., qualified Medicare beneficiaries for whom Medicaid pays the Medicare premiums or coinsurance and deductibles).

[c]In states that have adopted broad-based categorical eligibility (BBCE) for SNAP, certain households who receive a noncash TANF or maintenance of effort (MOE)-funded benefit are categorically eligible for SNAP, meaning the income limit for the TANF/MOE program can be deemed for SNAP purposes. Gross income limits for categorically eligible households differ by state and range from 130 percent to 200 percent of federal poverty guidelines.

To illustrate the different income limits used for these programs, we analyzed maximum allowable income using a common metric—dollars per month—for programs that have nationally set income limits (see figure 4) and for programs with a range of maximum allowable income due to state variation (see figure 5). For the purposes of illustrating maximum allowable income across these programs, we use a family of three—a single mother with two children—living in their own household, because we have previously found this to be a common recipient unit in federal low-income programs, such as TANF.[35] Although these are the maximum allowable amounts of income such families may have to be eligible for each program, these amounts are not fully comparable because the calculation of this amount differs for each program by the factors discussed earlier in this report, such as whose income is counted. Also as already discussed, for an applicant, having income below the relevant threshold is one of the multiple factors that may be assessed when determining eligibility for each program. (For a comparison of maximum monthly income for all six programs, see app. III.)

Figure 4: Illustration of Maximum Monthly Amounts of Income an Applicant May Have and Still Be Eligible for Three Selected Low-Income Programs with Nationally-Set Maximum Income Limits

Allowable monthly income amounts for a family of 3, with single parent and 2 children, in the 48 contiguous states and Washington, D.C., as of December 31, 2016.



Source: GAO analysis of agency data and documentation, as confirmed by the agencies. | GAO-17-558

Note: Applicants with the amounts of income presented in the figure would not necessarily qualify for a benefit above $0. For example, an applicant for SSI with a monthly income of $1,551 would qualify for $0 in SSI benefits. While GAO did not independently verify the legal accuracy of the information in this figure, we confirmed the information with the cognizant agencies.

[a]We used the annual amount of $44,648, and divided by 12, to calculate an illustrative average maximum monthly dollar amount a filing individual can have with two children and still qualify for

[35] Due to different poverty guidelines for Alaska and Hawaii, we analyzed data for the 48 contiguous U.S. states and the District of Columbia.

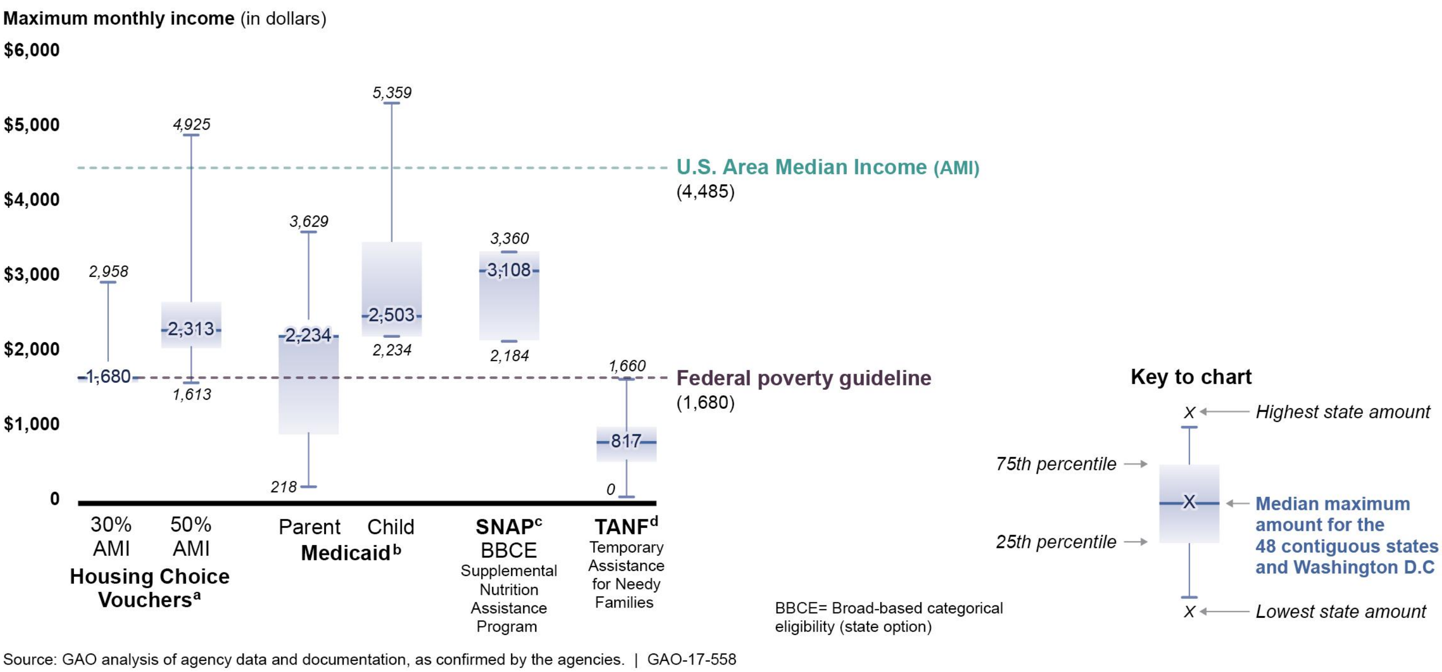
EITC. In fact the EITC is not available on a monthly basis. Taxpayers whose income varies over the year may have earned more or less than this average maximum amount in any given month. In addition, income from investments must be $3,400 or less per year.

[b]For SSI, this is the amount of earned income at which a disabled individual with no unearned income no longer qualifies for a federal SSI payment. The amount is higher for a married couple. However, in addition to meeting the financial requirements for SSI eligibility, a person must also be unable to engage in substantial gainful activity to qualify for SSI. In 2016, substantial gainful activity for a non-blind, disabled individual was defined as having earnings of more than $1,130 per month. For the purpose of illustrating SSI eligibility here, we are assuming that the single parent in the 3-person household is the applicant and has a disability that makes her eligible for SSI.

[c]We use the term “federal” to refer to the SNAP eligibility rules used by states that have not adopted BBCE policies. The federal SNAP income amount represents 130 percent of the federal poverty guidelines, an amount set at the federal level. To be eligible for SNAP, most households must meet gross and net income tests. Households cannot have gross monthly income (total, non-excluded income before any deductions) higher than 130 percent of federal poverty guidelines. They also cannot have net monthly income (gross income minus deductions) higher than 100 percent of federal poverty guidelines, or $1,680 per month for a household of three under standard program eligibility rules). .

Figure 5: Illustration of Range of Maximum Monthly Amounts of Income an Applicant May Have and Still Be Eligible for Four Selected Low-Income Programs with State Variations in Income Limits

Range of allowable monthly income amounts for a family of 3, with single parent and 2 children, in the 48 contiguous states and Washington, D.C., as of December 31, 2016



Source: GAO analysis of agency data and documentation, as confirmed by the agencies. | GAO-17-558

Note: While GAO did not independently verify the legal accuracy of the information in this figure, we confirmed the information with the cognizant agencies.

[a]The Housing Choice Vouchers program uses specified percentages of the Area Median Income (AMI) to determine eligibility. For example, families generally must have incomes no higher than 50 percent of the AMI, to be eligible, and 75 percent of newly available vouchers each year must go to families whose incomes do not exceed the higher of (1) the applicable HHS poverty guidelines or (2) 30 percent of AMI. The lowest state amount for 30 percent AMI, $1,613 per month, does not appear in the figure due to space limitations.

[b]The amounts presented for Medicaid represent allowable amounts under Modified Adjusted Gross Income (MAGI) rules. As of January 1, 2014, MAGI rules are used in determining eligibility for most of Medicaid's non-elderly non-disabled populations. For these eligibility groups, an individual's income, computed using MAGI-based income rules, is compared to the income standards in the state in which the applicant lives to determine if they are income eligible for Medicaid. The MAGI-based rules generally include adjusting an individual's income by subtracting an amount equivalent to 5 percent of the official federal poverty guidelines (FPG). We present two columns for Medicaid because income limits under MAGI-based rules are different for parents and children. Since state Medicaid programs' income eligibility limits may vary based on the age of a child (i.e. 0-1 year, 1-5 years, or 6-18), for the child analysis the income limit used is the lowest MAGI level in the state for the three age categories for children. The lowest percentage was used so the maximum allowable household income represented would allow all children in that household to qualify for Medicaid. In addition, states have significant flexibility in setting income eligibility levels for children in Medicaid and Children's Health Insurance Program (CHIP). States may operate CHIP as a separate program, include CHIP-eligible children in their Medicaid programs (referred to as CHIP Medicaid expansion), or use a combination of the two approaches. Our analysis for children includes income eligibility levels for CHIP Medicaid expansion programs, but not separate CHIP programs. A different process, not discussed in this report, is used for determining eligibility for non-MAGI groups, which include, among others: (1) individuals who are eligible for Medicaid through another federal or state assistance program (e.g., foster care children and individuals receiving Supplemental Security Income [SSI]), (2) the elderly, and (3) certain individuals who qualify for Medicaid on the basis of being blind or disabled without regard to whether the individual is eligible for SSI.

[c]The range of maximum monthly income allowed presented in the figure for SNAP represents SNAP's broad-based categorical eligibility (BBCE) state option, in which households may become categorically eligible for SNAP because they qualify for a noncash Temporary Assistance for Needy Families (TANF) or state maintenance of effort (MOE)-funded benefit. Under BBCE, states use the maximum allowable income amount a household may have for their TANF/MOE programs, so this amount varies by state, unlike with standard SNAP eligibility rules. As of August 2016, 39 states and the District of Columbia have adopted SNAP BBCE policies. Of these, 28 states and the District use an income amount to assess recipient eligibility higher than the federally-defined SNAP gross income limit of 130 percent of federal poverty guidelines. Under federal income eligibility limits, a household with three or more members will typically be determined eligible for a SNAP benefit greater than $0. However, because BBCE policies can make households with incomes higher than the federal limits eligible for SNAP, it is likely that more of these BBCE households will have net incomes too high to qualify for a benefit than under federal rules.

