

STATE GOVERNMENT

responses to

THE FOOD ASSISTANCE GAP 2000

Third Annual Report and 50 State Survey

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Table of Contents

- I. **Executive Summary**
 - A. Hunger in America – Food Assistance Gaps
 - B. Challenges in the Wake of Welfare Reform
 - C. Key State Trends
- II. **Food Stamp Program – Line of Defense Against Hunger**
 - A. Fostering Nutritional Assistance for Working Families
 - 1. Agency Practices
 - 2. Food Stamp Categorical Eligibility Strategies for Supporting Transitions
 - B. Protecting Food Stamps for Jobless Persons Willing to Work
 - 1. Jobless Area Waivers
 - 2. 1997 Budget Act Authority for Exemptions and Work Slots
 - 3. Fixed Clock Option
 - 4. State-Funded Food Stamp Coupon Option
 - C. Providing Food Assistance to Legal Immigrants Cut from the Federal Food Stamp Program
 - D. Opting to Preserve Food Stamps for Those Making a New Start
 - E. Innovative Outreach
 - F. State Reinvestment Strategies
 - G. Making Allotments More Adequate
- III. **Child Nutrition and WIC Programs**
 - A. Strengthening the Summer Food and School Breakfast Programs
 - B. Strategies for CACFP and WIC
- IV. **Supporting Emergency Food Assistance Programs**
- V. **Outlook**

Appendix – Model State Approaches

- A. Food Stamp Practices to Better Serve Working Families – New York, Maryland, California, Vermont, Louisiana
- B. Food Stamp Categorical Eligibility Strategies for Supporting Transitions – Maine
- C. Making Benefits More Substantial – Rhode Island
- D. Protecting Benefits for Jobless Adults Willing to Work – Louisiana, Pennsylvania, Washington
- E. Getting Food to Vulnerable Legal Immigrants – Maine, Michigan
- F. State Reinvestment Strategies – Georgia, Texas
- G. Accessing 50/50 Federal Matching Funds for Food Stamp Outreach – New Hampshire, Tennessee, New York, Arizona
- H. Helping Children Get Breakfast at School – Illinois
- I. Getting Meals to Needy Children in the Summer – Texas
- J. Nutrition Assistance at Afterschool Programs – Ohio
- K. Child and Adult Care Food Programs – Washington
- L. Bolstering WIC – New York
- M. The Emergency Food Assistance Program – South Carolina, Georgia, New Mexico

I. Executive Summary

This annual report from Food Research and Action Center (FRAC) and America's Second Harvest presents information on actions the 50 states and the District of Columbia are taking – or failing to take – to address the food assistance gap. Actions include initiatives to foster access to Food Stamp Program benefits for working families with children, jobless persons willing to work, and legal immigrants; to expand the reach of the Summer Food and School Breakfast Programs; to bolster nutrition assistance to children in pre-school and afterschool settings; to strengthen the WIC Program's service to pregnant women, infants, and young children; and to supplement support (food and funds) to emergency feeding organizations.

A. Hunger in America – Food Assistance Gaps

Despite this country's record period of economic growth, appallingly high levels of poverty, hunger and food insecurity persist, especially among children. A combination of low wages for an estimated 14 million workers and declining participation in programs like food stamps among eligible families is keeping much of the positive impact of economic growth from millions of people. Census Bureau data shows that poverty has been declining in the last few years of the economic expansion, albeit slowly. But, remarkably, according to the United States Department of Agriculture (USDA) analysis of the Census Bureau's Current Population Survey, low-income families (between 50% and 130% of the poverty line) were more food insecure in 1999 than in 1995.¹

Thirty-one million Americans now live in hunger or on the edge of hunger – what the government calls "food insecure." A food insecure family can't afford balanced, adequate diets, parents skip meals so their children can eat, or the family is on the very edge of hunger because it is poor and must take extraordinary steps to get food, such as going to a charitable emergency food provider. According to America's Second Harvest, a nationwide network of food banks and food recovery organizations, approximately twenty-one million people seek emergency food assistance each year.² Children are much more likely to live in food insecure or hungry households than are adults. According to the US Conference of Mayors Status Report on Hunger and Homelessness in American Cities 2000, requests for emergency food assistance increased in 83% of survey cities from 1999 to 2000; across the cities, increases averaged 17%.³

B. Challenges in the Wake of Welfare Reform

The Personal Responsibility and Work Opportunity Reconciliation Act of 1996 (PRWORA or "welfare reform act") that was signed into law on August 22, 1996 block granted and time limited cash assistance under the Temporary Assistance for Needy Families

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The Personal Responsibility and Work Opportunity Reconciliation Act of 1996 made significant changes to our nation's nutrition assistance programs.

¹ US Department of Agriculture, Food and Rural Economics Division, Economic Research Service, *Household Food Security in the United States*, 1999, by Margaret Andrews, Mark Nord, Gary Bickel, and Steven Carlson, Fall 2000.

² America's Second Harvest, *Hunger 1997: The Faces and Facts*, 1998.

³ US Conference of Mayors, *A Status Report on Hunger and Homelessness in America's Cities*, December 2000.

(TANF) Program and made significant changes to our nation's nutrition assistance programs. Although it maintained as federal entitlement programs the food stamp and child nutrition programs (School Breakfast, School Lunch, Summer Food Service, and the Child and Adult Care Food Program (CACFP), the PRWORA cut six-year funding for those nutrition programs by a total of approximately \$30 billion. It also cut the value of food stamp allotments across the board, reduced eligibility for food stamps for certain childless jobless adults, and eliminated eligibility for most legal immigrants. Furthermore, the welfare reform act cut funding for child nutrition programs in school breakfast, summer feeding and child care settings.

Several federal law changes have ameliorated the PRWORA cuts in small, but significant, ways. The 1997 Budget Reconciliation Act provided funding for work slots and exemptions for some jobless food stamp recipients. The 1997 Supplemental Appropriations Act provided states the authority to purchase federal food stamp coupons for some vulnerable groups. Further, the Agricultural Research, Extension and Education Reform Act of 1998 restored federal food stamp eligibility for nearly one third of the legal immigrants cut by the PRWORA. Through the 1998 Child Nutrition Reauthorization Act and a 2000 law change to CACFP, authorization has been provided to expand afterschool snacks and meals for children, to expand meal reimbursements for children in homeless shelters, and to launch School Breakfast research pilots to study the impact on learning ability of providing free breakfasts to all children.

Several federal law changes have ameliorated the PRWORA cuts in small, but significant, ways: The 1997 Budget Reconciliation Act, the 1997 Supplemental Appropriations Act and the Agricultural Research, Extension and Education Act of 1998.

c. **Key State Trends**

Pursuant to welfare reform, state governments have the flexibility and authority to mitigate gaps in the national nutrition safety net. Actions states can take include adopting initiatives to foster access to Food Stamp Program benefits for working families with children, jobless persons willing to work, and legal immigrants. States may also expand access to the Summer Food and School Breakfast Programs, bolster nutrition assistance to children in pre-school and afterschool settings, strengthen the WIC Program's service to pregnant women, infants, and young children, and supplement support to emergency food providers.

This report assesses state responses and profiles model initiatives. The record in states is mixed, with state approaches differing both in kind and in scope.

In brief, our research identified the following state trends on nutrition assistance:

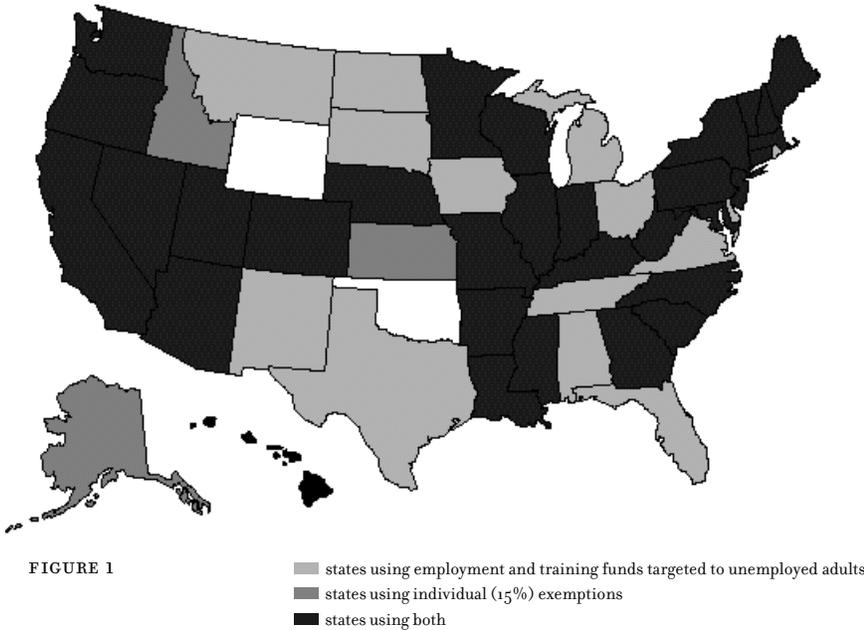
- A number of states are updating procedures to better serve working families, including operating food stamp and other aid offices during extended hours and allowing families to report changes in circumstances without returning to the office. Research also suggests that such innovations are implemented in only a minority of states and there is considerable room to make strides in the year ahead;

- Seventeen states have submitted Food Stamp Outreach Plans to USDA, an increase over the nine in 1999, but still woefully short of the jump-start in informational campaigns needed to get benefits to eligible families;
- As of July 2000, 38 states and the District of Columbia had waivers to preserve food stamps for jobless persons willing to work in areas with high unemployment rates and/or other indicators of “insufficient jobs;”
- A majority of states use so-called “15%” authority to exempt from benefit cut offs certain jobless adult food stamp recipients willing to work and/or target federal employment and training (E&T) funds for jobless adult food stamp recipients. However, some states refuse to use one or both of these tools and almost all could greatly step up their effective use of these federal resources;
- Thirteen states have provided funding to purchase federal food stamp coupons for legal immigrants cut from the federal Food Stamp Program;
- No state has provided state funding to purchase federal food stamp coupons for jobless adults limited to three months of federal food stamp benefits in a 36-month period, despite the fact that states have the option to do so under federal law;
- No state has earmarked funding to restore the value of federal food stamp benefits, which are eroding under the PRWORA implementation;
- A few states are using unspent TANF dollars to maximize nutrition services to low-income children, but more states could supplement federal nutrition program resources with TANF funds or other state dollars;
- Nineteen states are allocating state funds to supplement support to emergency food assistance programs.

