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**FOOD STAMPS FOR WORKING FAMILIES:  
ISSUES AND OPTIONS**

Louise Hayes

Food Research and Action Center  
1875 Connecticut Ave., N.W., Suite 540  
Washington, D.C. 20009  
(202) 986-2200  
[www.frac.org](http://www.frac.org)

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## **Food Stamps for Working Families**

Low-income working families should not go hungry, and usually need not: they typically are eligible for food stamps, which provide a safety net for families which cannot earn enough to feed themselves. But far too few working families participate in the food stamp program, and the proportion which does participate declined rapidly throughout the second half of the 1990s. Fortunately, the reasons why so few working families participate are fairly well understood. States and the federal government have the opportunity to make changes that will enable more working families to receive the food stamps they need, so no such families go hungry.

### **I. Low-Income Working Families Need Nutrition Assistance**

Too many American workers need help feeding their families. For many workers, especially those with few skills and minimal education, wages are simply inadequate to keep the family out of poverty. Hourly wages among families with annual incomes below twice the poverty level average \$7.55, and only \$6.73 among single-parent families.<sup>1</sup> Wages also are very low among families that have recently left welfare: the median hourly wage for families leaving welfare in 1999 was \$7.15,<sup>2</sup> which was 15 percent below that year's poverty level for a family of four, even if the family were able to work full-time and year-round, as many are not. In 2001, a full-time, year-round worker earning the minimum wage of \$5.15/hour earned only 58 percent of the federal poverty level for a family of four.

Given these low wages, it is perhaps not surprising that one quarter of American workers earn wages so low that full-time work by itself will not raise a family of four out of poverty.<sup>3</sup> And the proportion of poor children who are living in working families – and families with a parent working full-time – is increasing: between 1997 and 2000, the proportion of poor children with one or more parents working full-time, year-round, increased from 27 percent to 37 percent. Over four million children with such working parents are poor.<sup>4</sup>

At the same time that wages remain low and poverty rates high, hunger and food insecurity are alarmingly widespread among low-income Americans. According to the U.S. Department of Agriculture, 33 million Americans in 11 million households live in hunger or on the edge of hunger (what the government calls “food insecurity”). Over ten percent of all American households are food insecure. Children make up almost two-fifths of this group: 18 percent of children are food insecure. Eight million of these Americans, over a third of them children, lived in households experiencing hunger due to lack of resources for food at least once in a given year.<sup>5</sup> Part of this food insecurity was likely due to rising housing costs, but part was surely due to reasons that will be discussed below: inadequate food stamp allotments and declining participation in the food stamp program.

Hunger and food insecurity are especially prevalent among families leaving welfare. According to the Urban Institute's nationwide survey, about a third of families who left welfare sometime between 1997 and 1999 had to cut the size of meals or skip meals sometime in the year prior to the survey because they did not have enough to eat. Over half worried, either sometimes or often, that their food would run out before they could afford to buy more.<sup>6</sup> Studies of families leaving welfare in particular

states make similar findings. Fifty-eight percent of families leaving welfare in Colorado reported difficulty affording food, almost double the number who reported having trouble affording food while on welfare.<sup>7</sup> Fifty-three percent of such families in the District of Columbia worried sometimes or often about not having enough food; among welfare leavers who were working, 19 percent reported having such worries often.<sup>8</sup>

Working does not protect a family from hunger, as can be seen in surveys of emergency food providers. The U.S. Conference of Mayors found that between November 1, 2000 and October 21, 2001, requests for food assistance by families with children increased on average 19 percent. Fifty-four percent of the people requesting emergency food assistance were members of families -- children and their parents. Thirty-seven percent of the adults requesting food assistance were employed.<sup>9</sup> A 2001 survey of emergency food providers by America's Second Harvest showed that in 39 percent of households served, one or more adults was working. Thirty-nine percent of emergency food clients were under 18. The study further found that 76 percent of households with children served by emergency food providers are "food insecure," and 37 percent are experiencing hunger.<sup>10</sup> A study of families leaving welfare in Missouri found that 25 percent of *working families* said that in the previous month there had been a time when they could not buy enough food to meet their household's needs.<sup>11</sup>

## **II. The Food Stamp Program Can Help Needy Families, But Too Few Participate**

The nation's primary defense against hunger is the food stamp program. Food stamps are vouchers that low-income households can use to buy food in supermarkets and grocery stores nationwide. In some places the benefits come in the form of coupons, but food stamps are now primarily distributed electronically via debit-like ("EBT") cards. With a few exceptions, all types of households whose income is below 130 percent of the poverty line and who have few assets qualify for food stamps. The amount of food stamps a family receives depends on its household size and the family's income after deductions for certain expenses.

The food stamp program serves an average of about 18 million people per month, with an average benefit of \$75 per person. Over half of participants are children, and almost 80 percent of benefits go to households with children. Although almost a fourth of food stamp recipients are elderly or disabled adults, over a fourth of all food stamp households have earnings.<sup>12</sup> Last year, 49 percent of food stamp households with children and an able-bodied, non-elderly adult were working.<sup>13</sup>

Food stamps can be an invaluable support for working families. A family of four earning the minimum wage full-time year-round will only reach 75 percent of the poverty level, even after receiving the Earned Income Tax Credit. This family can receive the equivalent of over a third of its earnings in food stamps, bringing the family close to the poverty level.<sup>14</sup> And unlike the EITC, which is usually received in a single lump sum in the year after the low income on which it is based, food stamps are delivered monthly at the time of determined need, and so are available for day-to-day expenses when the family is poor.

But many working families do not receive the food stamps they need. Between 1994 and 1999, the total number of people receiving food stamps declined by 35 percent, from 28 million to 17 million. During this time, the number of people living in poverty declined only 15 percent. Less than half of the decline in food stamp enrollment was due to families becoming ineligible because of rising incomes or welfare reform rules excluding certain groups from eligibility. Most of the decline in enrollment was due to fewer eligible families receiving food stamps. The proportion of eligible individuals receiving food stamps fell from 74 percent in 1994 to 57 percent in 1999.<sup>15</sup>

Worse still, the proportion of eligible working families receiving food stamps -- which had always been lower than that of non-working families -- also declined. In 1994, 64 percent of eligible working families received food stamps; in 1999, the most recent year for which we have data, this number was 48 percent.<sup>16</sup> In other words, *at the very time when welfare reform was encouraging the transition from welfare for work, the food stamp program was becoming less effective at serving working poor families.* Because state food stamp agencies were already in contact with many of these families, one would have expected the opposite: the large influx of new low-income workers from the welfare rolls should have increased food stamp participation rates among the working poor.

