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Supplemental Nutrition Assistance Program: Nebraska's Eligibility Decision

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I. Introduction

The Supplemental Nutrition Assistance Program (SNAP) provides benefits to eligible low-income individuals and families via an Electronic Benefits Transfer card. This card is used like a debit card to purchase eligible food in authorized retail food stores.¹ Eligible expenses include household food items, such as meat, dairy, grains, and canned food. Non-authorized items include alcoholic beverages, pet food, and hygiene products.² Nebraska has 1,290 SNAP retailers; 527 of these retailers are located in the mostly rural 3rd Congressional District.³

During the COVID-19 pandemic, the federal government and certain states made changes to the rules governing SNAP. These changes were intended to increase the flexibility of the program in response to pandemic uncertainty. In Nebraska, the gross income eligibility level was

raised from 130% above the federal poverty line to 165% under Legislative Bill (LB) 108.⁴ This is approximately \$3,020 per month in gross income for a family of three.⁵

The federal government pays the full cost of SNAP benefits and helps each state pay for the administrative costs of the program in a 50/50 split.⁶ Administrative costs associated with implementing LB 108 were paid for using American Rescue Plan Act funding. A sunset provision in the bill calls for the gross income eligibility limit to revert back to 130% above the federal poverty line on Sept. 30, 2023.⁷

1 "Supplemental Nutrition Assistance Program (SNAP)." Benefits.gov, benefits.gov/benefit/36. Accessed December 2022.

2 "Supplemental Nutrition Assistance Program (SNAP): What Can SNAP Buy?" U.S. Department of Agriculture, Food and Nutrition Service, fns.usda.gov/snap/eligible-food-items. Accessed December 2022.

3 "SNAP Retailers Database." Center on Budget and Policy Priorities, cbpp.org/snap-retailers-database. Accessed September 2022.

4 "Legislative Bill 108." Nebraska Legislature, Jan. 7, 2021, nebraskalegislature.gov/FloorDocs/107/PDF/Final/LB108.pdf. Accessed December 2022.

5 "SNAP Program Standards." Nebraska Department of Health and Human Services, Oct. 1, 2022, dhhs.ne.gov/Guidance%20Docs/SNAP%20Program%20Standards.pdf. Accessed December 2022.

6 "Policy Basics: The Supplemental Nutrition Assistance Program (SNAP)." Center on Budget and Policy Priorities, June 9, 2022, cbpp.org/research/food-assistance/the-supplemental-nutrition-assistance-program-snap. Accessed December 2022.

7 "LB 108 - Change provisions relating to the Supplemental Nutrition Assistance Program." Nebraska Legislature, Jan. 7, 2021, nebraskalegislature.gov/bills/view_bill.php?DocumentID=43481. Accessed December 2022.

SNAP eligibility is once again top of mind for many Nebraskans, albeit for different reasons. Dramatic increases in the price of food have left many Nebraskans food insecure. This paper will seek to educate policymakers and the general public by providing a brief primer on SNAP, exploring recent usage trends, and examining how SNAP affects our state and local communities.

II. SNAP primer

SNAP, formerly known as the Food Stamp Program, is the largest federal nutrition assistance program. The program exists to supplement the budgets of qualifying families so they can buy healthy food. Without the assistance SNAP provides, these families would live in food-insecure households, which are defined by the U.S. Department of Agriculture (USDA) as having limited or uncertain access to food.⁸

To qualify for SNAP, applicants must meet certain eligibility requirements, both financial and non-financial. Basic eligibility requirements are set at the federal level. However, states are allowed to introduce flexibility beyond these minimum standards in certain instances.

Three separate income or asset tests are used to determine whether a family is eligible for SNAP benefits:

- Gross monthly income: Household income must be at or below 130% of the poverty line. In Nebraska, the gross monthly income eligibility limit is set at 165% until September 2023. If the limit reverts back to at or below 130% of the poverty line, the limit would be \$2,379 for a three-person family in fiscal year 2022.⁹

8 “Definitions of Food Security.” U.S. Department of Agriculture, Economic Research Service, Oct. 17, 2022, ers.usda.gov/topics/food-nutrition-assistance/food-security-in-the-u-s/definitions-of-food-security. Accessed December 2022.

9 “SNAP Program Standards.” Nebraska Department of Health and Human Services, Oct. 1, 2022, dhhs.ne.gov/Guidance%20Docs/SNAP%20Program%20Standards.pdf. Accessed December 2022.