When a state provides **state funding** and/or chooses options that continue **federal funding** of benefits for persons in the state, that state is making an important difference in the lives of hungry people. The bottom line is, however, that in **no** case has a state government earmarked an amount of funding sufficient to fully fill the gap created by the federal nutrition program cuts.

We hope that the information in this report will provide policy makers with new ideas and renewed commitment to narrowing and closing the gaps in food assistance.

Implementing Food Stamp Options of the 1997 Balanced Budget Act



II. Food Stamp Program – The First Line of Defense Against Hunger

When income from work is not enough to make ends meet, the nation’s public assistance and nutrition programs are essential to alleviating and eliminating hunger and food insecurity. Food stamps are crucial for working and non-working low-income families. A family of three with a half-time minimum wage worker may receive food stamps that will make up about one-third of the family’s income (from wages, food stamps, and Earned Income Tax Credit). If the parent works full-time and has higher earnings, the share of income from food stamps is less, but still represents about one-seventh of the family income. For a family without a working parent, whether or not it is receiving TANF, food stamps often are its largest source of support.

Drops in Food Stamp Program participation have far outpaced the decline in the number of persons in poverty. More than one-third of people eligible for the Food Stamp Program are not receiving benefits, according to a USDA analysis of September 1997 caseload data. The participation rate of 63% represents a decline of five percentage points in participation by eligible people between 1996 and 1997.⁴ Only two out of five working families eligible for food stamps actually apply for and receive benefits.⁵

Statutory cutbacks in eligibility for certain jobless adults and legal immigrants made under the 1996 welfare law explain only a small portion of the drop. Even the strong economy fails to account for most of the decline. Researchers from USDA, the Urban Institute, and General Accounting Office (GAO), in separate studies, have all

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⁴ US Department of Agriculture, Food and Nutrition Service, *Trends in Food Stamp Program Participate Rates: Focus on Sept. 1997*, December 1999.

⁵ US Department of Agriculture, Food and Nutrition Service, *President Clinton Takes Executive Action to Help Working Families*, July 14, 1999.

concluded that most of the drop in food stamp participation has occurred among persons poor enough to remain qualified.

For example:

- A GAO report released in July 1999 found that “food stamp participation has dropped faster than related economic indicators would predict.”⁶ Furthermore, GAO points out, “There is a growing gap between the number of children living in poverty – an important indicator of children’s need for food assistance – and the number of children receiving food stamp assistance.”⁷
- The Urban Institute’s report, “Are the Steep Declines in Food Stamp Participation Linked to Falling Welfare Caseloads?” analyzes a survey of families with children under 18 that had received food stamps at some point between January 1995 and the interview period (February–October 1997). According to the Urban Institute, “About two-thirds of the families that left the Food Stamp Program were still eligible for food stamps.”⁸

A. Fostering Nutritional Assistance for Working Families

1. Agency Practices

America’s Second Harvest recently released the most comprehensive study in nearly a decade of state food stamp applications used in all 50 states and in the District of Columbia. *The Red Tape Divide: State-by-State Review of Food Stamp Applications* provides an analysis of many of the barriers to comprehending and completing food stamp applications. For example, America’s Second Harvest found that the average food stamp application is 12 pages long and most states request that applicants provide a significant amount of non-essential information to caseworkers in order to apply. In addition a number of states have instituted “diversion” strategies to prevent individuals from enrolling or staying on cash benefits. The application processes in place in a majority of states ensure that food stamp applicants, many of whom are employed, will be forced to make repeat visits to welfare offices in order to both enroll and remain on the program. Further, diversion or poor customer service can confuse eligible applicants about their rights to food stamp benefits and lead them to drop out of the application or recertification process.⁹

Other research echoes these findings. According to a July 1999 report prepared for USDA by Mathematica Policy Research, Inc., for those people who apply, it takes, on average, five hours and at least two trips to the food stamp office to enroll. To stay on the program requires, on average, another 2.5 hours and at least one

6 US General Accounting Office, *Food Stamp Program: Various Factors Have Led to Declining Participation* (GAO/RCED-99-185), July 2000.

7 Ibid.

8 The Urban Institute, *Are the Steep Declines in Food Stamp Participation Linked to Falling Welfare Caseloads?*, by Sheila R. Zedlewski and Sarah Brauner, November 1999.

9 America’s Second Harvest, *The Red Tape Divide: State-By-State Review of Food Stamp Applications*, by Doug O’Brien, Kimberly Prendergast, et al., August 2000

more trip to the Food Stamp Program office. In some states, those return trips are required as often as every three months. Length of the food stamp application, short "certification periods" dictating how often recipients must renew their applications, and office hours that conflict with recipients' work schedules are among barriers that undermine participation by those eligible for food stamps.¹⁰

States can simplify and improve the application process for food stamps, thus increasing the likelihood that those who are eligible for nutrition assistance actually receive it. A number of states have taken recent action to improve access to food stamp benefits. More and more states report that at least some local offices have extended office hours and locations to better accommodate families who work. A new pilot project extended office hours to Saturday mornings and/or evening hours in select areas in Massachusetts. The Western Region Anti-Hunger Network reports that a Sacramento, California office has workers on staggered shifts and now serves clients on weekdays from 7 am to 9 pm. These types of positive initiatives are extremely important since many food stamp recipients are employed and find it difficult, if not impossible, to take time off from work to make a trip to their local food stamp office. According to the USDA, 26% of food stamp households have earnings and for these households, earnings are the primary source of income.¹¹ For the vast majority of clients, completing the Food Stamp Program application process means getting to an agency office during weekday, daytime hours. As a result, many working participants must forgo wages and take leaves from work to apply for food assistance. States can also ease burdens on working families by allowing certifications for longer periods of time, as well as by allowing families to report on changed circumstances by mail or telephone rather than in person. For instance, Louisiana recently implemented a "quarterly reporting" waiver from USDA, under which working families will be certified for 12 months and report changes in writing on a quarterly basis.

States also can earmark funds to better ensure that individuals and families transitioning from cash assistance to self-sufficiency get nutrition counseling, health care, and other support they need. The New York State budget for 2000-2001 uses \$3 million in TANF funds to establish a "Transitional Opportunities Program" (TOP), through which social service district offices can improve benefit access for working families.

Finally, under new USDA regulations published in November 2000, states will soon be able to provide a three-month transitional food stamp benefit to help support households leaving welfare for work.

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¹⁰ US Department of Agriculture, Food and Nutrition Service, Office of Analysis, Nutrition, and Evaluation, *Customer Service in the Food Stamp Program*, by Michael Ponza, James C. Ohls, Lorenzo Moreno, Amy Zambrowski, and Rhoda Cohen of Mathematica policy Research, Inc., July 1999.

¹¹ US Department of Agriculture, Food and Nutrition Service, Office of Analysis, Nutrition, and Evaluation, *Characteristics of Food Stamp Households: Fiscal Year 1998*, by Laura Castner and Randy Rosso, February 2000.

This will allow families to maintain stable food stamp eligibility and benefit levels during this critical period of transition from welfare to work. The regulations also allow states to relieve working families of the requirement to report modest income changes for up to six months at a time, reducing the amount of time these families need to spend in food stamp offices.

State legislatures, as well as state food stamp agencies, can help to ensure practices that best serve eligible people are implemented. For example, at the initiative of Wisconsin lawmakers, the Wisconsin Legislative Audit Bureau undertook an evaluation of Food Stamp Program operations in the state. Its report, issued in early July 2000, identified a number of problems that state and federal policy could address.

States Providing Funds for Food Stamp Outreach

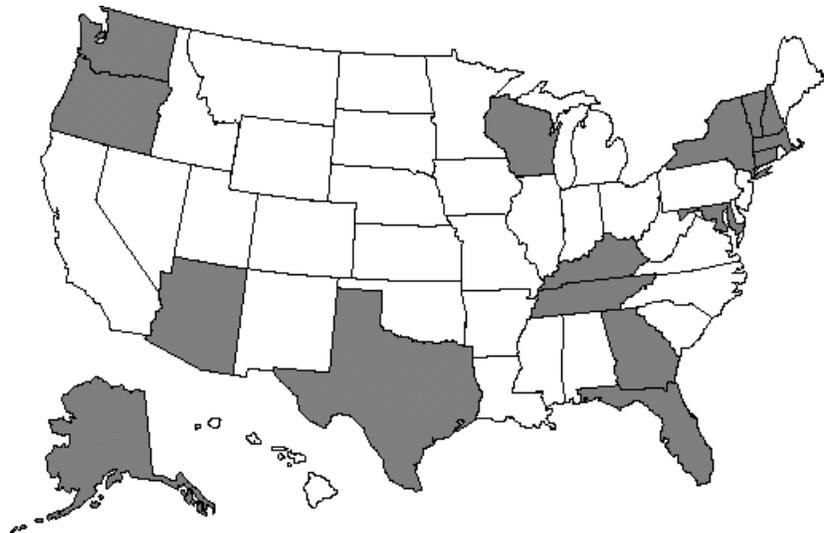


FIGURE 2

2. Food Stamp Categorical Eligibility Strategies for Supporting Transitions

One initiative, expanded Categorical Eligibility, allows more families who move from cash assistance and who need cars to get to work to remain eligible for food stamp benefits.

