This resource guide puts forth 15 ideas for actions in food stamp and other child nutrition programs that states, schools, and cities can implement to feed more hungry low-income residents, especially children, and provide a direct federal economic stimulus for the state and its businesses. The guide asserts that states risk accelerating a downward economic cycle when they cut spending in the face of growing problems among their residents. It is argued that using federal funds through federal nutrition programs for low-income people can contribute to states' economic stimulus efforts.

Strategies for the Food Stamp Program are: (1) expanding food stamp participation by easing application procedures; (2) improving outreach; (3) providing transitional food stamps for families leaving TANF; (4) easing information reporting for food stamp recipients and caseworkers; (5) expanding the food stamp time limit for needy jobless adults; (6) increasing food stamp benefit amounts via the standard utility allowance; (7) ensuring that low-income families with modest assets can receive food stamps; (8) improving food stamp benefit allotments for immigrant families; and (9) helping homeless and those with past drug addictions make a new start.

Recommended strategies for the child nutrition programs are: (1) increasing participation in the School Breakfast and Lunch Programs; (2) ensuring that schools in low-income neighborhoods receive "severe need payments"; (3) expanding the number of after school programs using federal funds for nutritious snacks and suppers; (4) expanding availability of the Summer Food Service Program; (5) increasing family child care providers' participation in the Child and Adult Care Food Program; and (6) expanding the number of homeless and domestic violence shelters that use the Child and Adult Care Food Program. (KB)
GOOD CHOICES IN HARD TIMES

Fifteen ideas for states to reduce hunger and stimulate the economy

February 2002

Food Research and Action Center
1875 Connecticut Avenue, N.W. Suite 540
Washington, DC 20009
phone (202) 986-2200 fax: (202) 986-2525
e-mail: foodresearch@frac.org
http://wwwfrac.org
# TABLE OF CONTENTS

**INTRODUCTION** .................................................................................................................. 2

**FOOD STAMP PROGRAM** .................................................................................................. 5

1. Expanding Food Stamp Participation By Easing Application Procedures ............ 5

2. Improving Outreach .......................................................................................................... 6

3. Transitional Food Stamps for Families Leaving TANF ............................................. 7

4. Easing Information Reporting for Food Stamp Recipients and Caseworkers ......... 9

5. Expanding the Three Month Food Stamp Time Limit for Needy Jobless Adults Aged 18-50 ................................................................................................................. 10

6. Increasing Food Stamp Benefit Amounts Via the Standard Utility Allowance ....... 12

7. Making Sure Low-Income Families with Cars or Other Modest Assets Can Receive Food Stamps .................................................................................................................. 13

8. Improving Food Stamp Benefit Allotments for Immigrant Families .............. 15

9. Helping Homeless Persons and Persons With Past Drug Convictions Make a New Start ........................................................................................................................................ 16

**CHILD NUTRITION** .......................................................................................................... 18

10. Increasing Participation by Low-income Children in the School Breakfast and Lunch Programs ........................................................................................................................................ 18

11. Ensuring that Schools in Low-income Neighborhoods Receive “Severe Need Payments” – the Maximum School Breakfast Program Reimbursement ......................................................... 20

12. Expanding the Number of Afterschool Programs that Use Federal Funds to Offer Nutritious Snacks and Suppers ........................................................................................................... 21

13. Expanding the Availability of the Summer Food Service Program .............. 22

14. Increasing Family Child Care Providers’ Participation in the Child and Adult Care Food Program ................................................................................................................................ 24

15. Expanding the Number of Homeless and Domestic Violence Shelters that Use the Child and Adult Care Food Program to Feed Children ..................................................................... 26

**ACKNOWLEDGEMENTS** .................................................................................................. 28
INTRODUCTION

This resource guide contains a number of ideas for actions in food stamps, afterschool food, school meals and other child nutrition programs that states, schools and cities can implement quickly to produce two very important effects:

- feeding more hungry low-income residents of the state, especially children but also including newly unemployed workers, workers with reduced wages, and other needy adults;

- typically doing so with 100 percent federal funds, providing a direct federal economic stimulus for the state and its businesses during the recession and recovery, creating jobs, and strengthening public revenues.