[d]Data on income eligibility limits for TANF are as of July 2015, the most recent data available at the time of our review. Income limits for TANF are determined by states. Some states use federal poverty guidelines, which are annually adjusted, while others have a defined maximum limit set in state law that is not adjusted. Our review of eligibility rules included only those for TANF cash assistance and not those related to other noncash TANF services.

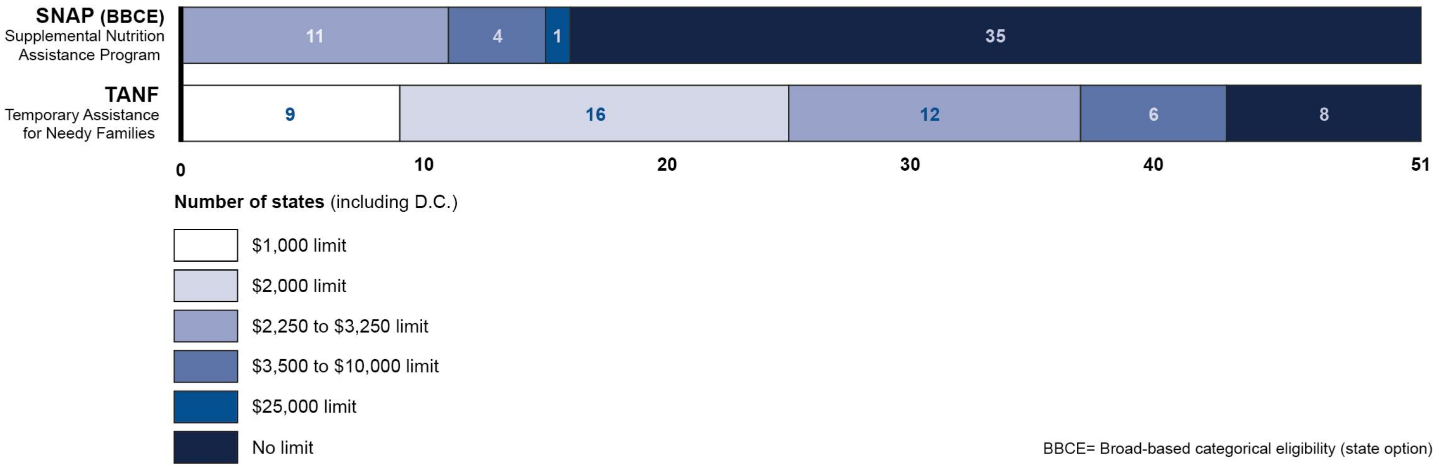
Some Programs Define Limits on Assets an Applicant May Have to Be Eligible

In addition to having income tests, some programs set certain limits on the assets that an individual or family may hold in order to be eligible for the program, while others do not, according to our analysis of agency data and documentation, as confirmed by the agencies. Assets—referred to as "resources" by some programs—generally include financial resources—such as cash held in checking and savings accounts, individual retirement accounts, 401(k)s, and other accounts that can be readily transferred into cash—and nonfinancial resources, such as a home or car. Similar to income limits, three of the six selected programs—SSI, TANF, and SNAP under federal rules—have federally set limits on the amount or type of financial assets that an individual or family may have in order to be determined eligible for benefits. For example, to qualify for SSI, the limit for countable assets is $2,000 for an individual and $3,000 for a married couple. However, certain nonfinancial assets, such one vehicle, do not count toward this limit. For SNAP, under federal rules, there is a limit of $2,250 in countable resources or $3,250 in countable resources if at least one person is age 60 or older or is disabled, and since 2008, these limits have been adjusted annually and rounded to the nearest $250 based on changes to the Consumer Price Index (CPI).

In recent years, some states have moved away from having asset limits for certain low-income programs. For example, as of August 2016, 34 states and the District of Columbia have adopted SNAP BBCE policies that removed asset limits from their financial eligibility determinations for those deemed eligible using BBCE. In TANF, asset limits are determined by the state, and as of August 2016, 8 states did not have asset limits, while 43 states had set varying limits on assets (see figure 6). Other low-income programs we reviewed—EITC, Housing Choice Vouchers, and Medicaid for non-elderly, non-disabled (MAGI) populations—have no restrictions on assets.[36] However, financial assets that produce unearned income can be taken into account when determining applicant eligibility. For example, for EITC, applicants' income from any investments must be $3,400 or less per year.

[36] We use the term "assets" here to refer to what are referred in Medicaid program guidance as "resources," which are anything owned, such as bank accounts or property, that can be converted to cash. Medicaid does have asset limits—or resource limits—for non-MAGI populations, such as the elderly. This report focuses on those eligible for Medicaid under MAGI rules; the processes for non-MAGI groups are not discussed in this report.

Figure 6: Asset Limits for Determining Initial SNAP and TANF Program Eligibility, Range by Number of States (as of August 2016)



Source: GAO analysis of agency data and documentation, as confirmed by the agencies. | GAO-17-558

Note: While GAO did not independently verify the legal accuracy of the information in this table, we confirmed the information with the cognizant agencies. Our review of eligibility rules included only those for TANF cash assistance and not those related to other noncash TANF services. Data on asset limits for SNAP and TANF are as of August 2016, the most recent data available at the time of our review.

Asset tests are further complicated because of the differences in how the equity in vehicles is treated when determining assets. Vehicle asset rules exist in certain programs, and these rules vary, not only across programs, but across states as well. In one program, a vehicle used to access work may be disregarded; in another program, a certain portion of the value of the vehicle may be disregarded. In TANF, treatment of vehicles is at the state's discretion and most states disregard $4,650 or more of the value of one vehicle.[37] For SNAP, certain vehicles are excluded in their entirety, or states may opt to substitute their TANF vehicle rules, according to USDA.[38]

[37] Center for Law and Social Policy, *Eliminating Asset Limits: Creating Savings for Families and State Governments* (Washington, D.C.: Oct. 2016). The analysis in this report is based on data from the Welfare Rules Database, which is a database of TANF rules in effect in the 50 states and the District of Columbia. HHS/ACF, in conjunction with the Department of Health and Human Services, Assistant Secretary for Planning and Evaluation (HHS/ASPE), funds the collection of data and maintenance of the Welfare Rules Database.

[38] If not excluded, all but $4,650 of the fair market value of one licensed vehicle for each adult is counted toward the asset limit and additional vehicles are counted at the higher of their equity or their excess fair market value over $4,650.

Average Monthly Benefits for Selected Programs Range from $258 to $626, and Vary by Annual Adjustment

Average benefits vary across the six selected programs due in part to differing benefit purposes and other factors, according to our analysis of agency documentation and information, as confirmed by the agencies. For the four programs that provide monthly benefits—Housing Choice Vouchers, SNAP, SSI, and TANF—average benefit levels ranged from $258 monthly for SNAP to $626 monthly for Housing Choice Vouchers in fiscal year 2015. These average benefit amounts—for Housing Choice Vouchers, SNAP, and TANF—are per household, while the SSI average benefit is per individual.[39] The EITC provided a one-time annual benefit of more than $2,455 on average in 2016, based on tax returns filed for 2015, which, for comparison, converts to $205 per month. (See table 10). There is no average benefit amount for Medicaid since its benefits are provided in the form of health care services to individuals.[40] These variations in average benefit amounts are due in part to differing program and benefit purposes and other factors, according to our analysis of agency documentation and other governmental reports. For example, the SNAP benefit amount is structured to make up the difference between the cost of purchasing a nutritionally adequate low-cost diet and 30 percent of net household income, because a household is expected to spend about 30 percent of its net income on food, according to FNS.[41] Alternatively, the SSI benefit is meant to provide a basic level of income for those who are elderly, blind, and disabled.

[39] For information about average SSI benefits received by multiple recipient households, see GAO, *Supplemental Security Income: SSA Provides Benefits to Multiple Recipient Households but Needs System Changes to Improve Claims Management,* GAO-16-674, (Washington, D.C.: Aug. 17, 2016).

[40] Average expenditures for Medicaid beneficiaries vary by the type of beneficiary served. According to the 2015 Medicaid Actuarial report, the average annual per person expenditure (including the federal and state share) of $7,724 in fiscal year 2014 ranged from $3,141 for children to $18,789 for persons with disabilities. Average expenditures per person also vary by state.

[41] The cost of a nutritionally adequate low-cost diet is measured by the USDA-created and-calculated Thrifty Food Plan. The Thrifty Food Plan is the cheapest of four diet plans meeting minimal nutrition requirements devised by USDA.

Table 10: Average Benefit and Annual Adjustment of Benefits Across Six Selected Low-Income Programs

	Earned Income Tax Credit (EITC)	Medicaid	Housing Choice Vouchers	Supplemental Security Income (SSI)	Supplemental Nutrition Assistance Program (SNAP)	Temporary Assistance for Needy Families (TANF)
Average benefit amount paid and timing	$2455 per return one-time annual benefit in tax year 2015, received in early 2016; which converts to $205 monthly[a]	n/a[b]	$626 per household average monthly benefit in FY 2015	$551 per recipient average monthly benefit in FY 2015	$127/person; $258/household average monthly benefit in FY 2015	Varies by state; $398 per family monthly average benefit in FY 2015[c]
Annual adjustment to benefits	Yes. The Internal Revenue Service annually adjusts benefits for inflation through several adjustments it makes to the parameters it uses to calculate households' EITC benefits.[d]	n/a[e]	Yes. The subsidy amount is adjusted when the rental agreement is renewed, based on the U.S. Department of Housing and Urban Development's annual adjustment of Fair Market Rents for inflation.	Yes. The Social Security Administration annually adjusts SSI benefits if there is an increase in inflation as measured by the Consumer Price Index for Urban Wage Earners and Clerical Workers.[f]	Yes. The U.S. Department of Agriculture annually adjusts benefits based on any changes in the price of food in the Thrifty Food Plan.[g]	At state discretion. States may adjust TANF cash benefits amounts. (However, the TANF block grant amount is not adjusted for inflation.)