One initiative, expanded Categorical Eligibility (Cat-El), allows more families transitioning from welfare to work to remain eligible for food stamp benefits if they need a car to get to work. Under the Food Stamp Act, individuals receiving benefits under Title IV-A of the Social Security Act are categorically eligible for food stamps – they need **not** meet the separate resource rules applied under the Food Stamp Program. A policy adopted by the Clinton Administration in July 1999 clarifies that any time all members of a household are certified to receive benefits under a program for needy families funded primarily through TANF – whether cash or other benefits such as services – the TANF resource rules apply. This policy helps working families who own a vehicle that is worth more than \$4,650, the limit allowed under the regular Food Stamp Program rules. In many states,

families may own a vehicle of any value (or at least of much higher value than \$4,650) and still qualify for TANF services.

The application of Cat-El for those receiving some TANF-funded assistance can also benefit working poor households with incomes just above regular Food Stamp Program gross income limits (130% of poverty), but who are struggling with significant out-of-pocket expenses, such as child care costs. For example, one state-based group has reported on a three-person household – a mother and two children – that had left TANF cash assistance but that receives a TANF-funded benefit. The mother earns \$1,603 in gross income (just above the food stamp gross income test for three of \$1,504). She pays \$40 per week for income eligible child care assistance for one child and lives in private housing. Using the Cat-El rules, she would be eligible for \$125 per month in food stamp benefits.

As of July 2000, 30 state food stamp agencies had reported to USDA on plans to use expanded categorical eligibility options. The 30 states are Arkansas, Arizona, California, Colorado, Connecticut, Delaware, Hawaii, Idaho, Illinois, Kansas, Kentucky, Louisiana, Massachusetts, Maryland, Maine, Michigan, Missouri, Nebraska, New Hampshire, New Jersey, New Mexico, Nevada, New York, Oregon, South Carolina, South Dakota, Utah, Washington, Wisconsin, and West Virginia. Most other states had yet to reach decisions on whether and how to exercise the expanded options. Texas, Oklahoma, Virginia and the District of Columbia reportedly will only apply Cat-El for those receiving cash assistance.

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TANF-funded services triggering the categorical eligibility for food stamp benefits in states choosing expanded Cat-El vary from state to state. Among the broad mix of TANF-funded triggers identified so far:

- case management counseling services;
- child care assistance;
- kinship care and foster care;
- transportation assistance;
- job access loans;
- job retention payments;
- mentoring services;
- literacy/GED/adult basic education assistance and school clothing allowance;
- vocational training;
- individual development accounts;
- teen pregnancy prevention assistance and family cap vouchers;
- domestic violence related services;

- emergency energy assistance and rental assistance;
- refugee assistance and state-funded Medicaid for non-citizens; and
- young fathers programs.

B. Preserving Food Stamp Benefits for Jobless Persons Willing to Work

The PRWORA restricted eligibility for food stamp benefits for certain jobless adults, limiting them to only three months of benefits in a 36-month period.

The PRWORA restricted eligibility for food stamp benefits for certain jobless adults, limiting them to only three months of benefits in a 36-month period.¹² Persons who exhaust their three months of benefits and find a job but are subsequently laid off are eligible for one additional three-month benefit period within the 36 months. Although the states are eligible for federal food stamp employment and training funds to train low-income able-bodied adults without dependents, less than 30%, or \$60.2 million of the \$212 million available was drawn down by the states as of June 30, 1998.¹³

Five safety valve mechanisms under federal law give states tools to preserve food stamp benefits for many jobless persons willing to work. These mechanisms include: 1) USDA waivers for geographic areas with 10% or higher official unemployment rates and/or insufficient jobs; 2) additional state authority to waive 15% of the affected caseload in non-USDA waived areas; 3) federal employment and training funds to provide work slots for this group; 4) a "fixed clock" system to restart benefits for the entire caseload; and 5) authority for states to purchase federal food stamp coupons for distribution to this population.

1. Jobless Area Waivers

To date, the most significant relief afforded jobless food stamp recipients has been through jobless area waivers of the three-month cut off.

To date, the most significant relief afforded jobless food stamp recipients has been through jobless area waivers of the three-month cut off. As of July 2000, 38 states and the District of Columbia had approved waivers for 2000. States that had no current jobless area waivers, even though most, if not all, of these states would qualify for them, were California, Delaware, Iowa, Kansas, Massachusetts, Michigan, Mississippi, New Hampshire, North Carolina, Ohio, Oklahoma, and Wisconsin.

States that operate under waivers differ in the extent to which they apply for such relief. The basis for approving the waivers may include unemployment rates of 10% or more federally designated "labor surplus areas," and other labor market data to support findings of insufficient jobs. The most extensive relief is provided when states utilize all three bases.

¹² Those affected are unemployed persons between the ages of 18 and 50 who have no dependent children and are considered "able-bodied." They are subject to the three month limit unless they meet one of the following conditions: 1) they are working at least 20 hours a week; 2) they are participating in a state-approved work program at least 20 hours a week; 3) they are participating in a workfare program for the requisite number of hours (food stamp benefit divided by the prevailing minimum wage); or 4) they are otherwise exempt from the general food stamp work requirements.

¹³ US General Accounting Office, *Food Stamp Program: Information on Employment and Training Activities* (GAO/RCED-99-40), December 1998.

2. 1997 Budget Act Authority for Exemptions and Work Slots

The 1997 Budget Act allowed states to exempt up to 15% of unemployed able-bodied adults without dependents from the three month cut off of food stamp benefits if they are not already covered by an area jobless waiver. States have broad flexibility in structuring exemptions. Potential exemptions include, but are not limited to: exempting particular areas of the state not covered by jobless waiver; and/or exempting subgroups of recipients such as those over a certain age or below a certain education level.

The 1997 Budget Act also authorized federal food stamp employment and training funds for states to provide work opportunities for this population. Eighty percent of all federal food stamp E&T grant funds must be spent on recipients subject to the three month cut off and must be used for work activities which allow affected recipients to remain on the Food Stamp Program. The remaining 20% of the funds can be spent on other populations. The USDA has set a reimbursement rate limiting the amount of funds available per work slot but allows some states fuller reimbursements if they guarantee a work slot to every person who reaches the three month limit and would otherwise be cut off the program. Twelve states are using this alternative reimbursement structure: Alabama, Colorado, Delaware, Florida, Iowa, Michigan, Mississippi, Nebraska, Oregon, South Dakota, Tennessee, and Washington.

While some states were apparently slow in moving to implement these options earlier, a majority of states now implement one or both options. Thirty-four states report to USDA that they use some part of their so-called "15%" exemption authority, but the total number of exemptions available nationally are not fully used. Some states fail to access their E&T funds for this population at all, but even those that do need to step up the pace to fully expend the federal resources available. According to USDA, states had spent on average, only 30% of their 100% federal E&T grant dollars through the second quarter of FY 2000 and 31 states had spent only 15% or fewer of their available E&T funds.

3. Fixed Clock Option

Pursuant to guidance issued by the USDA on September 1, 1999, states can elect tracking procedures that would result in an additional three months of benefits for people. Specifically, states can use a "fixed clock" (i.e. same date, such as December 1, 1999) to determine when the 36-month period begins. This would allow a new three months of benefit eligibility for jobless people willing to work, regardless of when in the last 36 months those individuals had received benefits. Among states that have opted for such a system are Illinois, Massachusetts, Michigan, Montana, Pennsylvania, Tennessee, and Washington.

The 1997 Budget Act included a state option allowing states to exempt from the three month cut off up to 15% of unemployed able-bodied adults not already covered by an area jobless waiver.

States can elect tracking procedures that would result in an additional three months of benefits for people.

In June 1997, Congress enacted legislation to allow states to purchase federal food stamp coupons for distribution to legal immigrants and the jobless adults affected by the three month cut off.

4. State-Funded Food Stamp Program Option

As discussed more fully in connection with state food assistance to legal immigrants, in June 1997 Congress enacted legislation to allow states to purchase federal food stamp coupons for distribution to legal immigrants and the jobless adults affected by the three month cut off. To date, no state has pursued this strategy for assisting jobless adults willing to work.

c. Providing Food Assistance to Legal Immigrants Cut from the Federal Food Stamp Program

The PRWORA disqualified most **legal** immigrants from the federal Food Stamp Program, an estimated cut of 900,000 persons from the Program by August 22, 1997. Exceptions to the citizen bar under PRWORA were for refugees and asylees for their first five years in the United States; for persons (or spouses or children of such persons) with US military service records; and for persons with documented work histories (at least 40 quarters in the United States). In 1998, the Agricultural Research, Extension and Education Reform Act (Public Law 105-185) provided partial food stamp restorations, primarily for immigrants who were in the United States by August 22, 1996 **and** who were either 65 or over at that time, under 18 years old, or disabled. The 1998 law also extended assistance for refugees and asylees to their first seven years in the United States.

Legislation has been offered in Congress to restore eligibility to needy legal immigrants. In the absence of full restorations at the federal level, several hundred thousand low-income legal immigrants are without food stamp benefits, particularly legal immigrant adult parents in households with children, as well as those legal immigrants of all ages who have entered the United States since August 22, 1996. States are helping to fill the food assistance gap for legal immigrants in two ways.

