

CLOSE WELFARE ELIGIBILITY LOOPHOLES

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TOPLINE: Congress should eliminate the Broad-Based Categorical Eligibility (BBCE) loophole that allows millions of otherwise ineligible people to qualify for welfare.

BACKGROUND: BBCE [allows states to expand](#) Supplemental Nutrition Assistance Program—SNAP, or food stamps—beyond federal income and asset standards simply through the provision of a nominal welfare benefit that can be as trivial as a brochure.

The Department of Agriculture estimated that this categorical eligibility resulted in [5.6 million individuals](#) who did not meet the federal eligibility standards nonetheless receiving SNAP benefits. [Only seven states](#) do not use BBCE and instead apply the federal eligibility and asset standards of SNAP. The percentage of the population that receives SNAP benefits is [50% higher](#) in states that use BBCE (12.3%) than in those that apply federal SNAP standards (8.0%)—and yet, the average poverty rate is identical across both groups. This loophole also opens the door to fraudsters by making it easier to [wrongly claim eligibility](#). An [estimated 82%](#) of all improper payments in SNAP came from individuals who claimed eligibility through BBCE.

Action Items (Congress, the Administration, and States):

- Congress should **eliminate BBCE and require states to follow federal SNAP eligibility standards**.
- If Congress does not act, **the administration should implement a rule—one it is [working on](#)—to limit BBCE to households receiving substantial cash TANF benefits**, rather than allowing nominal, non-cash benefits to qualify.
- **States should not use BBCE** and should follow federal SNAP eligibility standards.

How It Would Make Life More Affordable:

- Eliminating BBCE would save federal taxpayers [an estimated \\$100 billion](#) and state taxpayers an additional \$10 billion between 2026 and 2035.

Related Legislation: No Welfare for the Wealthy Act of 2025 ([H.R. 416](#)).

BOTTOMLINE: Congress should protect taxpayer dollars and preserve SNAP benefits for those in need by closing eligibility loopholes that let wealthy people receive welfare.