Source: GAO analysis of agency documents, as confirmed by the agencies. | GAO-17-558

Note: While GAO did not independently verify the legal accuracy of the information in this table, we confirmed the information with the cognizant agencies.

[a]For purposes of this table, the EITC "benefit amount" which is based on available agency data, includes both the refunded portion of the EITC and the offset portion of taxes owed. The average EITC benefit is based on 2015 tax returns, which are filed in 2016.

[b]There is no average benefit amount for Medicaid since its benefits are provided in the form of health care services to individuals. Average expenditures for Medicaid beneficiaries vary by type of beneficiary served. According to the 2015 Medicaid Actuarial report, the average annual per person expenditure of $7,724 in fiscal year 2014 ranged from $3,141 for children to $18,789 for persons with disabilities. Average expenditures per person also vary by state.

[c]The monthly average TANF family benefit ranged from $139 (Mississippi) to $612 (Alaska) in fiscal year 2015.

[d]The EITC benefit amount rises with earned income until reaching a maximum level, plateaus, and then phases out. IRS computes annual inflation adjustments that affect a) the maximum EITC; b) the income level at which the maximum credit is reached; c) the beginnings of the phase-out range; and d) the completed phase-out threshold based on filing status and number of children claimed.

[e]For Medicaid, the amount of benefits provided to a beneficiary is not a dollar amount but a service; thus, whether the benefit is adjusted for inflation is not applicable. While annual benefits to recipients in the form of health care services are not a dollar amount, the payment rates states pay providers and managed care organizations for services can change over time

[f]The Consumer Price Index for Urban Wage Earners and Clerical Workers represents changes in prices of all goods and services purchased for consumption by urban households that have hourly wage earnings or clerical jobs.

[9]The Thrifty Food Plan serves as a national standard for a nutritious diet at a minimal cost and is used as the basis for maximum food stamp allotments.

Four of the five programs that provide benefit amounts to recipients directly or indirectly adjust benefits for inflation, while one program varies by state.[42] Whether or not benefits are adjusted for inflation affects the value of the benefit over time. EITC, SSI, and SNAP explicitly adjust benefits for inflation, while the amount of a Housing Choice Voucher is adjusted in response to changes in area rental costs. According to CRS, TANF benefits for families are not automatically adjusted for inflation by the states and have lost considerable value in terms of their purchasing power over time.[43] We have previously estimated that annual aggregate cash benefits under 2005 TANF rules were 17 percent lower than they were under 1995 rules.[44] More recently, CRS has found that between 1981 and 2013, the inflation-adjusted value of the maximum TANF cash assistance benefit for needy families in the median state declined by 45 percent.[45]

[42] While annual Medicaid benefits to recipients in the form of health care services are not a dollar amount that is or is not adjusted annually, the payment rates states pay providers and managed care organizations for services can change over time.

[43] See CRS, *Temporary Assistance for Needy Families: Eligibility and Benefit Amounts in State TANF Cash Assistance Programs,* R43634 (Washington, D.C.: Dec. 30, 2014). CRS also notes that, distinct from the cash benefit to families, the amount of the basic TANF block grant paid to states and the District of Columbia—$16,489 million—has not been adjusted for inflation since its creation in 1996.

[44] GAO, *Temporary Assistance for Needy Families: Fewer Eligible Families Have Received Cash Assistance Since the 1990s, and the Recession's Impact on Caseloads Varies by State*, GAO-10-164 (Washington, D.C.: Feb. 23, 2010).

[45] According to CRS, a large share of the decline occurred under the Aid to Families with Dependent Children program, TANF's predecessor, before enactment of the law that created TANF. From 1981 to 1996, CRS found that the maximum Aid to Families with Dependent Children cash benefit in the median state declined from $778 per month to $561 in 2013 dollars—a 28 percent reduction. See CRS, *Temporary Assistance for Needy Families: Eligibility and Benefit Amounts in State TANF Cash Assistance Programs,* R43634 (Washington, D.C.: Dec. 30, 2014).

Legal, Administrative, and Financial Constraints Challenge Efforts to Streamline Rules for Low-Income Programs

Several Challenges Hinder Efforts to Streamline Program Rules

Legal, administrative, and financial constraints pose challenges to streamlining or better aligning varying eligibility rules for low-income programs, according to our previous work. The issue of streamlining, and its feasibility, has been a concern for decades.[46] As we noted in our earlier work, the complexity and variability in programs' financial eligibility rules have had negative consequences for both program administration and family access to assistance, according to policy experts and researchers.[47] For example, in 2002 we found that staff administering each program collected much of the same personal and financial information from applicants to determine program eligibility, leading to time-consuming and inefficient administrative processes that can contribute to overall costs. Further, people seeking aid from more than one low-income program often must visit multiple offices and provide the same information numerous times, according to our prior work.[48] However, just as the advantages of simplifying financial eligibility rules have been acknowledged, there has also been a general recognition that achieving substantial improvements in this area is difficult.[49]

[46] GAO-02-58 and GAO-11-531T.

[47] GAO-02-58.

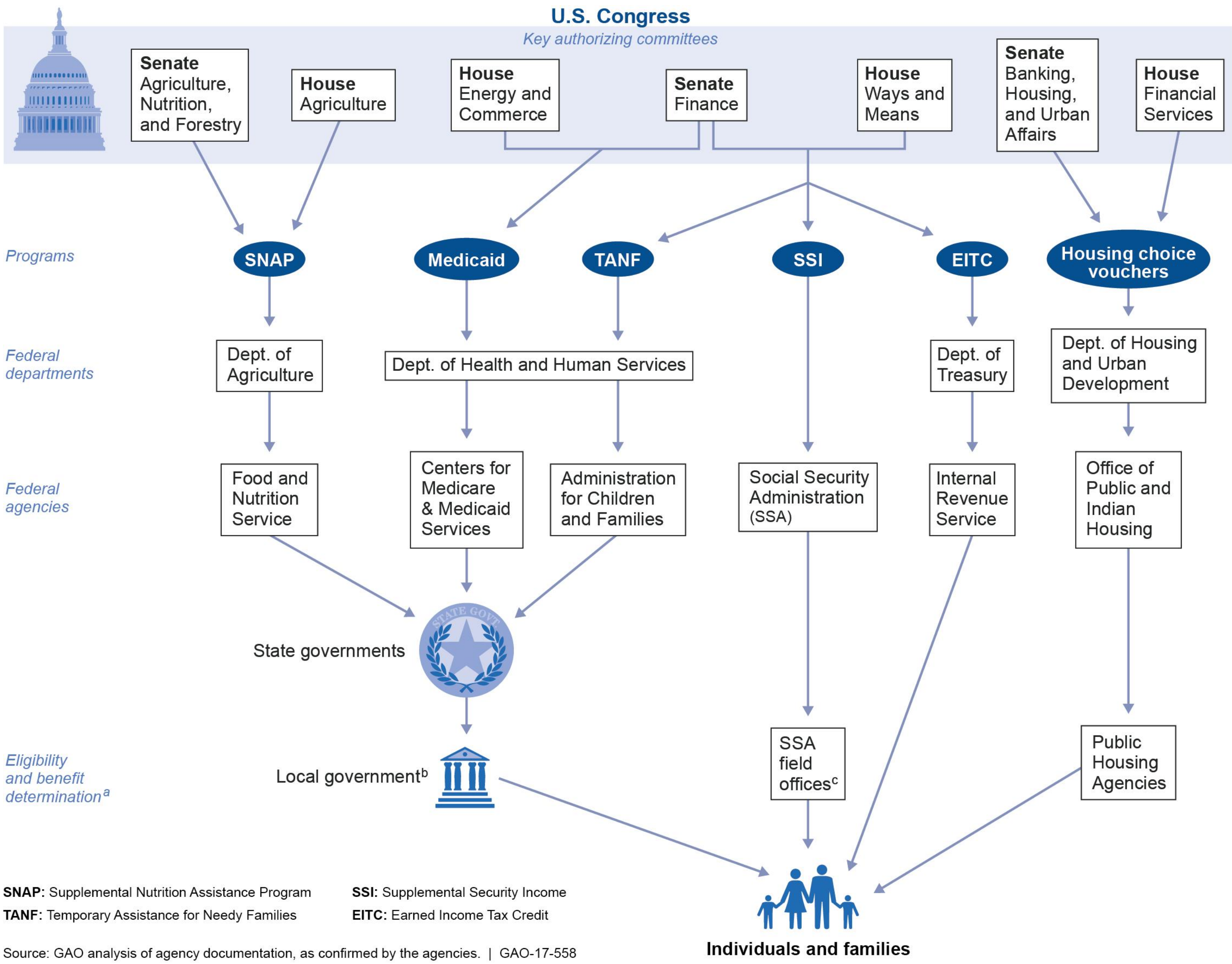
[48] For example, while applicants may be able to access TANF, SNAP, and Medicaid through one local office, they may need to contact other offices to apply for housing assistance and SSI; and for EITC, they must file a tax return with the IRS. See GAO-11-531T and GAO-02-58. For those programs that are collocated, application processes are sometimes linked, although we reported in 2016 that, according to other research, many states delinked their Medicaid application and eligibility processes from those used for human services programs, such as SNAP and TANF, in response to the Patient Protection and Affordable Care Act. See GAO, *Supplemental Nutrition Assistance Program: More Information on Promising Practices Could Enhance States' Use of Data Matching for Eligibility,* GAO-17-111 (Washington, D.C.: Oct. 19, 2016).