First, several states have allocated state funds to purchase food stamp coupons for distribution to some or all needy legal immigrants in their states. As of July 2000, USDA reported that 13 states (California, Connecticut, Illinois, Massachusetts, Maine, Maryland, Nebraska, New Jersey, New York, Ohio, Rhode Island, Washington, and Wisconsin) were expending state dollars to provide food stamp benefits to vulnerable legal immigrants. For example, Massachusetts has a State Supplemental Food Stamp Program that has appropriated nearly \$8 million to provide food stamps to otherwise eligible legal immigrants. California dispenses over \$4 million per month in food stamp coupon benefits to its large legal immigrant population through the California Assistance Program. A few states also offer cash or other assistance to legal immigrants.

Second, some states help legal immigrant households stretch federal food stamp assistance by opting to exclude the income of **ineligible** legal immigrants when computing food stamp benefit allocations for those **eligible legal immigrants or US citizens** who reside with

ineligible legal immigrants. Pursuant to USDA policy, states may exercise this option through administrative or legislative action. In 1998 the Michigan Legislature enacted a bill that directs its state agency to follow this option.

D. **Opting to Preserve Food Stamps for Those Making a New Start**

The PRWORA (as amended in 1997) provides that any individual with a state or federal felony drug conviction for conduct after August 22, 1996 is permanently barred from receiving food stamps and TANF benefits. The conviction can be for possession, use or distribution of illegal substances. States can ameliorate the harsh impact of this arbitrary disqualification through state legislation. As of March 2000, 24 states and the District of Columbia had enacted some form of opt-out.¹⁴ These laws range from full opt-outs to those limited to a lifting of the ban under certain circumstances (e.g., lifting the ban for those participating in treatment programs). By enacting state legislation to opt-out of the ban, states facilitate access to nutrition assistance for many people who are in rehabilitation and/or otherwise trying to turn their lives around. For example, community living facilities and rehabilitation centers routinely use residents' food stamps to purchase food for residents, but do not have access to them if the ban is left in place.

E. **Innovative Outreach**

Between April 1996 and April 2000, the Food Stamp Program caseload dropped by 8.6 million persons. A July 1999 report prepared for the USDA by Mathematica Policy Research, Inc. identified lack of client information as a barrier to participation by eligible persons; among non-participating persons eligible for food stamp benefits surveyed in late 1996, nearly three-quarters (72%) were not aware that they were eligible.¹⁵

States can draw down 50/50 matching funds from the federal government to conduct Food Stamp Program outreach. While the number of states doing so has increased in recent years, the number is still woefully small. As of July 2000, the following jurisdictions reported to USDA that they were expending funds for food stamp outreach, using either state generated funds that qualified for that match or in "reinvestment" dollars that do not qualify for the match: Alaska, Arizona, Connecticut, District of Columbia, Florida, Georgia, Kentucky, Massachusetts, Maryland, New Hampshire, New York, Oregon, Tennessee, Texas, Vermont, Washington, and Wisconsin.

Most states that undertake comprehensive food stamp outreach campaigns, such as New York, Vermont and Tennessee, do so through flyers, posters and public service announcements. States such as New Hampshire and Washington target outreach to specific population

Among non-participating persons eligible for food stamp benefits surveyed in late 1996, nearly three quarters (72%) were not aware that they were eligible.

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¹⁴ The following jurisdictions have adopted either a partial or full restoration of food stamp eligibility for individuals with a state or federal felony drug conviction for conduct after August 22, 1996: Arkansas, Colorado, Connecticut, District of Columbia, Florida, Hawaii, Illinois, Iowa, Louisiana, Michigan, Minnesota, Nevada, New Hampshire, New Jersey, New York, North Carolina, Ohio, Oklahoma, Oregon, Rhode Island, South Carolina, Utah, Vermont, Washington, and Wisconsin.

¹⁵ US Department of Agriculture, *Customer Service in the Food Stamp Program*.

groups. Illinois and Arizona recently enlisted TANF recipients to serve as food stamp outreach workers. All states, with the exception of Colorado, Kansas and Oklahoma, have food stamp hotlines through which individuals can access more program information.

F. State Reinvestment Strategies

State track records in handling Food Stamp Program cases accurately have fiscal implications: with an "error rate" sufficiently high, a state may face economic sanction; with a very low error rate, it may qualify for enhanced federal funding. Under either scenario, the state has options to reinvest the dollars at issue to improve nutrition assistance to vulnerable people.

USDA has provided states facing error rate penalties for food stamp case handling with settlement options for reinvesting those penalties in program operations. Since fall 1999, USDA has allowed reinvestment settlements under which a state expends at least 65% of the dollars on payment accuracy activities that do not diminish program accessibility; the state may spend the remaining 35% on activities that enable the state to better serve its low-income populations. In contrast to reinvestment settlement plan dollars, there are no federal limitations on the use of enhanced funds states may receive as bonuses for low error rates.

Examples of activities states may consider for reinvestments into the Food Stamp Program include outreach, pre-application assistance, out-stationing, and extended office hours (evenings, weekends). Other examples include bilingual services, caseworker training and retraining, funding additional hiring and/or overtime staffing, computer upgrades, and incentive grants to local offices to encourage exemplary performances.

In the past year, Georgia and Texas have undertaken such reinvestments. Georgia has earmarked \$450,000 of its FY 1998 reinvestment settlement plan for Food Stamp Program outreach. Texas, which was awarded \$19.6 million in enhanced funding for its FY 1998 payment accuracy rate, enacted legislation in 1999 to reinvest \$2 million back into nutrition assistance (\$1.65 million to expand the reach of the Summer Food Service Program and \$350,000 for Food Stamp Program outreach).

G. Making Allotments More Adequate

Surveys of food stamp recipients typically reveal that food stamp benefit allotments run out by the third week of the month.¹⁶ Changes in benefits for all recipients under the PRWORA are continuing to erode the value of such allotments over time. States can provide their own funds to supplement those allotments. For instance, a bill that was introduced, but not passed, in Rhode Island would have allotted just under \$5 million to provide each food stamp recipient with an

Surveys of food stamp recipients typically reveal that food stamp benefit allotments run out by the third week of the month.

¹⁶ America's Second Harvest, *Hunger 1997: The Faces & Facts*, 1998.

supplemental reimbursements for meals served beyond a particular threshold, and, for schools where 80% or more of students are eligible for free or reduced price meals, eliminates means-testing to allow all students to eat a free breakfast.

B. Strategies for CACFP and WIC

1. CACFP

The Child and Adult Care Food Program (CACFP) provides meals and snacks to children in licensed public and non-profit child care centers (including Head Start) and, in certain circumstances, in for-profit centers; in family and group child care homes for preschool children; and in afterschool programs, like Kids Cafes, operated by non-profits or schools.

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As more and more children have both parents or their single custodial parent in the workforce, the need for quality child care keeps growing. CACFP supports quality care in several ways. It provides the excellent nutrition resources and training that are crucial for a child's health, growth and development. CACFP also acts as an incentive to unlicensed providers to become licensed so they can receive federal reimbursements for meals. Further, it provides a stream of income that helps reduce caretaker turnover. For example, a family child care provider serving five low-income children could receive over \$4,000 a year through CACFP reimbursements, allowing other funds to be spent on quality of care and other services for the children.

Unfortunately, the PRWORA made changes to CACFP that undercut the program's reach. As a result of PRWORA, a two-tiered area eligibility means-test for the family child care home portion of CACFP was instituted, with lower reimbursements for "tier two" homes. The implementation of these underfunded and complex means-testing provisions hampers CACFP's ability to continue as a key source of support for family child care.

Since 1996, the federal government has made some modest improvements to strengthen CACFP. Pursuant to the 1998 Child Nutrition and WIC Programs Reauthorization Act (Public Law 105-336), public agencies and non-profits (including religious institutions) that operate homeless or domestic violence shelters may be reimbursed for serving up to three meals per day to children age 12 and under. The 1998 law also expands reimbursements to afterschool programs for serving snacks and meals to children, albeit with some limitations on reimbursements for serving older children in non-low-income areas. Under a new law, the Agricultural Risk Protection Act of 2000 (Public Law 106-224), afterschool programs in six states (Delaware, Michigan, Montana, Pennsylvania and two others to be selected by USDA) will be eligible for reimbursements for serving snacks and meals to older teens regardless of whether or not those teens reside in a low-income area.

States can augment nutrition assistance in child care and afterschool settings, both by filling gaps in CACFP coverage and by encouraging caregivers to participate in CACFP. For example, Ohio has earmarked \$5 million in TANF funds to provide meals for older children in 19 afterschool settings. Washington State has allocated \$3 million in TANF funds to increase CACFP participation, including through incentive payments to child care providers that become licensed.

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2. WIC

The Special Supplemental Nutrition Program for Women, Infants and Children (WIC) provides nutritious foods, nutrition education, and access to health care to nearly 7.4 million low-income pregnant women, new mothers, and infants and young children at nutritional risk. Study results indicate the very positive benefits of participation in WIC. Studies by the USDA estimate that every dollar spent on WIC results in between \$1.77 and \$3.13 in Medicaid savings for newborns and their mothers.¹⁷ The WIC program has been proven to increase the number of women receiving prenatal care, reduce the incidence of low birth weight and fetal mortality, reduce anemia, and enhance the nutritional quality of the diet of participants. Some states appropriate funds to supplement federal WIC dollars for food and/or administrative expenses such as nutrition education. This year, New York State is investing TANF and other state funds for a combined total of over \$31 million in supplemental WIC funding.