In fact, a majority of families leaving welfare for work have also lost the food stamps that are intended to support their transition to the work force. A national study showed that only 43 percent of former welfare families with children still received food stamps, despite remaining eligible. Of former welfare families with income below 50 percent of the poverty level, only half still received food stamps.<sup>17</sup>

Families leaving the food stamp program often do not have enough money to buy food. A study of households leaving the food stamp program in Illinois found that over half had income below the poverty level, and about a quarter had income below 50 percent of the poverty level.<sup>18</sup> Other studies have found that two-thirds of families leaving food stamps reported running out of food, worrying about running out of food, or skipping meals for want of food.<sup>19</sup> About a quarter experienced hunger after leaving the food stamp program, and about a quarter of households leaving food stamps turned to food pantries for help.<sup>20</sup>

The Medicaid program has also experienced unexpected declines in participation in the wake of welfare reform, primarily attributable to the same sorts of reasons described in the next section.<sup>21</sup> Federal and state policymakers identified this problem earlier than they did the food stamp participation decline, however, and moved more rapidly and aggressively to address at least some aspects of the Medicaid decline.<sup>22</sup> For example, the U.S. Department of Health and Human Services directed state agencies to examine their caseloads and reinstate any family improperly terminated from Medicaid when their cash welfare case closed.<sup>23</sup> States have also conducted wide-ranging outreach to publicize Medicaid and the State Children's Health Insurance Program (SCHIP) and to enroll families in these programs. Comparable efforts to stem the decline in food stamp participation have generally not been as energetic or well funded, although they have been increasing in the last couple of years.

### **III. Why Many Working Families Do Not Get the Food Stamps They Need**

There is no one reason why only 48 percent of low-income working families receive the food stamps for which they are eligible, or why this figure has declined from 64 percent in 1994 as welfare reform has swelled the ranks of low-wage workers. Rather, the decline stems from a variety of barriers embedded in the food stamp program's eligibility rules and in how the program is administered. Some of these barriers are long-standing and reflect a program that was not originally designed with coverage of working families as a top priority. Others are more recent and stem inadvertently from the 1996 welfare law's provisions or from the Quality Control (QC) system of overseeing state agencies.

#### **A. Barriers to Enrollment and Remaining Enrolled**

Many working families do not receive the food stamps they need because the process for applying for food stamps, and for keeping them, is too burdensome. The application takes too long, families must reapply too often, and families must comply with paperwork demands that are difficult or that threaten their relationship with their employer. A study of former welfare families who lost food stamps found that 21 percent of the families leaving welfare in 1999 reported they lost their food stamps because of administrative problems or hassles -- almost double the 1997 figure of 11 percent. Thirty percent of the former welfare families who left food stamps and who had income below the poverty level left food stamps because of administrative problems.<sup>24</sup>

States impose many of these requirements out of fear of fiscal penalties under the federal government's Quality Control (QC) system. Because food stamp benefits are fully funded by the federal government but administered by the states, the federal QC system oversees the accuracy of state agencies' food stamp payments. State and federal auditors check a sample of a state's food stamp caseload to determine whether these households have received too much or too little in food stamps (but generally not whether an eligible family was denied food stamps altogether). From the sum of the errors found, compared to the total food stamp benefits issued, the auditors produce an overall state error rate. Each state's error rate is compared to the national average of state error rates. States with error rates above the national average are subject to fiscal sanctions. By definition, this means that about half the states every year are subject to penalties, and others are close enough to the national average so that they feel they must operate as if they are in danger of being penalized.

States are generally allowed to reinvest the fiscal sanctions against them in their food stamp programs, rather than simply turning the money over to the U.S. treasury. But state food stamp administrators generally must request an appropriation or budget adjustment to pay for the QC sanctions. Also, many are afraid of publicity surrounding federal "sanctions" for food stamp "errors": they must expose their failure to meet federal expectations to their Governors and legislatures and may suffer public shaming. With this system in place, it is not surprising that to ensure that they are not giving families incorrect amounts of food stamps, and thereby protect

themselves against QC penalties, states require a good deal of information from families, and request

such information frequently.

QC and other factors therefore create an imposing set of enrollment barriers:

1. Application time and cost: To receive food stamps, most families must apply in person; all must present proof of their address, their income, their rent and utility costs, and many other items of paperwork. Although some of this paperwork is required by federal regulations, some items are specified by caseworkers or local managers nervous about QC audits.

On average, households applying for food stamps make two to three trips to the food stamp office or to other places, such as the offices of their former employers or landlords for verification of income or rental payments. The average family spends a total of five hours and over \$10 (primarily on carfare) applying for benefits.<sup>25</sup> When studied in 2000, the average state food stamp application was 12 pages long; 12 states' were over 18 pages. Many of these applications are long because they inquire into very particular aspects of income or resources, such as snowmobile ownership or income from plasma donation.<sup>26</sup> The 2000 study of all states' food stamp applications found many questions that inquired unnecessarily into sources of income or resources that the food stamp program disregards. The same study found no relationship between the length of a state's application form and higher-than-average QC error rates.<sup>27</sup>

Few food stamp offices are open in the evenings or over the weekends, so working families must usually take time off work to apply. Low-wage jobs rarely give their employees paid time off, so these workers are losing income when they apply for food stamps. They may even risk losing their jobs altogether if they take time off work to apply, even without pay.

2. Frequent reapplications: Unlike Medicaid or cash assistance, which are approved for as long as the family remains eligible, food stamps are authorized for only a fixed length of time, called a "certification period." To keep their food stamps, families must reapply, and resubmit proof of their income and expenses, at least yearly and often more frequently. State agencies set different certification periods for different types of households, according to how likely it is that the household's circumstances will change over time. Until recently, with some exceptions, states were required to conduct a face-to-face interview at each recertification.<sup>28</sup> Although recertifications need not be quite so time-consuming as initial applications, on average households must still expend over two hours and almost \$6 to be recertified.<sup>29</sup>

In recent years many states have chosen to check working families' income very frequently by certifying their eligibility for only three months at a time. This is because working families' income tends to vary from month to month -- more so than that of households with relatively unvarying income from government programs (such as welfare or SSI). The income variations among working households can lead caseworkers to make more technical errors in calculating the amount of the food stamp allotment, leading some states to call such households more "error-prone." It is the fears of such errors, and the threat of consequent Quality Control penalties, that has caused states to shorten certification periods for working families. Tommy Thompson, Secretary of Health and Human Services and former Governor

of Wisconsin, has observed that, “One federal problem may be the food stamp quality-control system. Because cases in which adults work are likely to have errors and to result in fines against states, the administrative signals in the food stamp program are at odds with those in the [welfare] program.”<sup>30</sup>