[49] GAO-02-58.

A key challenge to streamlining eligibility rules for these low-income programs is that the programs are authorized by different federal statutes, which establish many of the program rules. These different statutes were enacted—and amended—at different times in response to differing circumstances.[50] The statutes originate with numerous congressional authorizing committees. For example, the House Energy and Commerce Committee and the Senate Finance Committee are the authorizing committees for Medicaid, while the House Financial Services Committee and Senate Banking, Housing, and Urban Affairs Committee are the authorizing committees for the Housing Choice Voucher program (see fig. 7). Other laws, such appropriations acts, can also have an impact on federal programs and their rules. Modifying eligibility rules to bring them more in line with each other would require changing many laws and coordination among a broad set of lawmakers, including multiple congressional committees.

[50] For example, in response to the Great Depression, early public housing and w elfare cash assistance programs w ere established in the 1930s as part of the New Deal; similarly, Medicaid and the modern Food Stamp Program—now called SNAP—w ere initially established in the 1960s as part of the War on Poverty. The law that created TANF in 1996 included w ork-related activities as one of its program requirements and also established or amended other programs to meet emerging needs, such as the child care subsidy block grant to support w orking parents.

Figure 7: Congressional Committees, Federal Agencies, and State and Local Governments Involved in the Six Programs



SNAP: Supplemental Nutrition Assistance Program
TANF: Temporary Assistance for Needy Families
SSI: Supplemental Security Income
EITC: Earned Income Tax Credit

Source: GAO analysis of agency documentation, as confirmed by the agencies. | GAO-17-558

Note: While GAO did not independently verify the legal accuracy of the information in this table, we confirmed the information with the cognizant agencies. This figure is not meant to be exhaustive: other entities may also be involved in the creation or administration of these programs.

[a]For SNAP and TANF, both state and local governments may be involved in eligibility and benefit determination. In EITC, recipient eligibility and benefits are not determined in the same way as in the other selected programs. Tax credit recipients self-certify their eligibility and claim without the involvement of agency staff. In the other programs, administrative agency staff assess eligibility and determine benefits.

[b]Benefits for Medicaid are provided as health care services provided to beneficiaries. As opposed to a benefit that is calculated by a formula, the amount of health care services provided is determined by the beneficiaries' health care needs as well as by federal and state rules. States make decisions

regarding what health services to cover beyond the minimum coverage and benefits standards required by federal law, and they establish within broad federal guidelines the amount, duration, and scope of services.

[c]The SSA field offices process applications for benefits, verify financial eligibility, and compute benefit amounts. Following SSA's initial review, state disability determination services offices assess applicants' medical eligibility for SSI.

Another challenge to streamlining stems from the multiple government entities involved in administering and funding each program and the varied administrative relationships between the federal and state levels of government by program. To start with, a different federal agency or office administers each program we reviewed. For example, FNS administers SNAP, CMS administers Medicaid, and the Office of Public and Indian Housing within HUD administers the Housing Choice Voucher. These different federal agencies generally develop regulations separately for each program, which may affect program rules. Furthermore, as discussed earlier, state governments are also involved in administering and funding some of these programs. Specifically, for programs that allow state flexibility, state governments also establish some program rules, making it more difficult to streamline or align program rules within or across these programs at the federal level. For example, for TANF cash assistance, the development of eligibility and benefit rules is primarily delegated to state agencies administering the program, while for SNAP, state agencies have some flexibility in determining eligibility rules within federally-established parameters.[51] Regarding program funding, while states may partially fund TANF cash assistance benefits, the federal government funds the full cost of SNAP benefits. As a result of these different roles, streamlining eligibility rules and benefits across multiple programs would entail, in part, modifying and realigning complex administrative relationships among a range of federal and state government entities.

Finally, financial or program cost implications pose a major challenge to streamlining financial eligibility and benefit rules for low-income programs,

[51] In addition to setting eligibility rules, different entities may be involved in applying those rules. In the case of SSI, financial and nonfinancial eligibility determination responsibilities are split between federal and state offices: the SSA field offices process applications for SSI benefits, verify financial eligibility, and compute benefit amounts. However, state disability determination services offices assess applicants' medical eligibility for the program. Eligibility for a housing voucher is determined by Public Housing Agencies (PHA). PHAs may be states, counties, municipalities, or other governmental entities authorized to administer the program, and PHAs may contract aspects of program administration (including eligibility determinations) to private or public non-profit contractors.

according to our previous work.[52] Modifying financial eligibility rules for purposes of simplifying them or making them more consistent across programs will likely result in changes to the number of people who are eligible for assistance, and may also affect the benefit amounts they receive, as well as overall program costs.[53] Depending on the modification, and the current rules of each program affected, changes made to streamline rules will affect each program's recipients and costs differently. On the one hand, if such rule changes have the effect of raising a program's income eligibility limits, more people will be eligible for assistance and that program's costs may increase, particularly for entitlement programs. For example, according to our earlier work, SNAP program participation more than doubled and costs quadrupled over a 10-year period, largely due to the 2008 recession; however, a factor that contributed to both increases was that some states aligned their SNAP income eligibility limits with the higher limits used in other low-income programs under the BBCE policy option.[54] On the other hand, if such rule changes have the effect of lowering a program's income eligibility level,

[52] GAO-02-58.

[53] Under entitlement programs, such as Medicaid and SNAP, the government is legally required to make payments to individuals or families that meet the requirements established by law. For non-entitlement programs, such as the Housing Choice Voucher and TANF cash assistance, funding amounts may limit the number of people served. Moreover, some of the programs require state matching money (e.g., Medicaid), while others are entirely federally funded (e.g., SSI, EITC), contributing further to the complexity of these funding structures within and across programs.

[54] As we reported in 2012, states that implement SNAP BBCE policies are essentially aligning their SNAP eligibility limit with the eligibility limit for TANF-funded programs that provide benefits other than cash assistance. In GAO-12-670, we reviewed information on the 24 states whose BBCE policies raised household income limits above the federal SNAP income limit in fiscal year 2010, and found that an estimated 4.8 percent of SNAP households had incomes over the federal limit. However, we also found that while implementation of BBCE by these states enabled more households to receive SNAP, the 2008 economic downturn likely played a larger role in the increases in participation from 2001-2010. Furthermore, total SNAP benefit costs increased by less than 1 percent in fiscal year 2010 because of benefits provided to households that, without BBCE, would not have been eligible for the program because their incomes were over the federal SNAP eligibility limit.

some people will no longer be eligible for assistance from that program, thereby potentially lowering program costs.[55]

Agencies and States Have Made Efforts to Streamline Rules within Program Constraints

Despite these challenges, Congress, federal agencies, and states have taken some steps to streamline eligibility rules, according to our prior work. These include establishing automatic or categorical eligibility among programs, making greater use of technology and data-sharing among low-income programs, and aligning application and eligibility determination processes for multiple programs.

Automatic or categorical eligibility: These policies—where allowed under federal law—can simplify the eligibility determination process for both applicants and caseworkers by increasing consistency in income and resource limits across programs. For example, in addition to SNAP BBCE policies already discussed (which make households that receive noncash services funded by TANF categorically eligible for SNAP in some states), SSI recipients in most states are automatically eligible for Medicaid health insurance,[56] and if they live alone or in households in which all members receive SSI benefits, they are automatically eligible for SNAP.[57] In another example, recipients of Medicaid, TANF, or SNAP are automatically deemed income-eligible for the Special Supplemental Nutrition Program for Women, Infants, and Children (WIC)—a WIC policy

[55] A related challenge to program streamlining efforts may be the relative lack of information on the costs and effects of these efforts, as we noted in our earlier work. For example, we found in 2011 that no definitive information existed to demonstrate the type and extent of changes that might result in reduced administrative costs or to demonstrate how strategies might work differently in different communities. GAO-11-531T.

[56] In some states, SSI recipients are not automatically eligible for Medicaid because those states have opted to use more restrictive Medicaid eligibility standards than SSI's standards. See GAO-16-674 and GAO-14-473.

[57] With the exception of California, which converts the value of SNAP benefits to cash payments that are included in additional state-provided benefits for SSI recipients, SSI recipients may be eligible to receive SNAP. If all household members receive SSI, the household is categorically eligible for SNAP and does not need to meet SNAP's financial eligibility standards. However, if SSI recipients live in households with others who do not receive SSI benefits, the household must meet the SNAP financial eligibility standards to qualify for SNAP benefits. See GAO-16-674.

known as adjunctive eligibility that is similar to categorical eligibility.[58] Finally, under the federal school meals programs' direct certification policy, students who receive SNAP benefits are automatically certified as eligible for free school meals. According to our prior work, this policy not only eased access for eligible students but also improved program integrity, because of SNAP's more detailed certification process compared to the school meals programs.[59] Overall, we found in our prior work that such policies can ease the administrative burden for participants as well as save resources, improve productivity, and allow staff to focus more time on performing essential program activities.[60]

Technology and data sharing: Computer systems can be used as a tool to carry out joint eligibility determination processes that streamline program administration for staff. Data-sharing arrangements, where permitted by federal law, allow programs to share client information that they otherwise would each collect and verify separately, thus reducing duplicative effort, saving money, and improving integrity, according to our earlier work.[61] More specifically, with data sharing, staff may use existing data sources to prepopulate forms, thereby reducing the need for clients to provide the same information and documentation to multiple agencies. Staff may also use existing reliable data sources to automate the verification of information instead of conducting manual checks.[62] For example, state agencies administering SNAP were able to determine SSI recipients'

[58] The Special Supplemental Nutrition Program for Women, Infants, and Children (WIC) provides food, nutrition education, and health and social service program referrals to low-income pregnant and postpartum women, infants, and young children. GAO-13-290.