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States Providing Additional Funding for Emergency Feeding

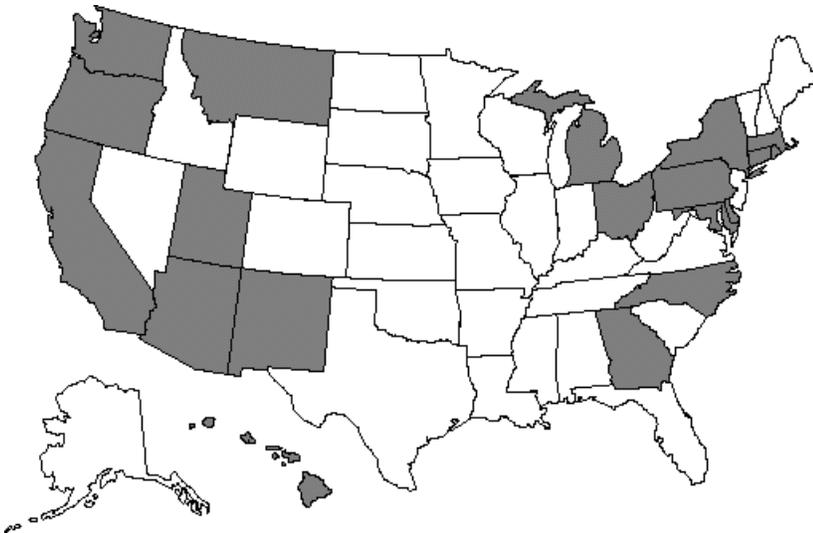


FIGURE 4

¹⁷ US Department of Agriculture, Food and Nutrition Service, Office of Analysis and Evaluation, *The Savings in Medicaid Costs for Newborns and Their Mothers from Prenatal Participation in the WIC Program (Volume 1)*, by Barbara Devaney, Linda Bilheimer, and Jennifer Schore of Mathematica Policy Research, Inc., October 1990.

IV. Supporting Emergency Food Assistance Programs

In 1998, America's Second Harvest released *Hunger 1997: The Faces and Facts*, the most comprehensive national study to date on the nation's charitable response to hunger. The independent research found that the America's Second Harvest food bank network of emergency food providers serves more than 25.7 million people a year, including more than 21 million at emergency sites, such as food pantries, soup kitchens and emergency shelters. Children make up a significant portion of emergency food clients. Nearly 38% of emergency food clients surveyed were age 17 or younger. In spite of employment, many people still need emergency food. In 38.6% of client households, one or more adults were working, and of those working, more than half were employed full-time.¹⁸

America's Second Harvest's report is in line with other surveys showing high levels of need at food pantries and soup kitchens. In December 2000, the US Conference of Mayors reported that requests for emergency food increased in the survey cities by an average of 17% over the previous year, reaching the highest level of need since the recession of the early 1990s. The number of families with children requesting assistance increased by 16%.¹⁹ A national review of multiple studies concerning the rising demand for emergency food assistance showed increases ranging from 14-38% over three years.²⁰ In addition, the GAO reported in 1999 that, "[D]emand for food assistance by low income families has increased in recent years... The need for food assistance has not diminished; rather needy individuals are relying on sources of assistance other than food stamps."²¹

Unfortunately, this growing demand for food often outstrips the charitable community's available resources. Nearly one million low-income people who requested food aid in 1997 were turned away empty-handed from local hunger relief agencies due to a lack of sufficient food.²² Similarly, the 1999 Mayors Conference report found that on average, 21% of requests for emergency food assistance in cities went unmet. For families alone, 19% of requests went unmet.²³

All 50 states match some level of federal assistance to emergency food providers under the Emergency Food Assistance Program (TEFAP). With widespread reports of increased demand at emergency feeding programs throughout the country, 19 states have approved additional state appropriations to assist food banks and other emergency food providers with commodities and other assistance or have approved expenditures for emergency feeding services support. States providing additional state funding are: Arizona, California, Connecticut, Delaware, Georgia, Florida, Massachusetts, Maryland, Michigan,

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18 America's Second Harvest, *Hunger: The Faces and Facts*, 1998.

19 USConference of Mayors, *A Status Report on Hunger and Homelessness in America's Cities*, December 2000.

20 Center on Hunger and Poverty, *Paradox of Our Times: Hunger in a Strong Economy*, by Sandra H. Venner, Ashley F. Sullivan, and Dorie Seavey, January 2000.

21 USGeneral Accounting Office, *Food Stamp Program: Various Factors have Led to Declining Participation*.

22 America's Second Harvest, *Hunger: The Faces and Facts*, 1998.

23 USConference of Mayors, *A Status Report on Hunger and Homelessness in America's Cities*, 1999.

Missouri, New Mexico, New York, North Carolina, Ohio, Oregon, Pennsylvania, Rhode Island, Utah, and Washington.

v. **Outlook**

In the absence of full federal restorations of nutrition program assistance, states continue to face stiff challenges in filling the food gap for many needy people. While states are unlikely to replace the full amount of federal aid that is lacking, the track record to date indicates that states can take concrete steps to help mitigate the problem of hunger.

States have multiple opportunities to make a real difference in the lives of hungry people by improving access to current nutrition programs and by expanding the scope of food resources that are available to vulnerable people.

- With respect to jobless food stamp benefits, states can proactively serve working families by expanding food assistance to vulnerable legal immigrants, continuing benefits for jobless adults willing to work, and preserving nutrition assistance for those making the transition from welfare to work;
- Among resources available for states on the Food Stamp Program front are federal E&T dollars to provide work slots for jobless adults, payments under reinvestment plans and enhanced awards, and 50/50 federal matching funds to conduct Food Stamp Program outreach;
- On the child nutrition and WIC programs side, states can provide additional funding for meal reimbursements, start up grants, and other supports to enhance the reach of the Summer Food, School Breakfast, CACFP and WIC programs;
- States can augment the work of the private charitable sector by continuing and increasing their support for emergency food programs; and
- Resources that states should consider tapping into to fund all of the above program areas include those provided in the TANF block grant.

Hunger has a cure. State governments can play a major role in that cure.

State governments can mitigate gaps in the national nutrition safety net.

States can take action to help mitigate the problem of hunger: expand food assistance to vulnerable legal immigrants, continue benefits for jobless adults willing to work, and preserve nutrition assistance for those making the transition from welfare to work; conduct Food Stamp Program outreach; provide additional funding to enhance the reach of the Summer Food, School Breakfast, CACFP and WIC programs; continue and increase support for emergency food programs.

Definition of Terms

The attached chart categorizes recent actions states have taken to provide nutritional assistance to vulnerable populations. Many have been in the wake of gaps in federal nutrition program assistance, due in part to direct and indirect effects of the Personal Responsibility and Work Opportunity Reconciliation Act of 1996 (PRWORA).

Food Stamp Categorical Eligibility Strategies

In July 1999 President Clinton announced policy clarifying that states can implement expanded Categorical Eligibility (Cat-El) for food stamp benefits. Under this approach, households in which all members are certified to receive benefits under any program that is funded primarily through Temporary Assistance for Needy Families (TANF) dollars are categorically eligible for food stamps – they need not meet the separate resource rules applied in the Food Stamp Program. This is particularly helpful for working families needing reliable vehicles; many states' TANF rules permit ownership of vehicles whose value exceeds regular food stamp limits.

CAT - EL

State has reported to USDA by July 2000 on its plan to implement expanded categorical eligibility through state administrative action or legislation.

Area Waiver(s) from the Cut Off of Food Stamps for Certain Jobless Adults:

States have the option to request that USDA exempt high jobless areas from the three month (out of 36 months) cut off of food stamp benefits for certain unemployed adults aged 18 to 50 who are looking for work. Waivers expire after a maximum of one year, but may be renewed. States marked on the chart are those who substantially renewed or expanded 1999 waivers in 2000 or who applied for new waivers in 2000. Bases for state waiver requests include:

10%

10% or greater unemployment rate for an area.

LSA

Federally designated "labor surplus areas" with unemployment rates at 20% or higher than the national average for the past two years.

OTHER

Additional labor market data documenting that an area has insufficient jobs.

Implementing Food Stamp Options of the 1997 Balanced Budget Act:

The 1997 Balanced Budget Act gave states the option to exempt additional numbers of non-waived unemployed adults from the three month food stamp cut off (the so-called "15%" exemption). The Act also increased funding for employment and training programs (E&T) targeted to unemployed adults subject to the three month cut off.

USING 15% EXEMPTIONS

State is exempting individuals under the 15% exemption or has specific written plans to do so in 2000, as reported to USDA by July 2000.

USING E&T FUNDS

State is drawing down the 80% of employment and training funds targeted for work slots for persons subject to the three month time limit as evidenced by specific written plans submitted to USDA in 2000.

Food Assistance for Legal Immigrants (LI):

PRWORA denied federal food stamp benefits to most legal immigrants. The 1998 Agricultural Research, Extension and Education Reform Act restored benefits for only certain categories of legal immigrants. Several states have earmarked state funds to either fully or partially restore nutritional assistance to legal immigrant populations.

LIS

States that have provided nutritional assistance (through food stamp coupons purchased from the federal government, via electronic benefit transfer systems) to some or all categories of LIs that would otherwise be eligible for federal benefits if not for their immigrant status.

Food Stamp Outreach Efforts:

A July 1999 report prepared for USDA by Mathematica Policy Research, Inc. identified lack of client information as a barrier to food stamp participation. States can help get benefits to needy people by conducting Food Stamp Program outreach efforts. Federal matching funds on a 50/50 basis are available for such activities. States may also reinvest quality control (QC) settlement plan dollars into outreach efforts.

FSP OUTREACH

State has submitted an outreach plan to USDA for FY 2000.

Women, Infants and Children:

States can earmark state dollars to supplement the federal Special Supplemental Nutrition Program for Women, Infants and Children (WIC).

WIC

State has provided funding to supplement WIC dollars for food and/or administrative expenses, such as nutrition education.

Emergency Feeding:

The Emergency Food Assistance Program (TEFAP) is a federal grant program administered by the states, providing federally purchased commodities and federal funds to emergency feeding organizations. All states participate in TEFAP and provide matching funds for the federal grant. Some states are acting to supplement the federal grant through state appropriations for food or other support for emergency feeding organizations.