The most recent data show that 34 percent of food stamp working families households with earnings, and 24 percent of households with children, must reapply every three months.<sup>31</sup> The number of households forced to reapply four or more times a year tripled between 1994 and 1999. During that time, overall food stamp participation rates in the 11 states increasing their reliance on 3-month certification periods declined from 74 percent to 55 percent, about twice the drop seen in other states.<sup>32</sup>

3. Verification requirements: At the initial application and at each certification, families are required to verify their income and any expenses for which they seek a deduction from their income. In addition to these federal requirements, many states impose additional verification obligations. Nine states require food stamp applicants to obtain a statement from their landlord, rather than simply presenting a copy of their lease. Twenty states require food stamp applicants to provide detailed directions to their homes.<sup>33</sup>

Even if a family is willing to tackle the burden of obtaining all the proofs demanded of them, many families simply are unable to do so: a former employer may be uncooperative, or a landlord may be unreachable. In such circumstances, the food stamp agency is required to help the family obtain the needed verification.<sup>34</sup> Few families know that this assistance is available, however, and busy caseworkers frequently fail to offer it. The family may simply give up, or its application may be denied because the family has not verified its eligibility.

Verification requirements also compel many families seeking food stamps to inform their current employers of their food stamp application and obtain their cooperation, which they may be reluctant to request. Verifying earnings may be relatively straightforward if the worker receives paystubs, but even then families face problems if they or their caseworkers lose their paystubs or if the paystubs are unclear. Providing required verification becomes more complicated if the job is new, if the worker is on some sort of unpaid leave, or if the worker has lost the job. In each of these circumstances, the food stamp office will expect the household to obtain a letter from the employer explaining the change in income. Many families are unwilling to admit that they receive food stamps out of pride, fear that they will lose their jobs if they place too many demands on their employers, or fear that the stigma of receiving food stamps will affect their relations with coworkers and supervisors.

4. Reporting requirements: Between reapplications, a family must still report changes in its income and other circumstances to the food stamp office. Until recently, families in most states were required either to report every change in income of more than \$25 per month, or to submit forms to the food stamp office every month, providing a copy of every paystub. The forms themselves can be confusing, and contacting the food stamp office difficult because busy caseworkers do not answer their phones, or do not return phone messages left for them. Families

that do not or cannot submit the form and paystubs have their food stamps suspended and eventually terminated. These monthly reporting rules are still in place in 11 states.

## **B. Unintended Consequences of Welfare Reform**

1. Problems keeping food stamps after leaving welfare: As mentioned earlier, a recent national study found that only 43 percent of families leaving welfare who remain eligible for food stamps continue to receive them. Another way of seeing this problem is that former welfare families left food stamps at even higher rates than families receiving food stamps but not cash: there was a 62 percent drop-off among eligible former welfare families, as compared to a 46 percent decline among eligible non-welfare families.<sup>35</sup> A study of welfare leavers in Illinois found that food stamp participation plummeted as recipients left cash welfare, from 87 percent in the month before leaving welfare to 30 percent three months later, and only 22 percent among those families who had not returned to welfare in the meantime.<sup>36</sup>

Some of the decline in food stamp receipt results from families facing the food stamp vehicle rule for the first time when leaving cash assistance, as will be discussed below. More significant contributors to the decline are procedural rules that lead caseworkers to close a family's food stamp case, often mistakenly, at the same time that they close its welfare case.

A recent study pointed in particular to the problem of the way families leave cash assistance when they get a job. Given frequent difficulties reaching caseworkers on the phone, the many demands on newly-working parents' time, and the loss of wages usually resulting from taking time off work, many families leave cash assistance by simply walking away: when they receive notice of an appointment to meet with their caseworkers for a redetermination interview, they do not attend. They know they no longer want (or think they are no longer eligible for) cash assistance, and think there are no consequences from just walking away. But when a family fails to keep this appointment, the caseworker terminates the family's food stamps as well as its cash assistance.<sup>37</sup> National policies protect families from losing Medicaid when they walk away from welfare, but only recently have states been given the option to continue food stamps in these circumstances.

If the household's food stamp certification period has not yet expired when the family stops receiving cash welfare, the family's food stamps should continue. If the state agency does not have enough information to determine the family's continued eligibility for food stamps and its benefit amount, the state is required to send the family a notice seeking the needed information.<sup>38</sup> The study of caseworker behavior described above, however, suggests that "workers' practices in this area vary."<sup>39</sup>

State agencies' notices themselves frequently contribute to families' losing food stamps, because they are too confusing for families to understand or are written at too high a literacy level. The notices usually are generated by a computer from a limited list of reason codes entered by caseworkers; the reason given on the notice for the change in a family's food stamps may not fit the household's circumstances well. This is especially true if the notice is sent in English to families with limited English proficiency.

2. Ignorance of eligibility: The major reason why low-income families do not receive food stamps is they do not know they are eligible to receive them. A 1999 study for USDA found that three quarters of working families eligible for food stamps but not receiving them did not know they were eligible. Even among eligible families who had applied for or received food stamps in the past -- and who were therefore familiar with the food stamp program -- almost two-thirds were unaware that they were now eligible.<sup>40</sup>

Ignorance of eligibility also contributes to the loss of food stamps when families leave welfare. A study of four large urban welfare offices found that although most caseworkers report to surveyors that they routinely inform welfare families that they can continue to receive food stamps after they leave welfare, in practice these caseworkers rarely do so: of 28 interviews observed, the continuing availability of food stamps was mentioned in only five. Moreover, what information caseworkers do convey tends to be buried within so many other pieces of information that parents do not remember this one important fact.<sup>41</sup> This finding was confirmed by four regional USDA Food and Nutrition Service administrators, who reported that many people do not apply for food stamps because they assume that they are ineligible for food stamps if they are ineligible for welfare.<sup>42</sup> Moreover, the five-year time limit on federally-funded cash welfare benefits has led to a widespread misconception that food stamps are also time-limited.