[59] GAO, *School Meals: USDA Could Improve Verification Process for Program Access,* GAO-15-634T (Washington, D.C.: May 19, 2015).

[60] GAO-11-531T and GAO-12-670.

[61] GAO-11-531T. Such data sharing arrangements may be subject to various laws and regulations, including those that have been established to protect individuals' privacy, an important consideration. In our prior work, we found that there was confusion or misperceptions around what state and local agencies were allowed to share, as well as a tendency to be risk averse and overly cautious in agencies' interpretation of federal privacy requirements. In part to address these matters, HHS posted information for state and local agencies, including an Interoperability Toolkit and data security guidance, as part of a larger Interoperability initiative to develop standards for information technology systems that will enable information exchange across federal, state, local, and private human services systems. GAO, *Human Services: Sustained and Coordinated Efforts Could Facilitate Data Sharing While Protecting Privacy*, GAO-13-106 (Washington, D.C.: Feb. 8, 2013).

[62] For other potential uses of data sharing, including program oversight, see GAO-13-106.

eligibility for SNAP benefits by receiving verified electronic data from SSA, without having to separately collect and verify applicant information, an arrangement that officials said saved administrative dollars and reduces duplicative effort across programs, according to our prior work.[63] In contrast, we recently found that states are experiencing barriers to using data matches for certain other low-income programs. For example, in a 2016 report we found that state staff who administer both SNAP and Medicaid were not allowed to use benefits or earnings information from a federal data services hub created for Medicaid to determine SNAP eligibility; as a result, staff would need to conduct duplicative data matches to verify some of the same information for the same household.[64]

Flexibility to align application and eligibility determination processes: In addition to helping streamline the application process by making greater use of call centers and online applications in some programs,[65] some states have also taken other steps to align application and eligibility determination processes, according to our prior work. Exercising such flexibilities, when available to states, can help ease access and streamline the process for both recipients and administrators. For example, some states reported that they integrated aspects of the SNAP eligibility process with those of other programs, such as through combined applications, common eligibility workers, or integrated or linked

[63] GAO-11-531T.

[64] More specifically, as we reported in October 2016, state Medicaid programs verify income information by accessing data sources through CMS's federal data services hub (the Hub), which was created to implement provisions of the Patient Protection and Affordable Care Act (PPACA). The Hub provides a single access point for state agencies to gather information from various data sources used to verify eligibility determinations for Medicaid and related insurance affordability programs established under the PPACA. However, we found that data accessed through the Hub can only be used to determine eligibility for Medicaid and related insurance affordability programs. According to officials, CMS's contract and data use agreements with the organization and federal agencies that provide the data do not authorize states to use the data for SNAP. As such, state staff cannot use benefits or earnings information from the Hub to determine SNAP eligibility, and instead would need to access this information independently, which in effect results in staff conducting duplicative data matches to verify some of the same information for the same household. See GAO-17-111. In December 2016, SSA and CMS entered into a data-sharing agreement to permit eligible state Medicaid agencies to use SSA data that they obtain via the CMS Hub to also determine eligibility for SNAP and TANF applicants when making Medicaid eligibility determinations. This arrangement is currently being piloted in three states.

[65] For example, in an earlier report, we reported that staff in most of the states we visited cited implementation of online applications and phone interviews, instead of in-person interviews, as improving access to SNAP. See GAO-12-670.

eligibility systems, according to our 2017 report.[66] Overall, according to our state survey in this report, we found that SNAP eligibility processes were most commonly integrated with state TANF cash assistance programs (44 states), as well as with state Medicaid programs, although to a somewhat lesser degree.[67] In another example, known as the Express Lane Eligibility option, states can choose to evaluate children's eligibility for Medicaid or CHIP by using findings—such as determinations regarding a family's income—made by other agencies, such as those administering SNAP or TANF.[68] Further, while states administer the Medicaid program, SSI recipients' eligibility for Medicaid is sometimes determined by the Social Security Administration (SSA). We previously reported that as of May 2016, 33 states and the District of Columbia had agreements with SSA to determine SSI recipients' eligibility for Medicaid, according to SSA.[69] In these states, the SSI application is also the Medicaid application.

[66] GAO-17-111. For example, we reported that under an FNS initiative called the Combined Application Project, states can seek waivers from FNS to adopt a set of policies to improve access to SNAP benefits for elderly and/or disabled individuals who are receiving SSI. As of 2016, according to FNS information, 17 states participated in this project under which a simplified joint application that includes both SNAP and SSI is processed by SSA when individuals apply or are recertified for SSI. Other examples of service-oriented integration that is client and case management focused are the co-location of different program offices and cross-training of caseworkers.

[67] However, we also reported that Medicaid and other programs use income information from data matches differently than SNAP because, for example, processes for verifying income information or definitions of household income differ across programs: in responding to our survey, 21 states reported that they found these differences very or extremely challenging.

[68] In a 2012 report, we noted that available information suggested that the Express Lane Eligibility option could save time and reduce administrative costs and could have beneficial effects on enrollment; it was unclear whether Express Lane Eligibility may have resulted in erroneous excess payments for children enrolled through this eligibility option. GAO, *Medicaid and CHIP: Considerations for Express Lane Eligibility*, GAO-13-178R (Washington, D.C.: Dec. 5, 2012). In October 2016, the HHS Office of Inspector General found that the states that used this option reported benefits, including reduced administrative burden and cost savings. HHS, *State Use of Express Lane Eligibility for Medicaid and CHIP Enrollment*, OEI-06-15-00410 (Washington, D.C.: Oct. 2016).

[69] GAO-16-674. As we also reported, according to SSA's Program Operations Manual System, in the 17 additional states, individuals determined to be eligible for SSI need to separately apply for Medicaid through their state's Medicaid application. Seven of those states use SSI eligibility criteria for Medicaid, and the remaining 10 states use at least one eligibility criterion more restrictive than SSI to determine whether an SSI recipient is eligible for the program.

Agency Comments and Our Evaluation

We provided a draft of this report to the Departments of Agriculture (USDA), Health and Human Services (HHS), Housing and Urban Development (HUD), and the Treasury; and the Social Security Administration (SSA). With the exception of HUD, which provided no comments, the agencies provided technical comments, which we incorporated as appropriate.

As agreed with your offices, unless you publicly announce the contents of this report earlier, we plan no further distribution of it until 30 days from the report date. At that time, we will send copies of this report to the appropriate congressional committees; the Secretaries of the Department of Agriculture, HHS, HUD, and the Treasury; the Acting Commissioner of the SSA; and other interested parties. In addition, this report will be available at no charge on GAO's website at http://www.gao.gov.

If you or your staff have any questions concerning this report, please contact me at (202) 512-7215 or larink@gao.gov. Contact points for our Offices of Congressional Relations and Public Affairs may be found on the last page of this report. GAO staff who made key contributions to this report are listed in appendix IV.

Sincerely yours,

Kathryn A. Larin
Director, Education, Workforce, and Income Security Issues

Appendix I: Estimated Number of People Eligible for Selected Low-Income Programs Compared with Program Recipients

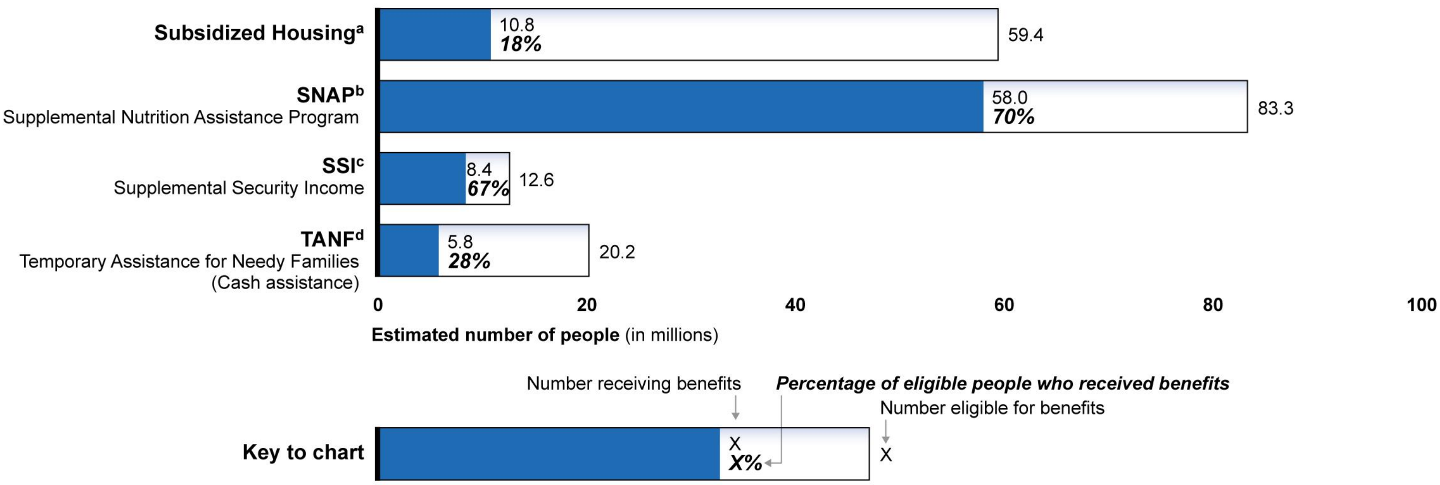
One measure of a program's reach is the program participation rate, or the percentage of those eligible who receive benefits from a program. According to a December 2015 Congressional Research Service (CRS) analysis of the latest data available for subsidized housing, Supplemental Security Income (SSI), the Supplemental Nutrition Assistance Program (SNAP) and Temporary Assistance for Needy Families (TANF), the estimated proportion of those eligible who received benefits in 2012 varied substantially, and not all of those eligible actually received benefits.[1] (See fig. 8.) For the entitlement programs—those legally required to provide benefits to all those who apply and qualify (SNAP, EITC, and SSI)—the estimated proportion of eligible people who were

[1] CRS developed these estimates using data from the Census Bureau's 2013 Annual Social and Economic Supplement (ASEC) to the Current Population Survey, supplemented with estimates of program eligibility, receipt, and benefits from the TRIM3 microsimulation model. TRIM3 is a microsimulation model for government benefit receipt that is primarily funded by the U.S. Department of Health and Human Services (HHS) and maintained at the Urban Institute. According to CRS, the analysis does not include Medicaid estimates because (1) TRIM3 does not provide information on enrollment in Medicaid, only eligibility; and (2) data from 2012 would miss the major expansion of Medicaid eligibility under the Patient Protection and Affordable Care Act. CRS, *Need-Tested Benefits: Estimated Eligibility and Benefit Receipt by Families and Individuals,* R44327 (Washington, D.C.: Dec. 30, 2015).