- Net monthly income, or income left after deductions are applied, must be less than or equal to the poverty line. For a family of three, the limit in 2022 was \$1,830 per month.¹⁰ Deductions are made for housing costs, medical expenses, and child care. Deductions take into account that all of a household’s income is not available for food purchasing.
- Assets or the resources of a household must fall under a certain limit. An applicant would typically use the Expanded Resource Program limit, which is \$25,000.¹¹ If an applicant does not meet Expanded Resource Program requirements, the asset limits are \$2,500 for households without an elderly or disabled member and \$3,750 for those with elderly or disabled members. Generally, assets that are readily available to use toward food purchases count against this limit. A home you live in, a required automobile, or a retirement account generally would not count as an asset.¹²

Beyond the income and asset tests, SNAP also has a number of non-financial eligibility requirements. These include:

- Proof of identity, residence, citizenship, or immigration status.
- A check on whether or not the applicant is a worker on strike or a drug felon.
- Adherence to work requirements.
- Applicants between the ages of 16 and 59 and able to work must meet work requirements that can include registering for work, participating in employment training, accepting a job if one is offered, not voluntarily quitting

10 Ibid.

11 “Title 475 Supplemental Nutrition Assistance Program, Chapter 2 Household Processing.” Nebraska Department of Health and Human Services, July 4, 2020, nebraska.gov/rules-and-regs/regsearch/Rules/Health_and_Human_Services_System/Title-475/Chapter-2.pdf. Accessed December 2022.

12 “Title 475 Supplemental Nutrition Assistance Program, Chapter 3 Eligibility.” Nebraska Department of Health and Human Services, July 4, 2020, nebraska.gov/rules-and-regs/regsearch/Rules/Health_and_Human_Services_System/Title-475/Chapter-3.pdf. Accessed December 2022.

a job, or reducing their work hours to fewer than 30 a week. Some exceptions to these requirements include being the primary caregiver of a qualifying person, having a physical or mental limitation, or being enrolled in an alcohol or drug treatment program.¹³

These checks and balances are used by the state to ensure the program is helping the right people.

The amount of SNAP benefits a family can receive is dependent on the size of the household and the income of that household. In Nebraska, for fiscal year 2019, SNAP households received, on average, \$124 a month per person or \$4.09 per person a day. In 2021, due to federal changes aimed at alleviating pandemic stress, assistance increased to \$189 a month, or \$6.22 per person per day. In 2022, the average was \$158 a month, or \$5.21 per person each day.¹⁴ The 2022 estimate is based on updated numbers from the Thrifty Food Plan, which estimates the cost of groceries for a family eating a healthy, budget-conscious diet.

III. SNAP statistics and demographics

In 2021, 157,000 Nebraska residents participated in SNAP. This is 8% of the population, or 1 in 12 people. On average, 79% of Nebraska households eligible for SNAP benefits actually participate in the program. This total is lower than the national participation rate of 82%.¹⁵

Nationwide, nearly two-thirds of SNAP participants are children, elderly people, and people with disabilities who are not able or expected

to work. Census data shows 87% of SNAP households had at least one worker in the past 12 months.¹⁶ These low-wage employees are most often employed in the service industry, working as cooks or home health aides. Other common industries include construction, retail, education, and manufacturing.¹⁷

More than 72% of Nebraska SNAP users are families with children, and 30% are in households with seniors or people with disabilities. About half of these households are those of working families.¹⁸ In Nebraska, everyone participating in SNAP is required to work if they are between the ages of 16 and 59, unless they are specifically exempt.

Nationally, an estimated 90% of participants are in households with a child younger than 18, an adult 60 or older, or an individual who is disabled. Recipients who do not meet any of those scenarios, meaning they are an able-bodied adult with no dependents, must meet work requirements or they are limited to three months of SNAP benefits every three years.¹⁹

Rural Nebraska tends to face higher rates of poverty and unemployment compared to the state's cities, so a slightly higher usage of SNAP is expected. In 2018, the 1st Congressional District had 8% of households using SNAP, while the 2nd and 3rd Districts were at 9%. A rural, small

13 "Supplemental Nutrition Assistance Program (SNAP): SNAP Work Requirements." U.S. Department of Agriculture, Food and Nutrition Service, fns.usda.gov/snap/work-requirements. Accessed December 2022.

14 "Nebraska Supplemental Nutrition Assistance Program." Center on Budget and Policy Priorities, April 25, 2022, cbpp.org/sites/default/files/atoms/files/snap_factsheet_nebraska.pdf. Accessed December 2022.

15 "SNAP Participation Rates by State, All Eligible People." U.S. Department of Agriculture, Food and Nutrition Service, fns.usda.gov/usamap/2018. Accessed December 2022.

16 "American Community Survey: S2201 Food Stamps/Supplemental Nutrition Assistance Program (SNAP)." U.S. Census Bureau, data.census.gov/cedsci/table?t=SNAP%2FFood%20Stamps&g=0400000US31&tid=ACSSST5Y2020.S2201. Accessed December 2022.