3. Diversion strategies: As part of welfare reform, many states have adopted policies to discourage families from turning to cash welfare if they have any alternative. As of 1999, 20 states required individuals to conduct an extensive job search while their applications for cash assistance are pending; 23 states offered one-time diversion cash payments as an alternative to ongoing welfare benefits.<sup>43</sup> Although such strategies are legal for cash welfare programs, they are not legal in the food stamp program. In 1996, Congress considered and rejected the ideas of eliminating the entitlement to food stamps or converting it into a block grant. Hungry families who are eligible for food stamps remain entitled to them and should receive them without delay.

Nonetheless, many states have implemented their cash welfare diversion strategies in ways that strongly discourage or even prevent families from applying for food stamps. Some states have been found to be barring families from applying for food stamps the day they first seek to apply. New York City was found to have violated food stamp rules by preventing families from applying for food stamps when they first visited the food stamp office, by not informing families of their eligibility for food stamps if they were denied cash assistance, and by wrongly telling families that emergency (or "expedited") food stamps were no longer available.<sup>44</sup> These diversionary strategies are apparently still taking their toll: while almost all other states saw their food stamp rolls increase between December 2000 and December 2001 -- and nationwide the rolls increased by 9 percent -- New York state's food stamp rolls *declined* by 8 percent during that time. This decline was by far the worst in the nation, despite the unemployment and increased need for food assistance in New York City after September 11.

Other states' diversion strategies have had a more informal effect on food stamp applications. In Kansas, Utah, and Oregon, families seeking only food stamps had to sit through orientations or meetings aimed at cash welfare applicants, which discussed cash welfare work requirements and

attempted to divert applicants into jobs, even though these rules do not apply to food stamp applicants. These additional steps may have discouraged food stamp applications or misled families into thinking they would be ineligible for food stamps.<sup>45</sup>

### **C. Program Rules that Exclude Many Needy Working Families**

1. Asset rules: In order to assist those families with greater need, the food stamp program has always been available only to those with very few resources. In general, families with assets worth more than \$2,000 are ineligible; the limit is \$3,000 if the household contains an elderly member. This limit has not changed since 1985, although the consumer price index has increased 65 percent since that time.<sup>46</sup> Most retirement savings a family has accumulated count toward this limit. Certain resources, such as the family's home, its personal belongings, the cash value of life insurance, and burial plots, do not count. (For a full list of countable and exempt resources, see FRAC's Guide to the Food Stamp Program.<sup>47</sup>) Recently a consensus has been forming that the existing asset rules are overly restrictive for families, and particularly low-income *working* families.

2. Vehicle test: The food stamp program's rules on vehicle ownership are particularly onerous to working families. For many families, especially those in rural areas, a reliable car is essential for getting to work. Unless a state adopts one of several new options available to it, or unless a family's equity in a car is less than \$1,500, caseworkers generally must count the fair market value of a family's car, excluding the first \$4,650 of the car's value. Even if a family has no other resources, if the car is worth \$6,651 or more, the family is ineligible for food stamps because the value exceeds the vehicle exclusion amount plus the \$2,000 resource limit. Besides allowing only the cheapest, and therefore least reliable cars, these rules are very complicated for state agencies to administer.

Many states have found that restrictive vehicle rules undermine their efforts to help low-income families find and keep jobs, and therefore they allow families on cash welfare to have one car, regardless of its value. As long as the family receives cash assistance, this car has no bearing on the family's food stamp eligibility; the family is considered "categorically eligible" for food stamps, with no separate asset test. But when families leave welfare, the food stamp vehicle rules begin to apply.

A recent study found that one of the few significant differences between former welfare families that continued to receive food stamps and those that did not was car ownership: 70 percent of families leaving food stamps owned a car, compared with 47 percent of those that remained on food stamps, a difference that was significant even controlling for income.<sup>48</sup> This is powerful evidence that the existing vehicle rule is deterring former welfare families from receiving food stamps. Fortunately, as discussed below, states now have several options for addressing this problem.

3. Immigrants: Before the 1996 federal welfare reform law,<sup>49</sup> legal immigrants and citizens were equally eligible for food stamps. In 1996, Congress disqualified most legal immigrants, removing an estimated 900,000 individuals from the program by August 1997.<sup>50</sup> The non-citizens who remained eligible were primarily (1) refugees and asylees in their first five years in this country, (2) veterans or members of the U.S. armed forces and their spouses and minor children, and (3) individuals with long

work histories – at least 40 qualifying quarters in the United States – and their spouses and minor children.<sup>51</sup> In 1998, Congress partially restored food stamp eligibility to about 250,000 immigrants. Restored to the food stamp program were immigrants who had been in this country before August 22, 1996 and who are under 18, were at least age 65 on August 22, 1996, or are disabled.<sup>52</sup> The 1998 law also extended eligibility for refugees and asylees to the first seven years they are in this country.

Thus, most non-elderly and non-disabled adult immigrants remain ineligible regardless of when they entered the U.S., and almost all immigrants who entered the U.S. after 1996 remain ineligible. Most of these families can only become eligible for food stamps by showing that they have worked here for 40 quarters. In families with only one wage earner, that worker will remain ineligible for at least ten years after arriving in the U.S., regardless of how hard she works or how little she earns. Before the 1996 restrictions on immigrant eligibility, noncitizen families receiving food stamps were more likely than citizen families receiving food stamps to be working.<sup>53</sup> This is likely still true of low-income immigrant families.

The cuts in immigrant eligibility have also fallen particularly harshly on the children of immigrants. Nearly a quarter of children of immigrants live below the poverty level, compared with 16 percent of children of natives.<sup>54</sup> Although over three-quarters of children of immigrants are born here, and are therefore U.S. citizens who are not categorically ineligible for food stamps, the participation rate among food-stamp-eligible citizen children living with non-citizen adults has plummeted: between 1994 and 1999, the proportion of eligible citizen children living with immigrant parents and receiving food stamps dropped from 80 percent to 46 percent. In other words, 800,000 fewer of these children received food stamps in 1999 than 1994.<sup>55</sup> Several reasons explain this huge decline in participation. Not surprisingly, many immigrant families are confused about who is eligible for food stamps. Others are afraid of the Immigration and Naturalization Service, and believe that applying for food stamps for their citizen children could lead to themselves being deported. Others believe -- incorrectly -- that receiving food stamps may cause them to be deemed potential “public charges,” which might bar them from receiving a green card or becoming a citizen.<sup>56</sup>

The loss of food stamps does not mean these families have enough to eat: over one in three children of immigrants lives in a family that worries about or encounters difficulties affording food, ten percentage points more than children in families where the parents are citizens.<sup>57</sup>

4. Inadequate benefit amount: The amount of food stamp benefits a family receives is based on the assumption that a family should spend 30 percent of its income (after certain deductions) on food. Food stamps fill the gap between 30 percent of a family’s net income and a bare-bones food budget developed by the USDA called the “Thrifty Food Plan” (TFP). If the family has no countable income, it receives the maximum food stamp allotment (the amount of the TFP); as the family’s income rises, its food stamp allotment drops. Currently the Thrifty Food Plan provides only \$356 to feed a family of three for a month.