EMERGENCY FEEDING:

State has provided state appropriations for emergency feeding, including funding for food (commodity) purchases, food processing, distribution, or infrastructure, or some combination thereof.

State Government Responses to the Food Assistance Gap 2000

States	Implementing Expanded Food Stamp Categorical Eligibility		Renewed/Applied for Food Stamp Area Jobless Waivers			Implementing Food Stamp Options of 1997 Balanced Budget Act		Food Assistance for Legal Immigrants	Food Stamp Outreach Efforts	Additional State Funds for Women, Infants and Children	Additional State Funds for Emergency Feeding
	GAT-EL	10%	LSA	OTHER	USING 15% EXEMPTIONS	USING E&E FUNDS	LIS				
Alabama											
Alaska											
Arizona											
Arkansas											
California											
Colorado											
Connecticut											
Delaware											
DC											
Florida											
Georgia											
Hawaii											
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Illinois											
Indiana											
Iowa											
Kansas											
Kentucky											
Louisiana											
Maine											
Maryland											
Massachusetts											
Michigan											
Minnesota											
Mississippi											
Missouri											
Montana											
Nebraska											
Nevada											

States	Implementing Expanded Food Stamp Categorical Eligibility		Renewed/Applied for Food Stamp Area Jobless Waivers			Implementing Food Stamp Options of 1997 Balanced Budget Act		Food Assistance for Legal Immigrants	Food Stamp Outreach Efforts	Additional State Funds for Women, Infants and Children	Additional State Funds for Emergency Feeding
	GAT-EL	10%	LSA	OTHER	USING 15% EXEMPTIONS	USING E&E FUNDS	LLI				
New Hampshire	•				•	•			•		
New Jersey	•	•	•		•	•	•				
New Mexico	•	•	•	•	•	•				•	•
New York	•	•	•		•	•	•		• B	•	•
N Carolina					•	•				•	•
N Dakota		•			•	•					
Ohio					•	•	•				•
Oklahoma											
Oregon	•			•	•	•			• A		•
Pennsylvania				•	•	•					•
Rhode Island				•	•	•					•
S Carolina	•	•	•	•	•	•	•				
S Dakota	•	•	•	•	•	•					
Tennessee		•	•	•	•	•			•		
Texas		•	•	•	•	•			•		
Utah	•		•		•	•					•
Vermont				•	•	•			•		
Virginia			•		•	•					
Washington	•	•	•	•	•	•	•		• A		•
W Virginia	•	•	•		•	•				•	
Wisconsin	•				•	•	•		• A		
Wyoming				•							

A State is using federal QC reinvestment dollars to conduct outreach activities and is not eligible for federal 50/50 matching funds for these activities.

B New York State funds outreach with state dollars to access the 50/50 federal matching funds but also reinvests federal QC dollars for outreach activities.

Information on this chart is current as of July 31, 2000

Food Stamp Practices to Better Serve Working Families

According to a July 1999 report prepared for USDA by Mathematica Policy Research, Inc. (*Customer Service in the Food Stamp Program*), for those people who apply for food stamps, it takes, on average, five hours and at least two trips to the food stamp office to enroll. To stay on the program requires, on average, another 2.5 hours and at least one more trip to the Food Stamp Program office. In some states, those return trips are required as often as every three months. The length of a state's food stamp application, short "certification periods" (that dictate how often recipients must renew their applications), and office hours that conflict with recipients' work schedules are among barriers that undermine participation by those eligible for food stamps. Other practices that may discourage applicants from applying for food stamps include state "diversion" strategies to dissuade or prevent individuals from enrolling in the program or remaining on cash assistance. Diversion or poor customer service can cause confusion for applicants seeking benefits and lead them to drop out of the application or recertification process.

Featured Model Approaches

- **New York:** The New York budget earmarked \$3 million in TANF start-up funds to establish a Transitional Opportunities Program (TOP) of support for employed TANF recipients. It aims to ensure families receive all benefits for which they qualify. Social service districts will apply for the funds and commit a portion of their own TANF grants to establish TOP offices or units. TOP is intended to improve access for working families and to encourage more counties to adopt nontraditional hours and alternate locations.
- **Massachusetts:** During the 2000 legislative session, Massachusetts enacted changes to expedite food stamps for homeless persons and extend office hours in the State's largest assistance offices. The former change corrects for a 1996 federal welfare law change that removed homeless households as a separate category requiring expedited food stamp assistance. The latter builds on current limited pilot programs to require extended office hours in "the four local transitional assistance offices that serve the largest number of recipients for not less than three days per week, including one weekend day; provided further that said extended hours shall include the hours of 7:00 am to 9:00 pm and 5:00 pm to 8:00 pm on weekdays in order to reasonably accommodate recipients that are employed, that have community service obligations, that are participating in training programs, that have health barriers or that have transportation barriers; provided further, that said offices shall be located in safe and publically accessible buildings;..." The state agency must study and report on costs of expanding the pilot to all offices.

- **California:** In California, Sacramento's County Department of Human Assistance accepts food stamp applications weekdays from 7 am to 9 pm. According to the Western Region Anti-Hunger Network, day and night shift employees on staggered schedules share desk space and resources. Night shift employees, whose hours run until midnight, received a 7.5% compensatory pay increase.

Also, in September 2000, Governor Gray Davis signed legislation (SB 2013) requiring the California Department of Social Services, in conjunction with affected stakeholder groups, to develop and implement a simplified and shortened application for food stamp benefits.

- **Vermont:** Vermont posts case workers at community sites outside district welfare offices, including at Vermont Department of Prevention, Assistance, Transition and Health Access (PATH) offices where residents can access a variety of service programs. Workers may schedule after hours appointments for clients who need them.
- **Louisiana:** Louisiana has implemented Quarterly Reporting for households with fluctuating earned income, decreasing the need for frequent food stamp office appointments. Eligible households are assigned a twelve-month certification period; they may report changes in household circumstances quarterly by mail.

Food Stamp Categorical Eligibility Strategies for Supporting Transitions

Individuals receiving benefits under Title IV-A of the Social Security Act are categorically eligible for food stamps – they need not meet the separate resource rules applied in the Food Stamp Program. Under a clarification President Clinton announced in July 1999, any time all members of a household are certified to receive benefits under a program for needy families funded primarily through the Temporary Assistance for Needy Families (TANF) Program – whether cash or other benefits such as services – the TANF resource rules apply. This can help working families who own a vehicle that is worth more than \$4,650, the limit allowed under the regular Food Stamp Program rules. In many states families can own a vehicle of any value, or of much higher value than the \$4,650 Food Stamp Program threshold, and still qualify for TANF benefits. The application of Categorical Eligibility (Cat-El) for those receiving some TANF-funded assistance can also benefit working poor households with income above the regular Food Stamp Program gross income limits, but who are struggling with significant out-of-pocket expenses, such as child care costs.

TANF-funded services triggering the categorical eligibility for food stamp benefits in states choosing expanded Cat-El vary from state to state. Among those identified by states include case management counseling services; child care assistance, kinship care and foster care; transportation assistance; job access loans and job retention payments; mentoring services; literacy/GED/adult basic education assistance and school clothing allowance; vocational training; individual development accounts; teen pregnancy prevention assistance and family cap vouchers; domestic violence related services; emergency energy assistance and rental assistance; refugee assistance and state-funded Medicaid for non-citizens; and young fathers services.

Featured Model Approach

- **Maine:** The Cat-El option may be implemented by state administrative action or mandated by state legislation. To meet the needs of her rural constituents, Maine State Representative Monica McGlocklin (D) authored a Cat-El bill. Passed in spring 2000, the bill mandates that all Maine agencies exercise the expanded Cat-El option when determining food stamp eligibility. The statute specifies that certain households that receive referral services through the TANF grant will be categorically eligible for food stamps.

Making Benefits More Substantial

Surveys of food stamp recipients typically reveal that food stamp benefit allotments run out by the third week of the month. America's Second Harvest's survey of emergency food clients found that, of those who do receive food stamps, 78.7% report their food stamps do not last the entire month and 47% report their food stamps last two week or less. The US Conference of Mayors Status Report on Hunger and Homelessness in American Cities, 2000 survey also identified problems with inadequate benefit levels. For example, Phoenix reported, "A minimum of 14% of food bank recipients report getting food stamps and still go without food 1 to 2 days each month and inadequate amount of food on other days."²⁴

Featured Model Approach

- **Rhode Island:** Rhode Island has a Food Service Advisory Committee to examine and recommend improvements in the Food Stamp Program and other programs. Operated through the State Administrative Office, it includes local food bank staff, caseworkers, food stamp office managers, and others who have frequent contact with recipients. With the Committee's backing, in February 2000, Rhode Island Representatives Nancy Benoit (D), Joseph Faria (D), Elizabeth Dennigan (D), Thomas Slater (D), and Marsha Carpenter (D) introduced legislation in the House to supplement food stamp allotments. The bill proposed using just under \$5 million to provide an additional \$5 of benefits per month for every individual enrolled in the Food Stamp Program. Although the bill was defeated in 2000, anti-hunger supporters in Rhode Island expect legislators will propose another allotment improvement in the next legislative session. That proposal may provide supplemental allotments in March and November because demand for food peaks in the state during those months.

²⁴ USConference of Mayors, *A Status Report on Hunger and Homelessness, 2000*.