17 "Nebraska Supplemental Nutrition Assistance Program." Center on Budget and Policy Priorities, April 25, 2022, cbpp.org/sites/default/files/atoms/files/snap_factsheet_nebraska.pdf. Accessed December 2022.

18 "Policy Basics: The Supplemental Nutrition Assistance Program (SNAP)." Center on Budget and Policy Priorities, June 9, 2022, cbpp.org/research/food-assistance/the-supplemental-nutrition-assistance-program-snap. Accessed December 2022.

19 "Supplemental Nutrition Assistance Program (SNAP): SNAP Work Requirements." U.S. Department of Agriculture, Food and Nutrition Service, fns.usda.gov/snap/work-requirements. Accessed December 2022.

Table 1. 2016 Census Data

County	Characterization	Percent of households on SNAP
Thurston County	Rural area	21.0%
Banner County	Small town	14.0%
Dakota County	Metro area	12.7%
Scotts Bluff County	Small town	12.7%
Hall County	Metro area	12.5%
Dundy County	Rural area	11.1%
Morrill County	Rural area	11.0%
Madison County	Small town	10.8%
Douglas County	Metro area	10.8%
Merrick County	Metro area	10.6%
Dawson County	Small town	10.3%
Franklin County	Rural area	10.2%
Thayer County	Rural area	9.9%
Lincoln County	Small town	9.9%

town and metro comparison of SNAP usage in Nebraska shows participation is slightly higher in towns with approximately 10,000 to 50,000 residents.

Overall, the top 21 food insecure counties in Nebraska are rural. Thurston County is the highest with 18.8% of the population being food insecure, which is 72.5% higher than the national average of 13.63%.²⁰ Frontier County is ranked 20th and has a 13.1% rate, which is 20.2% higher

20 “Key Statistics & Graphics, Food Security Status of U.S. Households in 2021.” U.S. Department of Agriculture, Economic Research Service, 2021, ers.usda.gov/topics/food-nutrition-assistance/food-security-in-the-u-s/key-statistics-graphics. Accessed December 2022.

than the national average. See Table 1 for a list of Nebraska’s Top 15 SNAP counties.²¹

IV. SNAP considerations

A. Inflation and the cost of living

Rising inflation and the increased cost of food are important SNAP eligibility considerations. The Consumer Price Index helps track these changes, and for October 2022, shows the 12-month cost increase for all food prepared at home at 12.4%.²² Dairy prices have seen the highest increase in price—15.5%—and the meat, poultry, fish, and eggs category is on the lower end with an increase of 8.0%. Cereals and baked goods have gone up by 15.9%, while fruits and vegetable prices rose 9.3%.²³ For people on a budget, these price hikes are a major concern.

The prices of consumer goods are now rising faster than both wages and other services.²⁴ This limits the purchasing power of individual households. Median rent is one of the strongest predictors of food insecurity. Researchers have found that a \$100 increase in the median rent in a state is associated with a 20% increase in the

21 Note: “Metro counties” are those contained within Metropolitan Statistical Areas, as delineated by the Office of Management and Budget; each contains at least one Census Bureau-delineated urbanized area of 50,000 or more people. “Small town counties” are those contained within Micropolitan Statistical Areas, as delineated by the Office of Management and Budget, each containing at least one Census Bureau-delineated urban cluster of between 10,000 and 50,000 people. “Rural counties” consist of non-metropolitan and non-micropolitan areas.

22 “12-month percentage change, Consumer Price Index, selected categories.” U.S. Bureau of Labor Statistics, October 2022, bls.gov/charts/consumer-price-index/consumer-price-index-by-category.htm. Accessed December 2022.

23 Ibid.

24 Carson, Jess, and Sarah Boege. “The Intersection of Food Availability, Access, & Affordability with Food Security and Health.” University of New Hampshire, Carsey School of Public Policy, December 2020, nhchildrenshealthfoundation.org/assets/2021/02/Carsey_Food-Insecurity-Literature-Review_Final_121720.pdf. Accessed December 2022.

likelihood of becoming food insecure.²⁵ Families with housing costs that consume more than 30% of their income also have increased odds of food insecurity.²⁶

B. The economic multiplier effect

Shoppers using federal food assistance dollars directly stimulate local economies throughout the state. This multiplier effect is widely cited as a community benefit of SNAP. These food retailers and employees then spend money in the broader economy. Nebraska has about 1,290 retail locations that accept SNAP benefits as payment. In 2019, retail locations collected \$222 million in SNAP benefits.²⁷ The USDA estimates that \$1 of SNAP benefits generates \$1.50 in economic activity. Using the USDA estimate, in 2019, SNAP spending in Nebraska led to \$333 million in economic activity. This economic stimulus is even more effective when SNAP dollars are spent on locally produced food or at locally owned businesses.