The Thrifty Food Plan was first designed by USDA during the Depression to provide a guide for low-income families that, during an emergency, did not have enough money to maintain their average

expenditures for food. In 1933 USDA released Circular No. 296, “Diets at Four Levels of Nutritive Content and Cost,” which characterized what was then called the Economy Food Plan as for “restricted diets for emergency use,” and “not recommended for use over indefinite periods.” (In 1965, USDA’s *Family Economics Review* asserted that “[t]he public agency responsible for setting a food cost standard should know what effect the food allowance is likely to have on the nutritional quality of the diet. If the standard is to be a reasonable measure of basic needs for a good diet, it should be as high as the cost of the low-cost food plan,” which currently is approximately 25 percent higher than the TFP.) The TFP’s value is based on a hypothetical family with two healthy adults and two elementary school age children; it does not reflect the additional nutritional needs of adolescents, pregnant women, or people who need special diets. According to the USDA, only one in ten families can get 100 percent of the recommended daily allowances of key nutrients if they spend no more on food than the Thrifty Food Plan.<sup>58</sup> The TFP is especially inadequate for working families: it assumes that an adult is spending about three and a half hours per day buying and preparing food from scratch.<sup>59</sup>

Food stamp allotments do not even reflect the true cost of the already-inadequate TFP. Food stamp benefit increases come only after a lag in adjusting the TFP for inflation in food costs, so the allotment reflects prices four to 16 months earlier. Until 1996, food stamp allotments were somewhat higher -- 103 percent of the TFP, to compensate for inflation because the TFP is set based on the prior year’s prices -- but the 1996 federal welfare reform law reduced allotments to 100 percent of the TFP. Thus, not only is this plan inadequate on its own terms, and especially so when parents are working, but it is also lagging behind inflation.

In addition to the problems with the TFP, the value of food stamps is also declining over time. This slippage stems from the welfare reform law’s elimination of a number of adjustments for increases in the cost of living that were required by prior law. One of the major cuts was the standard deduction for a household’s necessary expenses: this deduction is no longer adjusted for inflation, and remains fixed at the 1996 level of \$134/month regardless of household size. Overall, the 1996 benefit cuts, which had nothing to do with the goals of welfare reform, reduced the value of food stamp benefits from 80 cents per meal to 75 cents.<sup>60</sup> Over six years, poor working households lost an estimated \$5.4 billion in food stamps as a result of these cuts.<sup>61</sup>

#### **IV. What States Can Do to Increase Access to the Food Stamp Program**

The low participation rates among low-income working families, and especially among former welfare families, have caught the attention of federal and (in many cases) state policymakers. In recent years, the USDA has acknowledged that many of its rules have had the unintended effect of discouraging participation among families most in need of food assistance. New federal rules now give states a range of opportunities to ease the barriers limiting working families’ access to food stamps. The USDA has also issued a primer on how states may help ensure that working families get the food stamps they need.<sup>62</sup> Finally, states continue to have the

authority to assess and address barriers to working families that stem from the way the state has chosen

to administer the food stamp program.

Thus, while more needs to be done at the federal level (as discussed in the next section), there are currently a range of actions state agencies should be taking, which together would go a long way toward addressing the problem.<sup>63</sup> As HHS Secretary and former Governor Tommy Thompson wrote last year, “many of us have been surprised by the drop in food stamp and Medicaid receipt by families leaving welfare.... [I]t seems likely that most of the solutions will be found at the state and local level.”<sup>64</sup>

C Freeze benefits for families leaving welfare for work: In November 2000, the USDA announced a new state option that allows states to provide up to three months of transitional food stamps to families leaving welfare for work.<sup>65</sup> States adopting this “transitional benefits alternative” (TBA) will send former welfare families the clearest possible message that they remain eligible for food stamps for the longer term (if their income is low), by continuing to provide those benefits after the family’s welfare case closes. During the three-month transition period, families can concentrate on adjusting to the workforce without having to take time off immediately from their new job to reapply for food stamps. States adopting this option will be held harmless from quality control errors for these families during these months of changing income. This rule became effective on September 10, 2001; states need not obtain USDA permission to adopt this option.

C Lengthen certification periods: To counteract the decline in participation that stems from requiring working families to reapply every three months, states should extend these families’ certification periods, allowing them to keep food stamps for longer periods between reapplications. Recent adjustments to the QC system for working families make this option less risky for states worried about federal financial penalties. In recognition that the QC system has inadvertently discouraged participation among working families, USDA has recently started adjusting states’ QC error rates to take into account high or increased proportions of working families (as well as immigrant households, which are likewise more error-prone due to the complicated eligibility rules for immigrants) within a state’s food stamp caseload. This was an excellent decision which will lessen the likelihood that local administrators will identify these families as potential problems to be managed or diverted.

C Adopt family-friendly income reporting options: States can ease the reporting burdens on working families by adopting one of several options USDA has made available in recent years. The simplest of these is “semi-annual reporting,” which would require working families to report their income and other household changes only twice a year. During the six-month periods, the family’s food stamp benefits would be frozen, and the family would only have to report a change if its monthly income rose above the eligibility limit (130 percent of poverty).<sup>66</sup> States would not face quality control errors for failing to adjust the family’s food stamps to reflect changes in the family’s circumstances such as fluctuating earnings, because these changes need not be reported. Families could receive additional food stamps if they chose to report an increase in need. About 15 states are already taking or are considering this option.

States unwilling to adopt semi-annual reporting could ease burdens on working families in other ways. States currently requiring families to report income monthly could ask them to report quarterly instead, as around ten states already are doing.<sup>67</sup> States could also expect families to report only certain types of changes in income, such as a change from part-time to full-time employment status, or changes of more than five hours per week in scheduled work. Around 20 states take one of these two approaches.