For additional discussion of these programs and program recipients, see GAO, *Federal Low-Income Programs: Multiple Programs Target Diverse Populations and Needs,* GAO-15-516 (Washington, D.C.: July 30, 2015), which describes federal programs targeted to people with low incomes; identifies the number and characteristics of people in poverty; identifies the number, poverty status, and household characteristics of selected programs' recipients; and examines research on how selected programs may affect incentives to work. Our report also relied, in part, on TRIM3.

enrolled ranged from 66.6 percent to 80 percent.[2] In contrast, for the non-entitlement programs, the estimated proportion of eligible people who were enrolled was 18.2 percent for subsidized housing and 28.4 percent for TANF.[3]

Figure 8: Estimated Number of People Eligible for Benefits Compared to Those Receiving Benefits, 2012, for Four Low-Income Programs



Source: GAO analysis of data from the Congressional Research Service. | GAO-17-558

Notes: Estimates reported in this figure represent people eligible for benefits or receiving benefits at any time during the year. CRS developed the estimates for subsidized housing, SNAP, SSI, and TANF using data from the Census Bureau's 2013 Annual Social and Economic Supplement (ASEC) to the Current Population Survey, supplemented with estimates of program eligibility, receipt, and benefits from the TRIM3 microsimulation model. TRIM3 is a microsimulation model for government benefit receipt that is primarily funded by the U.S. Department of Health and Human Services (HHS) and maintained at the Urban Institute. According to CRS, the analysis does not include Medicaid estimates because (1) TRIM3 does not provide information on enrollment in Medicaid, only eligibility; and (2) data from 2012 would miss the major expansion of Medicaid eligibility under the Patient Protection and Affordable Care Act. CRS, *Need-Tested Benefits: Estimated Eligibility and Benefit Receipt by Families and Individuals*, R44327 (Washington, D.C.: Dec. 30, 2015).

The term "subsidized housing" refers to multiple programs and not just Housing Choice Vouchers. See figure note b for further information.

[a]In its estimates for subsidized housing, CRS includes the Section 8 Housing Choice Voucher, as well as the project-based rental assistance program and the public housing program. The estimate does

[2] For EITC, we use IRS's 2012 tax year estimate here. IRS develops its estimate in cooperation with the U.S. Census Bureau, and it calculates both national and state-level participation rates. The EITC participation rate we present here is for all EITC participants, not just those who receive the refunded credit.

[3] Subsidized housing in the CRS analysis includes the Section 8 Housing Choice Voucher, as well as the project-based rental assistance programs and the public housing program.

not correct for under-reporting of federal housing assistance or the over-reporting of other housing assistance, known issues with Current Population Survey (CPS) data that may bias results in ways that are not fully understood. Fair market rents and income eligibility thresholds are based on (weighted) statewide averages rather than local area data.

[b]Estimates for SNAP can be sensitive to assumptions of how "SNAP households" are formed within Census households. The definition of a household for the purpose of determining SNAP eligibility may be distinct from the Census household.

[c]The SSI-eligible disabled population is estimated based on income and receipt of disability benefits (including SSI itself) or self-reported work limitations.

[d]Families estimated as eligible for TANF might include those who were made ineligible by states for failure to comply with program rules (such as work requirements).

The gap between those eligible for these programs and those receiving benefits may be explained by several factors, including program funding structure, the type of benefits provided, ease of access to the programs, and applicants' lack of awareness and misperceptions about the programs, among other things.[4]

- The program's funding structure may contribute to a gap between the number of eligible people and the number of recipients. For example, for non-entitlement programs, such as TANF and Housing Choice Vouchers, funding amounts may limit the number of people served. Because of this, states and localities sometimes ration aid, using mechanisms such as waiting lists for housing.[5]
- The type and amount of benefits can also affect program participation. In our earlier work, we reported that participation rates tended to be higher among subgroups of people eligible for larger benefits and among programs that provide cash benefits rather than direct services. Specifically, in our previous work, one of the reasons we found for the decline in TANF participation was a decline in the annual aggregate cash benefit amounts, which were 17 percent lower under 2005 program rules than they were under 1995 program rules.[6]

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[4] GAO, *Means Tested Programs: Information on Program Access Can Be an Important Management Tool,* GAO-05-221 (Washington, D.C.: Mar. 11, 2005).

[5] HUD tracks the extent of households with worst case housing needs in its report on households with worst case housing needs, defined as households with very low-income renters who do not receive government housing assistance and who paid more than one-half of their income for rent, lived in severely inadequate conditions, or both. U.S. Department of Housing and Urban Development, Office of Policy Development and Research, *Worst Case Housing Needs: 2015 Report to Congress (*Washington, D.C.: April 2015).

[6] GAO, *Temporary Assistance for Needy Families: Fewer Eligible Families Have Received Cash Assistance Since the 1990's, and the Recession's Impact on Caseloads Varies by State,* GAO-10-164 (Washington, D.C.: Feb. 23, 2010).

- Factors that influence the ease with which potential participants can access a program—including office location and hours as well as the ease with which program participants can use their benefits—can also affect the participation rate. For example, a 2012 Congressional Budget Office report found that the increase in the rate at which eligible people received SNAP benefits between 2007 and 2011 was likely due in part to changes in the program's administration that made it easier for people to apply for and continue receiving benefits—such as greater use of online applications, mail-in renewals, and phone interviews—as well as to the poor economy, which reduced people's income and caused longer periods of need, prompting more people who were already eligible for the program to apply.[7] In contrast, we found in our 2005 report that it was difficult for some participants to use Housing Choice Vouchers and Medicaid, as some service providers, such as landlords or health care providers, would not exchange their services for program benefits.[8]
- Lack of awareness about program benefits on the part of the eligible population or misconceptions about eligibility can affect the overall number and characteristics of people who participate. In our 2005 work, we reported that several EITC, Medicaid, Food Stamp, and SSI studies indicated that one of the primary barriers to participation was that individuals did not know that they were eligible for these benefits.[9] We further reported that for some individuals—like the elderly and non-English speakers—this unfamiliarity with program benefits was even more widespread, creating a larger barrier to participation and an under-representation of these individuals in the caseload.
- Finally, eligible families also choose whether to participate in a program in response to their personal feelings about government assistance programs and their individual circumstances. For example, according to our previous work, changes made to allow households to apply for SNAP online or by phone lowered the stigma associated with going to a public assistance office and may have contributed to an increase in SNAP participation.[10] Also as we previously reported,

[7] Congressional Budget Office, *The Supplemental Nutrition Assistance Program* (Washington, D.C.: April 2012).

[8] GAO-05-221.

[9] GAO-05-221. SNAP was previously known as the Food Stamp Program; it was given its present name in 2008.

[10] GAO-12-670.

the sharp declines in eligible families' participation in TANF cash assistance from 1995 to 2005 resulted from, among other things, the dynamics of family decision-making in response to TANF policies, such as mandatory participation in work activities. Specifically, we found that families eligible for TANF cash assistance often had characteristics that make employment difficult, such as poor health, low educational attainment, or limited English proficiency, which may affect their decisions to apply for TANF.[11]

[11] GAO-10-164.

Appendix II: Selected Deductions for Calculating Income for Determining Program Eligibility

Table 11: Deductions for Utilities Expenses in Calculating Income for the Purpose of Determining Eligibility for Selected Low-Income Programs (as of December 2016)

Program	Deductions for utilities expenses
Earned Income Tax Credit (EITC)	None[a]
Housing Choice Vouchers	None
Medicaid	Utilities expenses are generally not disregarded or deducted from income for determining Medicaid eligibility.
Supplemental Nutrition Assistance Program (SNAP)	Utility costs, including the cost of fuel to heat and cook with, electricity, water, and the basic fee for one telephone, as well as rent or mortgage payments and related taxes, are included in the excess shelter cost deduction. Excess shelter costs that are more than half of the household's income after the other allowable deductions are deducted from a household's income up to a maximum amount, unless the household includes an elderly or disabled individual, in which case there is no limit. For utilities, the vast majority of states establish standardized amounts to use in place of actual household costs.
Supplemental Security Income (SSI)	None[b]
Temporary Assistance for Needy Families (TANF)	State option. Varies by state. Some states do not deduct any utilities expenses while others do.

Source: GAO analysis of agency documentation, as confirmed by the agencies. | GAO-17-558

Note: While GAO did not independently verify the legal accuracy of the information in this table, we confirmed the information with the cognizant agencies. Our review of eligibility rules included only those for TANF cash assistance and not those related to other TANF noncash services.

[a]Generally, in private taxpayer (i.e. non-business) cases, utility expenses are not deducted in calculating the income used for the purpose of determining eligibility.

[b]While SSI does not deduct utilities from income, if an SSI recipient receives assistance to help pay for utilities in the form of cash or by direct payment to the vendor (not in the form of a loan), SSI payments are paid at a reduced rate.