Protecting Benefits for Jobless Adults Willing to Work

The Personal Responsibility and Work Opportunity Reconciliation Act of 1996 (PRWORA) restricted 18-50 year old unemployed, childless, able-bodied adults willing to work to three months of food stamps in a 36-month period. PRWORA allowed states to apply for waivers of the cut off in areas with unemployment rates greater than 10% or “insufficient jobs.” One indicator commonly cited for establishing areas as having “insufficient jobs” has been status as federally designated “Labor Surplus Areas” (LSA), which are areas with unemployment rates 20% above the national average for two years. The Balanced Budget Act of 1997 allowed states not already covered by an area jobless waiver to exempt an additional number of persons (commonly called the “15%” exemption) subject to the three month cut off and provided states with additional employment and training (E&T) dollars for the creation of work slots for this population. States also can assist those in their state by using a “fixed clock” that restarts the 36-month period for all persons in the state at the same time.

Featured Model Approaches

- **Louisiana:** Louisiana uses its discretionary authority to exempt individuals from the three-month time limit in parishes of high unemployment that are not already exempted by an area jobless waiver. Those affected are parishes not designated as LSAs but with unemployment rates above 5%.
- **Pennsylvania:** Pennsylvania exempts all individuals aged 44-49 from the three-month time limit. Reportedly the state is considering using its exemptions to allow a fourth month of eligibility for the caseload in hopes of encouraging jobless adults to participate in food stamp E&T activities. As of January 1, 2000, Pennsylvania operates under a “fixed clock” eligibility system, in which the three-year cut off period has the same beginning and end date for all affected adults. All food stamp recipients in the next three years who are subject to the cut-off will regain eligibility on January 1, 2003, regardless of when they first received benefits.
- **Washington:** Washington State also implemented a fixed clock on January 1, 2000. It operates E&T work opportunities under USDA’s alternative reimbursement rate structure. Because the state has guaranteed to offer a work opportunity to every applicant subject to the three-month cutoff, its reimbursements from USDA are not subject to regular limits. Individuals who reach the time limit are placed in an intensive 30-day job search as part of workfare. If still jobless, the recipient is placed in an approved non-profit work site or hired by the agency as a workfare coordinator. Washington’s Employment Security Department also offers this population GED and English as a Second Language training, as well as work experience.

Getting Food to Vulnerable Legal Immigrants

The Personal Responsibility and Work Opportunity Reconciliation Act of 1996 (PRWORA) disqualified most legal immigrants from receiving any federal food stamps. The 1998 Agricultural Research, Extension and Education Reform Act (Public Law 105-185) made partial restorations, primarily for legal immigrants who were in the United States by August 22, 1996 and were either 65 older at the time, under 18, or disabled. States can help fill the gap by using state dollars for those legal immigrants who are still left out. As of April 2000 USDA reported that 13 states (California, Connecticut, Illinois, Massachusetts, Maryland, Maine, Nebraska, New Jersey, New York, Ohio, Rhode Island, Washington, and Wisconsin) were paying for federal food stamp coupons for some or all immigrant populations who lost federal food stamp benefits. In addition, states can maximize food assistance for legal immigrants by adopting certain benefit calculation rules.

Featured Model Approaches

- **Massachusetts:** Massachusetts has established a State Supplemental Food Stamp Program (SSFSP) which provides state-funded food stamps to all legal immigrants residing in the state who would otherwise be eligible for federal food stamps. Reauthorized annually, SSFSP has appropriated between \$7.7 and \$8.1 million dollars to provide legal immigrants the same level of benefits as the federal program; the distinction between the two is invisible to the applicant. In April 2000 alone, USDA reports, this program assisted 5,674 households in Massachusetts.
- **Michigan:** Michigan helps legal immigrant households stretch federal food stamp assistance by opting to exclude the income of **ineligible** legal immigrants when computing food stamp benefit allocations for those **eligible legal immigrants or US citizens** who reside with ineligible legal immigrants. Under USDA policy, states may take this option through administrative or legislative action. Michigan's procedure is mandated under state law enacted in 1998.

State Reinvestment Strategies

State track records in handling Food Stamp Program cases accurately have fiscal implications: with an "error rate" sufficiently high, a state may face economic sanction; with a very low error rate, it may qualify for enhanced funding. Under either scenario, the state has options to use the dollars at issue to improve nutrition assistance to vulnerable people. The USDA has provided states facing error rate penalties for food stamp case handling with settlement options for reinvesting the amount of the penalties in program operations. Since fall 1999, the USDA has allowed reinvestment settlements under which a state expends at least 65% of the dollars on payment accuracy activities that do not diminish program accessibility; the remaining 35% may be spent on activities that enable the state to better serve its low-income populations. Activities allowable under reinvestment plans include outreach, pre-application assistance, out-stationing, extended office hours, and bilingual services, caseworker training and retraining, and computer upgrades.

Featured Model Approaches

- **Georgia:** Georgia has earmarked \$450,000 of its FY 1998 reinvestment settlement program for Food Stamp Program outreach, with efforts targeted to elderly, working poor families, immigrant households, and the general public. Anticipated are bilingual brochures, posters, flyers, and radio and TV public service announcements; community outreach in impoverished neighborhoods, senior citizen centers, and shelters. The state also intends to hold workshops for members of community organizations and provide informational booths at fairs and conferences. Georgia's outreach efforts are aimed at increasing public awareness and increasing food stamp participation rates.
- **Texas:** Texas was awarded \$19.7 million in enhanced funding for its favorable FY 1998 food stamp payment accuracy rating. The State enacted legislation in 1999 to reinvest \$2 million back into nutrition assistance – \$1.65 million to expand the reach of the Summer Food Service Program and \$350,000 for Food Stamp Program outreach. Texas has contracted outreach through the Texas Association of Community Action Agencies and plans statewide nutrition education, media campaigns, and bilingual education and outreach with grocery stores and community based organizations.

Accessing 50/50 Federal Matching Funds for Food Stamp Outreach

Between April 1996 and April 2000, the Food Stamp Program caseload had dropped by 8.6 million persons. A July 1999 report prepared for USDA by Mathematica Policy Research, Inc., identified lack of client information as a barrier to participation. Among non-participating persons eligible for food stamp benefits surveyed in late 1996, nearly three-quarters (72%) were not aware that they were eligible. States can help get benefits to needy people by conducting Food Stamp Program outreach efforts. Federal matching funds on a 50/50 basis are available for such activities.

Featured Model Approaches

- **New Hampshire:** New Hampshire has a comprehensive outreach program that targets selected constituencies, including the homeless, elders, working income, migrants, refugees, children, minorities, military, and individuals who have left TANF cash assistance. Its state funding is matched by federal funds.
- **Tennessee:** Tennessee contracts with three community agencies (MANNA, West Tennessee Legal Services, and Rural Legal Services) for food stamp outreach activities, including for application packet distribution, hotline numbers, and client assistance on application procedures. Tennessee's state investment also is matched by federal dollars.
- **New York:** The New York Department of Health contracts with the Nutrition Consortium of New York State to run the state Nutrition Outreach and Education Program (NOEP), which conducts outreach by subcontracting with 21 community-based agencies. State dollars along with federal matching funds are used for activities such as stigma-reducing media campaigns, one-on-one assistance to potential recipients, and documentation of systemic program barriers.
- **Arizona:** In Arizona, where \$200,000 in otherwise unspent TANF funds are earmarked for outreach, the Department of Economic Security contracts with Arizona Community Action to conduct outreach. Under its outreach plan, current TANF clients are trained as "customer service representatives" who will travel to local food banks, WIC clinics, Head Start locations, homeless shelters, and other locales with likely eligible clientele. These customer service representatives will disseminate information and, using laptop computers, pre-screen individuals for likely eligibility. The activity also fulfills the representatives' TANF work requirements.
- **Florida:** On October 16, 2000, Florida's Department of Children and Families (DCF) announced a five agency partnership to stamp out

hunger and a new Food Stamp Hotline. Callers to the hotline, which is open weekdays from 8 am to 5 pm, can get Food Stamp Program information, referrals to local assistance, and eligibility prescreening over the phone in Spanish or English. Florida Impact Education Fund (EIF) offered its own private funds to draw down the federal food stamp outreach match. EIF has trained more than 600 local organizations around the state to help with food stamp outreach, including leaders from senior centers, Head Start programs, free clinics, homeless and abuse centers, public health units, day care centers, HIV/AIDS organizations, community-based youth and adult programs, legal aid, soup kitchens and community action agencies.

Helping Children Get Breakfast at School

The School Breakfast Program assists schools in providing a nutritious morning meal to children. The program provides per meal cash reimbursements as an entitlement to public and nonprofit private schools and residential child care institutions to cover costs of serving breakfast to students. Unfortunately, the 1996 welfare reform law undercut the reach of the program by eliminating start up and expansion grants. States can play a role in ameliorating the effects of these cutbacks. The evidence of the powerful positive educational and behavioral effects of a good breakfast eaten close to the time during which a child learns is growing by leaps and bounds. The School Breakfast Program meets this need by providing breakfast in schools, with a focus on serving low-income children.

Featured Model Approach

- **Illinois:** In 2000, Illinois enacted the School Breakfast and Lunch Program Act to provide \$3,500 start-up grants for schools that start a new School Breakfast Program. Priority is given to schools with 50% or higher eligibility for free or reduced price meals. The Illinois law also rewards increased participation by giving schools an additional \$0.10 reimbursement for each meal served above a 10% increase. Schools with 80% or more of their students eligible for free or reduced price meals will operate a "Universal Free Breakfast Program." This approach eliminates means testing and allows all students to eat a free breakfast. The Illinois State Board of Education will provide an annual report detailing which schools have taken advantage of these new initiatives and the reasons why if they have not.