C Institute or enhance a food stamp replacement program for immigrants: In the wake of the 1996 law disqualifying most legal immigrants from receiving food stamps, 17 states instituted state-funded programs to replace those food stamps for some or all of the disqualified immigrants. States that have not yet adopted such a program should do so. They may distribute such state-funded benefits via the food stamp program -- without the need to set up a new bureaucracy -- if they reimburse the federal government for its costs.

C Reach out to families outside welfare offices: Outreach can help reverse the decline in participation among working families. State food stamp agencies should foster outreach -- publicizing the program and outstationing eligibility workers to accept applications -- at food pantries, unemployment compensation offices, job centers, and, in conjunction with Medicaid outreach workers, at community health centers. As has been done in many states with Medicaid and the State Children's Health Insurance Program (SCHIP), states should publicize the food stamp program through radio spots and widely-seen television ads, billboards, and subway placards. Because many families are discouraged from applying by the perception that any food stamp allotment they could receive would be small, states should also set up prescreening systems so families can determine whether they are eligible, and what benefit amount they would receive, before they apply. States should also go one step further and contract with local organizations to assist families in filling out the application, gathering necessary verification, and attending interviews.

States may claim federal dollar-for-dollar matching funds to conduct outreach programs, and states' shares may be funded with in-kind donations of goods or services from other government entities or private donations of cash.<sup>68</sup> For more information about outreach, see FRAC's Food Stamp Outreach Resource Center.<sup>69</sup>

In addition to the federal matching dollars for outreach available to all states, in late 2000 Congress made funds available for a set of 100 percent federally funded outreach projects, responding to the continuing concern that too many eligible families are not receiving food stamp benefits. In January, 2001 USDA announced the award of over \$3 million in such grants nationwide for projects to improve access and participation. Fourteen projects were selected to receive competitive grants or participate in cooperative agreements. In September 2001 USDA announced \$2 million in grants to six state agencies to test strategies to reach needy elderly people.

C Make welfare offices more worker-friendly: Although some food stamp offices have extended office hours to allow families to apply for food stamps without taking time off work, not enough have made this change. In addition to extended hours, states should adopt other practices to accommodate working families, such as opening satellite offices for conducting food stamp interviews, establishing drop-boxes for after-hours access, and accepting verification through fax machines.<sup>70</sup> States should also create simple systems through which working families can schedule appointments at times that do not conflict with their jobs, without having to reach their own caseworker on the phone. In general, working families should be able to apply for food stamps at the same sites where they obtain other benefits that support workers, such as Medicaid and SCHIP (state children’s health insurance programs), child care subsidies, and Workforce Investment Act job services. States should also permit families to apply for food stamps on-line, through simple web sites that families can use at social service agencies or libraries, and when possible from home.

C Allow food stamp families to own a reliable car: Recent changes in law and regulations give states many options to improve the food stamp vehicle rule, to enable low-income families to own a reliable car to get to work. A state has three main options:<sup>71</sup>

(1) It can adopt the same (more generous) vehicle rule for food stamps as it is using for its federally-funded cash welfare program, as 25 states have done.

(2) It can adopt the vehicle rule from any other state program that provides assistance to families using federal TANF or state maintenance-of-effort funds,\* such as a child care or transportation assistance program. If this other program had no asset test, the state could eliminate all vehicle restrictions in its food stamp program this way. At least part of the benefits provided by the program whose vehicle rule the state borrows must count as “assistance” under the Department of Health & Human Services’ TANF regulations.<sup>72</sup> Eight states are now using this option.

(3) By providing food stamp families with services or benefits funded with TANF or state maintenance-of-effort money, it could make these families “categorically eligible” for food stamps, and subject only to the asset test of the service or benefit program – which may have no asset test at all. See the next paragraph for a description of the types of services or benefits that can be offered. Seven states are now using this option.<sup>73</sup>

C Modify or eliminate the asset test via “categorical eligibility: The third option for modifying the

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\* The 1996 federal welfare reform law replaced AFDC with the Temporary Assistance for Needy Families (TANF) block grant. As a condition of receiving TANF funds, states must continue to spend some of their own money -- i.e., “maintain their effort” -- on programs for needy families. States may spend TANF block grant funds on other programs for low-income families besides welfare.

vehicle rule, just described, is not limited to cars: states may use it more broadly to reform or modify the food stamp asset test for most food stamp recipients. The concept of “categorical eligibility” has long been embedded in the food stamp program, and reflects an understanding that if a family has already been found eligible for one needs-based government program, determining whether the family’s resources meet a separate asset test under the food stamp program is duplicative or counter-productive. In essence, the food stamp program borrows the asset test of the other government program. USDA guidance issued in 1999 and codified in regulations in 2000<sup>74</sup> makes clear that the receipt of a service or benefit mostly funded with federal TANF or maintenance-of-effort funds will make the household “categorically eligible” for food stamps. This service can be as simple as giving families applying for food stamps a pamphlet providing information on services available for needy families. Assuming the program that provides the pamphlet does not have its own asset test, this strategy would allow the exclusion of all of the family’s assets from consideration in the food stamp program because the family is categorically eligible.

- C Rewrite notices to food stamp households: States should review their food stamp notices to weed out any messages that are confusing or that discourage participation. They should use that occasion to consider whether they can, without making the notices more confusing, include on the notices general messages such as “There is no time limit on food stamps,” or “You can still receive food stamps even after you stop receiving cash welfare if your income is below \$\_\_\_\_\_.”
- C Fix practices that divert food stamp applicants: States that have diversion programs in place to discourage applications for cash welfare should scrutinize their practices to ensure that they are not inadvertently discouraging food stamp applicants as well. States are required to accept food stamp applications the day a family asks for one, and as of March 11, 2002, states must go further by informing applicants that the cash assistance program requirements do not apply to food stamps and encouraging them to apply that day.<sup>75</sup> Such practices are necessary to ensure needy families – especially destitute families entitled to “expedited food stamps” within seven days of applying<sup>76</sup> – get the food assistance they need....
- C Shorten application forms: A few states have food stamp applications that are four or fewer pages; Florida’s and Tennessee’s are just one page long. Since the issuance of America’s Second Harvest’s 2000 report on this subject, *The Red Tape Divide*, a number of other states have shortened their application forms. States that have not yet done so should follow these states’ lead and shorten application forms to one or two pages to encourage more families to apply. One way to do this is to ask only a few basic questions on the application, and ask other questions in person at the application interview. Already many states’ applications have a tear-off page that is sufficient to begin the application process while the family compiles needed verifications.
- C Create centralized change reporting centers: Most states require families whose hours of work or income changes by a certain amount to report these changes to their food stamp

caseworkers promptly. It can be very difficult, however, for working families to reach their caseworkers on the phone to report these changes. The caseworkers' phones may frequently be busy or go unanswered; the working family may find it difficult to get to a phone during the day. If the family cannot reach the caseworker to report the change in income, the family may receive the incorrect amount of food stamps, and the state may be charged with a QC error. To address this problem, states can establish centralized "change report centers" to make it easier for families to report changes in their income or hours. These centers should be reachable through a single phone number that is widely disseminated to food stamp families, and adequately staffed by specialized workers whose only job is to accept information about changes.