Table 12: Deductions for Selected Other Expenses in Calculating Income for the Purpose of Determining Eligibility for Selected Low-Income Programs (as of December 2016)

Program	Deductions for selected other expenses
Earned Income Tax Credit (EITC)	Certain expenses may be able to be deducted in calculating an individual's adjusted gross income (AGI), which partially determines when the credit amount from EITC phases out.[a]

Program	Deductions for selected other expenses
Housing Choice Vouchers	Selected other deductions from counted income (according to 24 CFR 5.609(c)), among others: payments received for the care of foster children or foster adults (usually persons with disabilities, unrelated to the tenant family, who are unable to live alone); deferred periodic amounts from supplemental security income and Social Security benefits that are received in a lump sum amount or in prospective monthly amounts, or any deferred Department of Veterans Affairs disability benefits that are received in a lump sum amount or in prospective monthly amounts.
Medicaid	Under Modified Adjusted Gross Income (MAGI)-based rules, certain expenses may be able to be deducted or adjusted in calculating an individual's adjusted gross income (AGI). Once a person's AGI is calculated, there are no further income deductions (other than Medicaid-specific rules, such as the standard 5% income disregard).
Supplemental Nutrition Assistance Program (SNAP)	Legally owed child support payments. Medical expenses for elderly or disabled household members that are more than $35 for the month if they are not paid by insurance or someone else.
Supplemental Security Income (SSI)	A variety of expenses may be deducted when calculating income for SSI eligibility. For example, certain types of medical-related assistance are not counted as income.
Temporary Assistance for Needy Families (TANF)	State option. Varies by state. Some states do not deduct any other expenses while others do.

Source: GAO analysis of agency documentation, as confirmed by the agencies. | GAO-17-558

Note: While GAO did not independently verify the legal accuracy of the information in this table, we confirmed the information with the cognizant agencies. Our review of eligibility rules included only those for TANF cash assistance and not those related to other TANF noncash services.

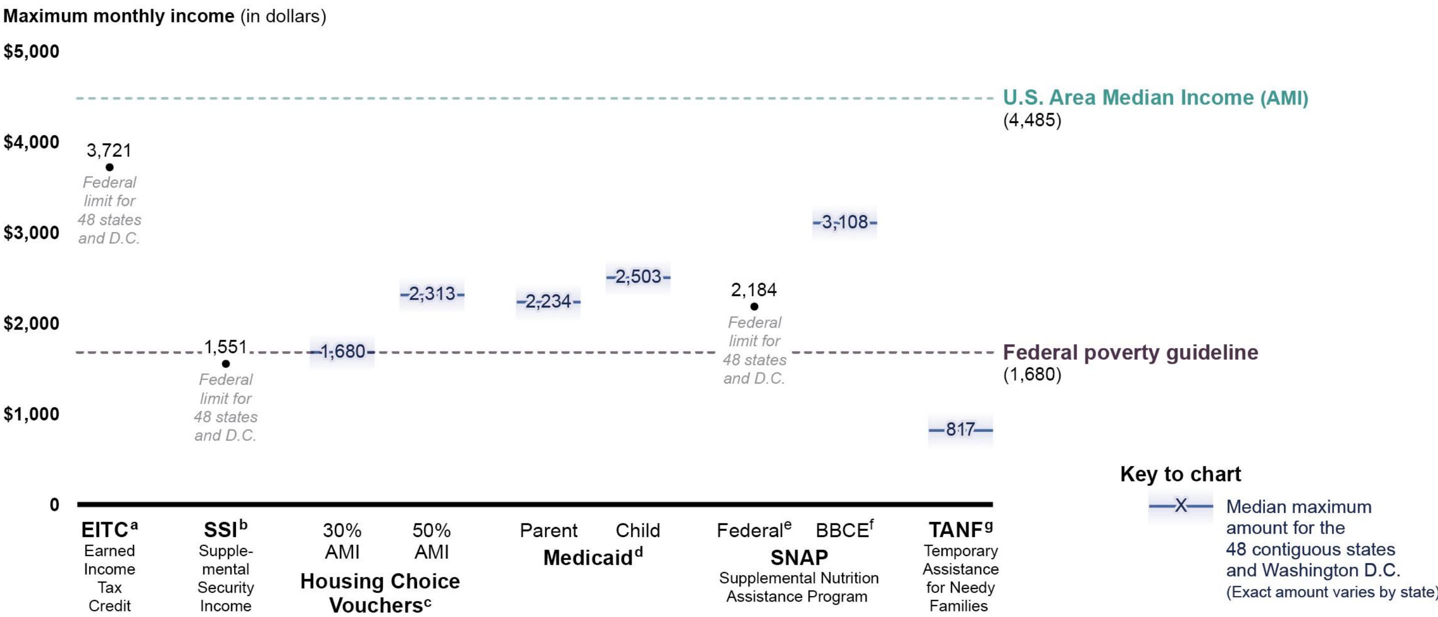
[a]Additionally, certain adjustments to income are permitted under tax rules to calculate Adjusted Gross Income. These adjustments include, for example: student loan interest deduction, tuition and fees, alimony paid, educator expenses, and moving expenses.

Appendix III: Maximum Monthly Income an Applicant May Have and Still Be Eligible for Six Selected Low-Income Programs

There is no single maximum income amount an applicant may have to be eligible for the six federal low-income programs we reviewed, and the amount of allowable income varies significantly among the programs, according to data confirmed by the administering agencies. Figure 9 shows this variation by presenting the maximum income limits for EITC, SSI, and SNAP under federal rules, as well as the median amount (50th percentile) of the range of maximum income limits for the 48 contiguous states and Washington D.C. for the programs with varying income limits—Housing Choice Vouchers, Medicaid, SNAP under state BBCE policies, and TANF. EITC has the highest maximum income allowed, and TANF, at well under the federal poverty guideline, has the lowest median maximum income allowed.

Figure 9: Illustration of Maximum Monthly Amounts of Income an Applicant May Have and Still Be Eligible for Six Selected Low-Income Programs

Allowable monthly income amounts for a family of 3, with single parent and 2 children, in the 48 contiguous states and Washington D.C., as of December 31, 2016, shown as the median for programs with state variation in income limits.



Source: GAO analysis of agency data and documentation, as confirmed by the agencies. | GAO-17-558

BBCE= Broad-based categorical eligibility (state option)

Note: Applicants with the amounts of income presented in the figure would not necessarily qualify for a benefit above $0. For example, an applicant for SSI with a monthly income of $1,551 would qualify for $0 in SSI benefits. While GAO did not independently verify the legal accuracy of the information in this figure, we confirmed the information with the cognizant agencies.

[a]For EITC, we used the annual amount of $44,648, and divided by 12, to calculate an illustrative average maximum monthly dollar amount a filing individual can have with two children and still qualify for EITC. In fact the EITC is not available on a monthly basis. Taxpayers whose income varies over the year may have earned more or less than this average maximum amount in any given month. In addition, income from investments must be $3,400 or less per year.

[b]For SSI, this is the amount of earned income at which a disabled individual with no unearned income no longer qualifies for a federal SSI payment. The amount is higher for a married couple. However, in addition to meeting the financial requirements for SSI eligibility, a person must also be unable to engage in substantial gainful activity to qualify for SSI. In 2016, substantial gainful activity for a non-blind, disabled individual was defined as having earnings of more than $1,130 per month. For the purpose of illustrating SSI eligibility here, we are assuming that the single parent in the 3-person household is the applicant and has a disability that makes her eligible for SSI.

[c]The Housing Choice Vouchers program uses specified percentages of the Area Median Income (AMI) to determine eligibility. For example, families generally must have incomes no higher than 50 percent of the AMI, to be eligible, and 75 percent of newly available vouchers each year must go to families whose incomes do not exceed the higher of (1) the applicable HHS poverty guidelines or (2) 30 percent of AMI.

[d]The amounts presented for Medicaid represent allowable amounts under Modified Adjusted Gross Income (MAGI) rules. As of January 1, 2014, MAGI rules are used in determining eligibility for most of Medicaid's non-elderly non-disabled populations. For these eligibility groups, an individual's income, computed using MAGI-based income rules described in 42 CFR 435.603, is compared to the income standards in the state in which the applicant lives to determine if they are income eligible for

Medicaid. The MAGI-based rules generally include adjusting an individual's income by subtracting an amount equivalent to 5 percent of the official federal poverty guidelines (FPG). We present two columns for Medicaid because income limits under MAGI-based rules are different for parents and children. Since state Medicaid programs' income eligibility limits may vary based on the age of a child (i.e. 0-1 year, 1-5 years, or 6-18), for the child analysis the income limit used is the lowest MAGI level in the state for the three age categories for children. The lowest percentage was used so the maximum allowable household income represented would allow all children in that household to qualify for Medicaid. In addition, states have significant flexibility in setting income eligibility levels for children in Medicaid and Children's Health Insurance Program (CHIP). States may operate CHIP as a separate program, include CHIP-eligible children in their Medicaid programs (referred to as CHIP Medicaid expansion), or use a combination of the two approaches. Our analysis for children includes income eligibility levels for CHIP Medicaid expansion programs, but not separate CHIP programs. A different process, not discussed in this report, is used for determining eligibility for non-MAGI groups, which include, among others: (1) individuals who are eligible for Medicaid through another federal or state assistance program (e.g., foster care children and individuals receiving Supplemental Security Income [SSI]), (2) the elderly, and (3) certain individuals who qualify for Medicaid on the basis of being blind or disabled without regard to whether the individual is eligible for SSI.