Nationwide, 248,000 retailers accept SNAP and take in approximately \$56 billion in SNAP revenue.²⁸ The USDA Economic Research Service estimates that during a recession, \$1 billion in increased SNAP payments would grow Gross Domestic Product (GDP) by \$1.54 billion and

support more than 13,000 jobs.²⁹ Nearly 500 of these jobs would be directly tied to agriculture.³⁰

C. The cliff effect

The cliff effect exists for all benefit programs using the federal poverty line as a measuring tool for eligibility.³¹ Imagine an applicant whose gross monthly income is just under the eligibility limit and who receives SNAP benefits each month. If their employer offers them a raise or overtime hours, they may lose their benefits for that month—and future months in the case of a raise. The cliff effect in this case is providing a disincentive for pursuing wage increases, more work hours, or a better paying job, since to do so might result in losing more SNAP dollars than they are earning with the higher wage or extra work hours.

The Nebraska Legislature passed LB 108 in 2021 to help alleviate this problem. If the gross income cutoff returns to 130% or below the federal poverty line, it will re-create a situation where working families who start to earn more money will lose their benefits entirely before making enough money on their own to completely replace the benefit. Most neighboring states have combated the cliff effect by permanently raising the SNAP gross income limit. Iowa and Minnesota have limits of 160% and 165%, respectively. Colorado, North Dakota, and Wisconsin each have gross income eligibility limits of 200%.³²

25 Hubbert, Elice. “Food Insecurity: A Legislative Research Office FAQ.” Nebraska Legislative Research Office, September 2020, nebraskalegislature.gov/pdf/reports/research/food_insecurity_2020.pdf. Accessed December 2022.

26 Kirkpatrick, Sharon I., and Valerie Tarasuk. “Housing Circumstances are Associated with Household Food Access among Low-Income Urban Families.” National Institutes of Health, National Library of Medicine, Feb. 1, 2011, [ncbi.nlm.nih.gov/pmc/articles/PMC3079041](https://pubmed.ncbi.nlm.nih.gov/pmc/articles/PMC3079041/). Accessed December 2022.

27 “SNAP Is an Important Public-Private Partnership.” Center on Budget and Policy Priorities, cbpp.org/snap-is-an-important-public-private-partnership#Nebraska. Accessed December 2022.

28 Ibid.

29 Ibid.

30 Canning, Patrick, and Rosanna Mentzer Morrison. “Quantifying the Impact of SNAP Benefits on the U.S. Economy and Jobs.” U.S. Department of Agriculture, Economic Research Service, July 18, 2019, ers.usda.gov/amber-waves/2019/july/quantifying-the-impact-of-snap-benefits-on-the-u-s-economy-and-jobs. Accessed December 2022.

31 “The Cliff Effect: A Summary of Advocacy and Policy Efforts.” Circles USA, April 2018, circlesusa.org/wp-content/uploads/2018/06/Cliff-Effect-Research-by-Circles-USA.pdf. Accessed December 2022.

32 “The Supplemental Nutrition Assistance Program (SNAP): Categorical Eligibility.” Congressional Research Service, Feb. 25, 2022, sgp.fas.org/crs/misc/R42054.pdf. Accessed December 2022.

Keeping the gross income eligibility level at 165% of the federal poverty line will give Nebraska families and workers the stable food security they need while pursuing better work, and it would encourage workforce advancement, which is good for the local economy. This strategy is carried out even further through the Nebraska SNAP Next Step Employment and Training Program. The program offers one-on-one assistance to help SNAP recipients increase their wages through training or job hunting. The average user of the program increases his or her monthly wages by about \$1,200.³³

V. Conclusion

Making the current SNAP gross income eligibility limit permanent is a good step forward, but policymakers should also consider a broader set of changes. State policies can and do have a large effect on food insecurity in our local communities. In particular, average wage rates, lower taxes for low-income households, and the cost of housing all play a factor in food insecurity.

Policymakers will likely debate the future of SNAP eligibility in Nebraska during the upcoming legislative session. Consideration must be given to the community benefits. SNAP is a safeguard against hunger and provides working families, disabled people, and members of our elderly population reliable access to food. When households can not put food on the table, they often struggle with other life needs, such as health, housing, utility bills, education, and keeping jobs.

33 “Your Partner for Success: SNAP Next Step Employment and Training (E&T).” Nebraska Departments of Labor and Health and Human Services, dhhs.ne.gov/Documents/SNAP%20Next%20Step%20DHHS%20PIO.pdf. Accessed December 2022.

About the Center for Rural Affairs

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