## **V. What the Federal Government Can Do**

The food stamp program must be reauthorized by October 1, 2002, but as of this writing (March 2002) Congress very well may reauthorize the program very soon. For information on both the House and Senate bills, go to the Food Stamp Reauthorization Resource and Action Center on FRAC's web site, [www.frac.org](http://www.frac.org). The positive changes Congress is considering help both working families and other vulnerable people.

In reauthorization and/or other legislation, there are a number of changes that Congress should make to assist low-income working families, including:

- C Restore eligibility for legal immigrants: As described above, many immigrant families have trouble affording food, and more immigrant families than native families live below the poverty level. A large proportion of immigrant families are working. All legal immigrants should again be eligible to receive food stamps. President Bush and the Senate have commendably taken the lead in proposing partial restoration of food stamp benefits to legal immigrants.
- C Provide an adequate level of benefits: Congress should ensure that workers receive enough food stamps to feed their families. The Thrifty Food Plan does not provide the basis for an adequate diet, especially for working families. Congress should move in the direction of providing a more realistic food allotment, such as USDA's Low-Cost Food Plan. One immediate step toward improving the adequacy of food stamp benefits is to increase the standard deduction, which reduces a family's countable income to reflect various non-food expenses that families must incur. Since 1996 this deduction has been fixed at \$134 per month for all families. The standard deduction should be scaled to account for differences in household size, with larger families receiving a bigger deduction. It should also be adjusted annually to reflect increases in the cost of living. Congress should also eliminate or increase the arbitrary cap on the deduction given for very high shelter expenses.

C Extend and modify transitional food stamps for welfare leavers: Proposed federal regulations give states the option of freezing the amount of a family's food stamp benefits for three months when the family leaves welfare, but this option could be improved.<sup>77</sup> By extending the benefit freeze to six months, Congress could align the transitional food stamp program with the transitional Medicaid program, which provides at least six months of Medicaid to families leaving welfare.\* This transitional benefit should go a long way toward addressing the decline in food stamp participation when families leave welfare for work.

C Reform the Quality Control system: A consensus has formed that the food stamp QC system has led states to adopt policies that act as unforeseen barriers to participation. The QC system is centered on just one goal: accurate payment. This goal, while important, should not be achieved at the cost of deterring participation among needy families. The current QC system is particularly ill-conceived because it has led to disproportionate burdens on working families and immigrants (because their cases sometimes are more complex) and because the threat of sanctions affecting a majority of states has distorted state administrators' priorities.

Recent administrative policies to adjust states' error rates to take into account high proportions of (error-prone) working households are an improvement, but the QC system should also be reformed to measure how well states achieve other goals, such as serving working families and processing applications promptly. As USDA Under Secretary for Food, Nutrition, and Consumer Services Eric M. Bost testified in 2001, "we need to reform the quality control system to ensure that it more effectively encourages payment accuracy without discouraging states from achieving other important program objectives. ... [E]very person eligible to receive food stamps should have full and easy access, while maintaining integrity in the program. We need to re-examine how the Food Stamp Program recognizes and supports its multiple program goals."<sup>78</sup>

C Simplify the application process: Congress could make the application process easier by simplifying what forms of income must be reported and counted. States should have the option of disregarding any income that they have chosen not to count in their cash welfare program, or that they do not count in the Medicaid program. If states are able to disregard obscure or

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\* In addition, Congress could fix a flaw in the regulations by permitting transitional benefits whenever a family leaves welfare. The proposed regulations do not permit transitional benefits to be provided beyond 12 months after the family's last recertification, thereby preventing families whose last certification had been done over nine months earlier from receiving the full three months of transitional food stamps. This flaw in the regulations also makes the option more difficult for states to administer, because they must examine each case to see when it was last recertified and whether the family can receive the full three months of transitional benefits.

nonrecurring forms of income, they can shorten the application process by omitting such questions from their forms and interviews.

- C Encourage far more outreach: Congress could fund additional outreach measures to reverse the decline in food stamp participation among working families, through grants to nonprofit organizations. Congress could also increase the rate at which it matches state outreach funding. Currently the federal government will match state funding dollar-for-dollar; this should be increased or the state share eliminated entirely, as long as assurances are in place to prevent states from shifting existing costs into the new program.
- C Modernize the asset test, including the vehicle rule: With many families moving off welfare, the food stamp asset limits are increasingly restricting the eligibility of needy working families. This is particularly true for families with cars, because most states do not count a family's car in determining its eligibility for cash welfare. In addition, the food stamp program's asset rules are overly complicated. Congress should increase the asset limit, and streamline the rules by allowing states to align them with the Medicaid program. In addition, Congress should, at a minimum, exclude one car per food stamp household, and any other car needed to transport household members to work.
- C Align food stamp rules with Medicaid rules: Until now, many food stamp rules have been tied to cash welfare rules. In light of falling welfare rolls, it now makes as much or more sense to view food stamps as part of a package of supports for low-wage workers, with Medicaid, and not welfare, as its chief partner. States should be offering food stamps, Medicaid and the State Children's Health Insurance Program (SCHIP), and child care subsidies together, generally with a combined application and combined outreach efforts. As part of this alignment, Congress should allow states to borrow Medicaid income and asset rules, and possibly verification rules, for the food stamp program. States should also be permitted to use Medicaid redetermination rules instead of food stamp recertification rules.
- C Encourage experimentation to reduce burdens on families: Congress could fund pilot projects examining the effect of such policies as limiting verification procedures or allowing phone (rather than in-person) interviews. If these pilots bear fruit in increasing food stamp participation without causing significant payment errors, they could later be expanded nationwide.