[e]The federal SNAP income amount represents 130 percent of the federal poverty guidelines, an amount set at the federal level. To be eligible for SNAP, most households must meet gross and net income tests. Households cannot have gross monthly income (total, non-excluded income before any deductions) higher than 130 percent of federal poverty guidelines. They also cannot have net monthly income (gross income minus deductions) higher than 100 percent of federal poverty guidelines, or $1,680 per month for a household of three under standard program eligibility rules).

[f]The median maximum monthly income allowed presented in the figure for SNAP represents SNAP's broad-based categorical eligibility (BBCE) state option, in which households may become categorically eligible for SNAP because they qualify for a noncash Temporary Assistance for Needy Families (TANF) or state maintenance of effort (MOE)-funded benefit. Under BBCE, states use the maximum allowable income amount a household may have for their TANF/MOE programs, so this amount varies by state, unlike with standard SNAP eligibility rules. As of August 2016, 39 states and the District of Columbia have adopted SNAP BBCE policies. Of these, 28 states and the District use an income amount to assess recipient eligibility higher than the federally-defined SNAP gross income limit of 130 percent of federal poverty guidelines. Under federal income eligibility limits, a household with three or more members will typically be determined eligible for a SNAP benefit greater than $0. However, because BBCE policies can make households with incomes higher than the federal limits eligible for SNAP, it is likely that more of these BBCE households will have net incomes too high to qualify for a benefit than under standard federal rules.

[g]Data on income eligibility limits for TANF are as of July 2015, the most recent data available at the time of our review. Income limits for TANF are determined by states. Some states use federal poverty guidelines, which are annually adjusted, while others have a defined maximum limit set in state law that is not adjusted. Our review of eligibility rules included only those for TANF cash assistance and not those related to other TANF noncash services.

Appendix IV: GAO Contact and Staff Acknowledgements

GAO Contact

Kathryn A. Larin (202) 512-7215 or Larink@gao.gov

Staff Acknowledgements

In addition to the contact named above, Rachel Frisk (Assistant Director), Deborah A. Signer (Analyst-in-Charge), Kay E. Brown, Gale C. Harris, Kelly Snow, and Srinidhi Vijaykumar made key contributions to this report. Also contributing to this report were James Bennett, Sarah Cornetto, Kirsten Lauber, David Lin, Theresa Lo, Sheila McCoy, Jessica Orr, Jason Palmer, Gloria Proa, David Reed, Almeta Spencer, Rebecca Kuhlmann Taylor, and Max Sawicky.

Appendix V: Accessible Data

Data Tables

Accessible Data for Figure 1: Federal Expenditures on Benefits for Six Low-Income Programs, in Billions, FY 2015

	Dollars (in billions)
Medicaid[a]	329.73
SNAP[b] (Supplemental Nutrition Assistance Program)	66.6
EITC[c] (Earned Income Tax Credit [Refundable portion])	61.88
SSI[d] (Supplemental Security Income)	56.2
Housing Choice Vouchers[e]	18.48
TANF[f] (Temporary Assistance for Needy Families [Cash assistance])	4.16

Source: GAO analysis of agency data and documentation, as confirmed by the agency. GAO-17-558

Accessible Data for Figure 2: Program Recipients as a Percent of Total U.S. Population in 2015

	Percentage of U.S. population (in 2015)	Number of 2015 recipients
Medicaid[a]	22	68.9 million
SNAP (Supplemental Nutrition Assistance Program)	14	45.8 million
EITC[b] (Earned Income Tax Credit [Refundable portion])	7	23.7 million
SSI (Supplemental Security Income)	3	8.2 million
Housing Choice Vouchers[d]	2	5.3 million
TANF (Temporary Assistance for Needy Families [Cash assistance])	1	4.2 million

Source: GAO analysis of agency data and documentation, as confirmed by the agency and population data from the U.S. Census Bureau. GAO-17-558

Accessible Data for Figure 3: Conceptual Overview of Key Features of the Eligibility Determination Process for Selected Low-Income Programs

1. Applicanta
2. Eligibility criteria
    a. Non-financial

i. Applicant characteristics

ii. Ongoing eligibility conditions

b. Financial

i. Earned income

ii. Unearned income (e.g., Public benefits)

iii. Deductions and expenses

iv. Assets

3. Applicant's information compared to eligibility criteria

4. Benefit amount

Source: GAO analysis of agency documentation, as confirmed by the agency. GAO-17-558

Accessible Data for Figure 4: Illustration of Maximum Monthly Amounts of Income an Applicant May Have and Still Be Eligible for Three Selected Low-Income Programs with Nationally-Set Maximum Income Limits

	Maximum monthly income (in dollars)
EITC[a] (Earned Income Tax Credit)	3721
SSI[b] (Supplemental Security Income)	1551
SNAP[c] (Supplemental Nutrition Assistance Program)	2184
Federal poverty guideline	1680
U.S. Area Median Income (AMI)	4485

Source: GAO analysis of agency data and documentation, as confirmed by the agency. GAO-17-558

Accessible Data for Figure 5: Illustration of Range of Maximum Monthly Amounts of Income an Applicant May Have and Still Be Eligible for Four Selected Low-Income Programs with State Variations in Income Limits

	Lowest state amount	25th Percentile	Median maximum amount for the 48 contiguous states and Washington D.C	75th Percentile	Highest state amount
Housing[a] (30% AMI)	1613	1680	1680	1680	2958
Housing[a] (50% AMI)	1613	2075	2313	2692	4925
Medicaid[b] (Parent)	218	924	2234	2234	3629

	Lowest state amount	25th Percentile	Median maximum amount for the 48 contiguous states and Washington D.C	75th Percentile	Highest state amount
Medicaid[b] (Child)	2234	2234	2503	3494	5359
SNAP[c] (Supplemental Nutrition Assistance Program) BBCE (Broad-based categorical eligibility [state option])	2184	2184	3108	3360	3360
TANF[d] (Temporary Assistance for Needy Families)	269	557	803	967	1872

U.S. Area Median Income (AMI) 4,485

Federal poverty guideline 1,680

Source: GAO analysis of agency data and documentation, as confirmed by the agency. GAO-17-558

Accessible Data for Figure 6: Asset Limits for Determining Initial SNAP and TANF Program Eligibility, Range by Number of States (as of August 2016)

	$1,000 limit	$2,000 limit	$2,250 to $3,250 limit	$3,500 to $10,000 limit	$25,000 limit	No limit
SNAP (Supplemental Nutrition Assistance Program) BBCE (Broad-based categorical eligibility)	0	0	10	4	1	36
TANF (Temporary Assistance for Needy Families)	9	16	12	6	0	8

Source: GAO analysis of agency data and documentation, as confirmed by the agency. GAO-17-558

Accessible Data for Figure 7: Congressional Committees, Federal Agencies, and State and Local Governments Involved in the Six Programs

	SNAP (Supplemental Nutrition Assistance Program)	Medicaid	TANF (Temporary Assistance for Needy Families)	SSI (Supplemental Security Income)	EITC (Earned Income Tax Credit)	Housing choice vouchers

	SNAP (Supplemental Nutrition Assistance Program)	Medicaid	TANF (Temporary Assistance for Needy Families)	SSI (Supplemental Security Income)	EITC (Earned Income Tax Credit)	Housing choice vouchers
Key authorizing committees in U.S. Congress	Senate (Agriculture, Nutrition, and Forestry) House (Agriculture)	Senate (Finance) House (Energy and Commerce)	Senate (Finance) House (Ways and Means)	Senate (Finance) House (Ways and Means)	Senate (Finance) House (Ways and Means)	Senate (Banking, Housing, and Urban Affairs) House (Financial Services)
Federal departments	Dept. of Agriculture	Dept. of Health and Human Services	Dept. of Health and Human Services	None	Dept. of Treasury	Dept. of Housing and Urban Development
Federal agencies	Food and Nutrition Service	Centers for Medicare & Medicaid Services	Administration for Children and Families	Social Security Administration (SSA)	Internal Revenue Service	Office of Public and Indian Housing
State government involvement?	Yes	Yes	Yes	No	No	No
Eligibility and benefit determination[a]	Local government	Local government	Local government	SSA Field offices[c]	Internal Revenue Service	Public Housing Agencies

Source: GAO analysis of agency documentation, as confirmed by the agency. GAO-17-558

Accessible Data for Figure 8: Estimated Number of People Eligible for Benefits Compared to Those Receiving Benefits, 2012, for Four Low-Income Programs

	Estimated number of people receiving benefits (in millions)	**Percentage of eligible people who received benefits**	**Number eligible for benefits** (in millions)
Subsidized Housing[a]	10.8	18%	59.4
SNAP[b] (Supplemental Nutrition Assistance Program)	58	70%	83.3
SSI[c] (Supplemental Security Income)	8.4	67%	12.6
TANF[d] (Temporary Assistance for Needy Families [Cash assistance])	5.8	28%	20.2

Source: GAO analysis of data from the Congressional Research Service and the Internal Revenue Service. GAO-17-558

Accessible Data for Figure 9: Illustration of Maximum Monthly Amounts of Income an Applicant May Have and Still Be Eligible for Six Selected Low-Income Programs

	Median maximum amount for the 48 contiguous states and Washington D.C. (Exact amount varies by state)
EITC[a] (Earned Income Tax Credit)	3721
SSI[b] (Supplemental Security Income)	1551
Housing[c] (30% AMI)	1680

	Median maximum amount for the 48 contiguous states and Washington D.C. (Exact amount varies by state)
Housing[c] (50% AMI)	2313
Medicaid[d] (Parent)	2234
Medicaid[d] (Child)	2503
SNAP (Supplemental Nutrition Assistance Program) Federal[e]	2184
SNAP (Supplemental Nutrition Assistance Program) Broad-based categorical eligibility [state option][f]	3108
TANF[g] (Temporary Assistance for Needy Families)	817
Federal poverty guideline	1680
U.S. Area Median Income (AMI)	4485

Source: GAO analysis of agency data and documentation, as confirmed by the agency. GAO-17-558

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