

Eliminate Broad-Based Categorical Eligibility (BBCE)

With the *No Welfare for the Wealthy Act* sponsored by Rep. Ben Cline (R-VA)

BBCE Keeps More Americans Stuck in Dependency

The Broad-Based Categorical Eligibility (BBCE) loophole **allows states to ignore income and asset limits** under federal law for food stamp applicants and enroll individuals who are not eligible.

The widespread use of this loophole has **allowed millions of people—including millionaires—to enroll in food stamps** without meeting federal eligibility criteria for assets, income, or both.

What Counts as an Asset?



ASSETS:

Cash, bank deposits, recreational vehicles, boats, second homes, stocks, bonds, and other liquid assets



EXEMPT:

Primary residences, one or more vehicles*, household or personal goods, life insurance, pension funds or retirement accounts, education savings accounts, burial plots

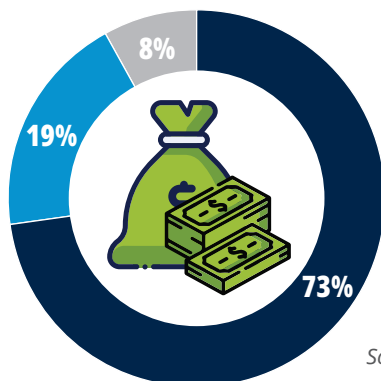
**All states exempt at least one vehicle; most states exempt all*

Voters Want to End BBCE and Check Assets!

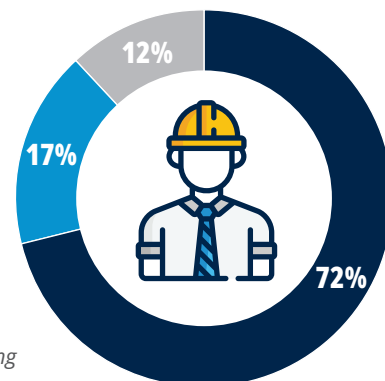


Voters support checking food stamp applicants' financial assets and support closing the food stamp eligibility loophole.

Voters support checking food stamp applicants' financial assets, such as large amounts of cash in the bank, to make sure they are truly eligible for benefits.



Voters support closing the food stamps eligibility loophole that allows individuals with higher income and financial resources to collect food stamps and enforce eligibility requirements nationwide.



Source: Center for Excellence in Polling

How Does the Loophole Work?

Using the BBCE loophole, states make individuals automatically eligible for food stamps if they receive any type of 'benefit' funded by the state's cash welfare program. Since welfare reform in 1996, most states have eliminated the asset limit and set a much higher income limit in cash welfare than food stamps so that benefits like work supports and childcare subsidies can go to a wider group of needy families. But states have abused the automatic eligibility for food stamps by using funds from the cash welfare program to print brochures for food stamp applicants, label the brochure a 'benefit,' and enroll the 'beneficiary' into food stamps, ignoring the food stamp program's limits under federal law.



States get money from the federal government for their cash welfare program in block grants.



Then they use that money to print welfare brochures and pamphlets or operate a toll-free number providing information about the cash welfare program.



States call the brochure or hotline number a "benefit" of their cash welfare program and hand it to food stamp applicants, who are then called "beneficiaries" of the state's cash welfare program.



As a "beneficiary," states do NOT have to check the applicants' assets, like boats, RVs, or money in their bank accounts → now the applicant is enrolled in the food stamp program, bypassing federal asset guidelines.



Loophole Language = Now Closed

The No Welfare for the Wealthy Act works by changing vague language in the Food and Nutrition Act and ensuring that no household will be eligible to receive food stamp benefits under categorical eligibility if they "do not meet the same income and resource criteria" in the food stamp program.

With the No Welfare for the Wealthy Act, Congress can ensure ALL food stamp enrollees meet federal income and asset limits.