## VI. Conclusion

The USDA Under Secretary for Food, Nutrition and Consumer Services, Eric M. Bost, has recently said that "Food stamps can serve as a critical support for the transition to work and self-

sufficiency. But working families often have circumstances that make complying with the program's procedural requirements more difficult. We need to explore changes to make the program work better for working families, facilitating their access to the benefits they need while minimizing burdens for State agencies."<sup>79</sup>

Under Secretary Bost is correct. There is no reason why working families should go hungry in this country. The food stamp program has long been a powerful means of ensuring that families have enough to eat, and can fulfill that role for low-income working families – but only if they participate. Most of the many barriers that keep working families from participating can be removed by Congress or state food stamp agencies or both. Congress and the states, with the help of advocates, food banks, business and labor, faith-based organizations and others, should seize the opportunity to ensure that no working family goes hungry.

## Notes

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52. Agricultural Research, Extension and Education Reform Act, P.L. 105-185.

53. *Characteristics of Food Stamp Households: Fiscal Year 1996*, Table A-24, p. 55, showing that 29 percent of households headed by a permanent resident alien and 22 percent of households headed by a citizen had earnings.
54. Randy Capps. *Hardship Among Children of Immigrants: Findings from the 1999 National Survey of America's Families*, Urban Institute, New Federalism Series B, No. B-29, February 2001, available at [http://newfederalism.urban.org/html/series\\_b/b29/b29.html](http://newfederalism.urban.org/html/series_b/b29/b29.html).
55. *Decline in Food Stamp Participation*, *supra* note 15, pp.16, 34.
56. For a thorough discussion of these issues, see Sonya Schwartz, "Immigrant Access to Food Stamps: Overcoming Barriers to Participation," *Clearinghouse Review*, Sept.-Oct. 2001, p.260, available at <http://www.frac.org/text%20documents/sonya.pdf>.
57. *Hardship Among Children of Immigrants*, *supra* note 54.
58. 45 Fed. Reg. 22001 (April 2, 1980).
59. Staff of House Committee on Agriculture, 99<sup>th</sup> Congress, 1<sup>st</sup> Session, *A Review of the Thrifty Food Stamp Plan and Its Use in the Food Stamp Program*, 1985.
60. Craig Gundersen, Michael LeBlanc, and Betsey Kuhn, *The Changing Food Assistance Landscape: The Food Stamp Program in a Post-Welfare Reform Environment*, Food and Rural Economics Division, Economic Research Service, USDA. Agricultural Economic Report No. 773, March 1999, p.5, available at <http://www.ers.usda.gov/publications/aer773/aer773fm.pdf>.
61. Center on Budget and Policy Priorities, *The Depth of the Food Stamp Cuts in the Final Welfare Bill*, August 14, 1996, available at [www.cbpp.org/DEPTH9.HTM](http://www.cbpp.org/DEPTH9.HTM).
62. USDA, Food and Nutrition Service, *The Nutrition Safety Net At Work for Families: A Primer for Enhancing the Nutrition Safety Net for Workers and Their Children*, July 1999, available at <http://www.fns.usda.gov/fsp/AccessGuide/cover.htm>
63. For more detail on some of the choices described below, see FRAC's report, *Good Choices in Hard Times: Fifteen Ideas for States to Reduce Hunger and Stimulate the Economy*, February 2002, available at <http://www.frac.org/html/publications/stimulus2002.pdf>.
64. Tommy G. Thompson, *A Considered Opinion: Welfare Reform's Next Step*, Brookings Review, vol. 19 no. 3, Summer 2001, pp.2-3, available at <http://www.brookings.org/press/REVIEW/summer2001/considered.htm>.
65. 7 CFR § 273.12(f)(4).
66. 7 CFR § 273.12(a)(1)(vii).

67. For guidance on “universal quarterly reporting,” see January 2001 letter to program administrators, available at [http://www.fns.usda.gov/fsp/MENU/ADMIN/WELFARE/universal\\_quarterly\\_rpt.htm](http://www.fns.usda.gov/fsp/MENU/ADMIN/WELFARE/universal_quarterly_rpt.htm)
68. 7 USC §§ 2020(e)(1)(a), 2025(a); 7 CFR § 277.4(d), (e).
69. FRAC’s *Food Stamp Outreach Resource Center* is available at <http://www.frac.org/html/news/fsoutreachcenter.htm>. For more information on outreach, see also USDA’s outreach guide, *The Nutrition Safety Net: At Work for Families*, *supra* note 62.
70. USDA has compiled a useful list of innovations, *Improving Food Stamp Access: State Best Practices*, August 2000, available at <http://www.fns.usda.gov/fsp/MENU/ADMIN/Access/catalog.pdf>. See also FRAC and America’s Second Harvest, *State Government Responses to the Food Assistance Gap 2000*, *supra* note 50, and California Food Policy Advocates’ *Best Practices to Improve the Food Stamp Program in California*, available at <http://www.cfpa.net/foodstamps/BestPractices.pdf>.
71. For a detailed explanation of the complicated state options to permit families on food stamps to own reliable cars, see David Super and Stacy Dean, *New State Options to Improve the Food Stamp Vehicle Rule*, Center on Budget and Policy Priorities, January 16, 2001, available at <http://www.cbpp.org/1-16-01fs.htm>. See also January 2001 guidance from FNS to regional and state administrators, available at <http://www.fns.usda.gov/fsp/MENU/ADMIN/WELFARE/SUPPORT/TANFVehicleRules.htm>, as well as July 2001 Questions and Answers on Categorical Eligibility and Vehicles, available at <http://www.fns.usda.gov/fsp/MENU/ADMIN/WELFARE/SUPPORT/Q&AonCatEl&Vehicles.htm>.
72. 45 CFR § 260.31.
73. Information on the number of states using the various options available to them comes from Stacy Dean and Ray Horng, *States’ Vehicle Asset Policies in the Food Stamp Program*, Center on Budget and Policy Priorities, February 13, 2002, available at <http://www.cbpp.org/7-30-01fa.htm>.
74. 7 CFR § 273.2(j)(2)(i).
75. 7 CFR § 273.2(c)(2)(i).
76. See 7 CFR § 273.2(i).
77. 7 CFR § 273.12(f)(4), regarding the “Transitional Benefit Alternative” or “TBA.” This regulation was promulgated November 21, 2000, and became effective on September 10, 2001.
78. Testimony of Eric M. Bost, Under Secretary for Food, Nutrition, and Consumer Services, U.S. Department of Agriculture, before the Subcommittee on Department Operations, Oversight, Nutrition and Forestry, House Committee on Agriculture, June 27, 2001, p.10, available at <http://agriculture.house.gov/hearings/h10627wb.pdf>.

79. Testimony of Eric Bost, *id.*, p. 11.