Getting Meals to Needy Children in the Summer

The Summer Food Service Program (SFSP) is an entitlement program designed to provide funds for eligible sponsoring organizations to serve nutritious meals to low-income children when school is not in session. The program provides meals for children who might otherwise go hungry and is often provided in conjunction with educational, developmental, and recreational activities. Unfortunately, the Personal Responsibility and Work Opportunity Reconciliation Act of 1996 (PRWORA) undercut the reach of the program by cutting meal reimbursement rates to schools, local governments, and non-profit sponsors and by eliminating funding for start up and expansion grants. On an average day in July 1999, the SFSP served only 22 out of 100 low-income children who received a free or reduced-price lunch during the school year.

Featured Model Approach

- **Texas:** Recognizing that most low-income youth in the state were not being served by the federal nutrition programs when schools let out for the summer, Texas enacted legislation in 1999 to supplement federal summer nutrition program reimbursements paid to meal providers and to conduct Summer Food Service Program outreach. The \$1.65 million the state earmarked for this initiative was financed from the \$19.7 million in enhanced federal funding the state had received in connection with its Food Stamp Program payment accuracy rate. Under this initiative the state will publicize the SFSP through presentations, public service announcements, and brochures detailing requirements and application procedures. It will also encourage partnerships between schools and nonprofit agencies to include educational components with meal service and encourage nontraditional feeding sites. The outreach and supplemental meal reimbursements are aimed at encouraging more eligible organizations to become program sponsors and enable current sponsors to expand their programs and add feeding sites.

Child and Adult Care Food Program – Nutritious Food for Child Care Facilities

The Child and Adult Care Food Program (CACFP) provides meals and snacks to children in licensed public and nonprofit child care centers (including Head Start) and, in certain circumstances, in for-profit centers; in family and group child care homes for preschool children; and in afterschool programs operated by non-profits or schools. CACFP supports quality care in several ways. It funds nutritious foods that are crucial for children’s health, growth and development. It provides a stream of income that helps reduce caretaker turnover. Further, CACFP funds allow eligible child care centers to utilize other funds at their disposal for quality care and other services for children.

Featured Model Approach

- **Washington:** Washington State has earmarked \$3 million in converted Temporary Assistance for Needy Families (TANF) funds to help increase CACFP participation rates. Providers who drop out of CACFP often leave due to costs and difficulties associated with meeting child care licensing requirements. The Washington State funding will provide a bonus to providers when they become licensed. The state is therefore able to target both low-income and middle-income providers to increase CACFP participation.

Child and Adult Care Food Program – Nutritious Food for Afterschool Programs

The Child and Adult Care Food Program (CACFP) also reimburses afterschool programs for snacks and meals served to eligible children age 12 and under in any area, but, in most cases, only reimburses for snacks served to children age 13 through 18 if the program is located in a low-income area. In 2000, the Congress passed the Agriculture Risk Protection Act which allows the states of Delaware, Michigan, Missouri, and Pennsylvania, along with two additional states to be selected by USDA, to reimburse eligible CACFP providers for both snacks and meals served in afterschool programs to children between the ages of 13 and 19.

Featured Model Approach

- **Ohio:** Ohio has earmarked funds to provide meals for older children in afterschool settings. In legislation enacted in 1999, it dedicated \$5 million in Temporary Assistance for Needy Families Program (TANF) funds for FY 2000 and FY 2001 to provide such meals in 19 afterschool programs. The TANF Program block grants, in addition to providing traditional direct cash assistance to families (a good part of which families use to buy food), can be used to fund programs and services to support low-income families.

Bolstering WIC

The Special Supplemental Nutrition Program for Women, Infants and Children (WIC) provides nutritious foods, nutrition education, and access to health care to nearly 7.4 million low-income pregnant women, new mothers, and infants and young children at nutritional risk. It is estimated that every dollar spent on WIC results in between \$1.77 and \$3.13 in Medicaid savings for newborns and their mothers. The program has been proven to increase the number of women receiving prenatal care, reduce the incidence of low birth weight and fetal mortality, reduce anemia, and enhance the nutritional quality of the diet of participants.

Featured Model Approach

- **New York:** New York State supplements WIC with both Temporary Assistance for Needy Families (TANF) Program and state funds so more eligible clients can participate. The TANF block grants, in addition to providing traditional direct cash assistance to families (a good part of which families use to buy food), can be used to fund programs and services to support low-income families.

Currently, New York allocates \$5 million of TANF funds to WIC (\$2 million more than the previous year), for a total of \$31.3 million in combined state/TANF funding for WIC.

The Emergency Food Assistance Program and State Commodity Programs

The Emergency Food Assistance Program (TEFAP) and various state commodity programs provide food at no cost to low-income Americans in need of short-term hunger relief. TEFAP is authorized through FY 2001 at \$100 million for mandatory food purchases and \$50 million for administrative costs, including processing, packaging, and distributing both federal commodities and privately donated food. States and Indian Tribal Governments receive annual TEFAP food and administrative grants through the USDA's Food and Nutrition Service. State administering agencies deliver the product to qualifying local food banks, soup kitchens, food pantries, and emergency shelters which distribute the food directly to eligible low-income people. In most instances, food banks leverage TEFAP commodities with privately donated food, thereby extending the reach and benefits of the program well beyond the amount appropriated by Congress. TEFAP also serves the agricultural community by using surplus commodities purchased by the USDA from farmers and other producers. For every dollar USDA spends for TEFAP commodities, farmers and producers receive between 27 and 85 cents.

TEFAP is a means-tested program with state-determined income eligibility usually between 100% to 155% of the federal poverty threshold. Research indicates that more than 80% of TEFAP recipients have income levels at or below the federal poverty line. TEFAP is a community-based and community-supported program – more than 70% of providers are churches or faith-based organizations and 95% are private non-profit organizations. TEFAP's broad involvement and support from both the public and private sectors make it the cornerstone governmental program in the charitable community's response to hunger.

TEFAP also offers a variety of foods. Each year the Secretary of Agriculture publishes a list of types and quantities of commodities expected to be available during the upcoming fiscal year. The availability of certain food depends greatly on the preferences of states and agricultural market conditions. During FY 2000, over 40 products were available, including canned and dried fruits, canned vegetables, fruit juice, meat, poultry, fish, dried egg mix, vegetable oil, peanut butter, nonfat dry milk, rice, grits, beans, cereal, and pasta.

Featured Model Approach – TEFAP Distribution

The Emergency Food Assistance Program was designed by Congress to allow states a maximum amount of flexibility to distribute TEFAP commodities in ways that best meet the needs of the state's low-income population, suit the geography and culture of the state, and utilize existing public and charitable resources and services. There are three primary models of TEFAP distribution in use by the states – food bank distribution,

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combination distribution, and mass distribution. Depending on the state, food banks may serve as the sole distributor of TEFAP commodities; for instance, in Mississippi and New York food banks are the sole distributors of TEFAP. In North Carolina, the Department of Social Services supplements the work of food banks by distributing TEFAP in some counties. In very few states, TEFAP distribution is conducted by the state agency through a mass distribution on a periodic basis without the benefit of privately donated food.

- **South Carolina:** In 2000, South Carolina switched to a food bank distribution plan, which is a public-private partnership, aimed at reducing hunger within the state. Upon receiving TEFAP food and administrative funds from USDA, the South Carolina Department of Social Services turns all of the food and 90% of the administrative grant to the South Carolina Food Bank Association. The food banks distribute TEFAP food and privately donated food to more than 800 charitable soup kitchens, food pantries, Kids Cafes, and emergency shelters throughout each of South Carolina's 46 counties. When ordering TEFAP commodities from USDA, the Department of Social Services coordinates with the food banks to ensure that TEFAP commodities complement existing supplies of privately donated food to the greatest extent possible. TEFAP administrative funds passed on to the food banks by the state are used to offset the storage and distribution costs, including infrastructure enhancement, associated with both TEFAP and privately donated product. To increase TEFAP awareness and participation among the state's vulnerable populations, food banks and the Department of Social Services run a coordinated information and outreach campaign. The Lowcountry Food Bank in Charleston, SC, for example, has seen its inventory of distributable food increase tremendously thanks to TEFAP. In June 2000, the food bank distributed 529,000 pounds of TEFAP food; by July, that number had increased to 803,000 pounds.

Featured Model Approaches – Supplemental Commodity Assistance Program and Innovative Gleaning Project

A number of states have implemented programs or have legislation pending that will assist food banks and other emergency food providers with food purchases and/or infrastructure support. Other states have enacted innovative legislation to improve gleaning and food recovery within the state with the goal of getting more fresh produce to the hungry.

- **Georgia:** The Georgia State Nutrition Assistance Program (SNAP) in FY 2001 provides \$2 million in state unobligated Temporary Assistance for Needy Families Program (TANF) funds to the state's food banks. This money is used to pay food and distribution costs associated with providing food aid to current TANF clients, TANF clients transitioning off the program into work, and at-risk TANF populations.
- **New Mexico:** The New Mexico State Legislature authorized and appropriated \$500,000 during the 2000 legislative session for the *New Mexico Gleaning Project*. Once implemented, this innovative program will help New Mexico food banks increase the amount of fresh produce gleaned from farms in the state. The project will also provide funding for infrastructure improvements, including storage and transportation, to distribute produce more quickly and efficiently to hungry people in each of New Mexico's 33 counties.

The Food Research and Action Center (FRAC), based in Washington, DC, is a leading national organization working to improve public policies to eradicate hunger and undernutrition in the United States. Founded in 1970, FRAC is a nonprofit and nonpartisan research, public policy and legal center that serves as a hub of an anti-hunger network of thousands of individuals and agencies across the country.

America's Second Harvest is the nation's largest domestic hunger relief charity. Based in Chicago, Illinois, its mission is to end hunger in America. America's Second Harvest is comprised of more than 200 regional food banks and food rescue organizations, serving more than 50,000 local charitable agencies in all 50 states, the District of Columbia, and Puerto Rico. Last year, America's Second Harvest's network provided more than \$1.5 billion in food and grocery products to approximately 26 million needy people.



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