All of the actions described are permissible state and local choices under existing federal statutes and regulations. Since the programs involved don’t have spending caps, but provide increased federal funds equal to meet the need and the choices states and localities make, the actions described will by definition generate the federal funds needed to support them.

Even before the recent recession began, 31 million Americans - 12 million children and 19 million adults - were hungry or living on the edge of hunger for economic reasons, according to the Census Bureau and the U.S. Department of Agriculture. These families simply don’t have enough food for basic health, or are choosing every month between buying food and paying the rent, or between food and medicine, or are getting by only when parents regularly skip meals so that children can eat.

Since early 2001, this situation has worsened. Joblessness has grown and wages fallen. America’s Second Harvest, the association of food banks, and the U.S. Conference of Mayors both have reported recently that requests for emergency food assistance have increased. This is a human crisis. But it is one that visionary leaders can meet while strengthening rather than further straining state and local resources.

State Budget Problems

Because of the economic downturn and the resulting drop in tax revenues, states are facing declining (in some cases, sharply declining) budget resources even while their residents’ need for help is increasing. In December, 2001 the National Conference of State Legislatures reported that 36 states were considering budget cuts or “holdbacks” to address fiscal problems. State balanced budget laws often exacerbate the collision between smaller tax revenues and larger human needs. Rather than combating the economic slowdown by increasing state spending, then, the
state runs the risk of accelerating the downward cycle by cutting spending in the face of growing problems among its residents. These state fiscal problems will linger even when the national economy starts growing again.

One important way to help counter this cycle is to obtain federal funds for a range of functions in the state. States often seek greater federal help for themselves or their residents in a recession—e.g., higher Medicaid matching payments, or extended unemployment compensation benefits. These are important steps. But states too seldom pursue another valuable and a more readily available route: using existing options to broaden the coverage of federal nutrition programs and bring more federal funds into the state.

**The Countercyclical Federal Nutrition Programs**

The federal nutrition programs for low-income people can contribute a lot to states' economic stimulus efforts. The main such programs—Food Stamps, School Lunch and School Breakfast, the Summer Food Service Program, the Child and Adult Care Food Program (CACFP) for preschool children in child care and school-aged children in afterschool programs, and the Women, Infants and Children (WIC) program—do not require state matching funds for benefits. The benefits are paid 100 percent by the federal government. In some cases the federal government pays the administrative costs as well. Even when administrative costs are shared by the state government, that still means the federal government pays an overwhelming share of the entire cost of administration and benefits combined.

Because the federal programs (other than WIC) are entitlement programs, the federal funds available to the state increase to adapt to expanded eligibility or benefits rules, and to meet the need. There are no fixed spending limits for the state. So long as a state or locality is operating within the often broad framework of federal law, its choices to expand eligibility or increase benefits and do so with federal funds are perfectly legitimate. That makes these programs important counter-cyclical resources at the state level.

The federal funds involved can be substantial. California currently uses about $3.7 billion/year in federal nutrition funds. If it increased participation or benefits enough to boost the programs by just five percent, it would bring in another $185 million. In Mississippi, a five percent boost would bring in about $25 million; in Illinois, about $70 million; in Maine, about $7 million. And as those funds work their way through the state economy, they have a multiplier effect.

Even more substantial expansion of these programs often is well within the state's ability. Oregon, for example, faced with high rates of hunger, made a decision to conduct broad food stamp outreach and take other
Steps to ease food stamp access for needy, eligible families. From September 1999 to September 2001, participation in the program in Oregon rose 42 percent, while it rose less than 1 percent in the nation as a whole. From 1999 to 2001, as Rhode Island implemented school breakfast expansion efforts, the number of children eating free and reduced price breakfasts each day rose by 43 percent; the national growth was 5 percent.

State Choices to Feed Needy People and Stimulate the Economy

In each of the federal nutrition programs, states have choices that can increase participation or benefits for needy people. For example, they can choose to provide food stamps to people with low incomes who own reliable cars (e.g., to seek work or go to work) - or not. They can assure that low-income families making the transition from welfare to work get food stamps - or not. They can choose to get food stamps to more unemployed adults in areas with high unemployment - or not. They can work actively to expand school breakfast and summer food programs - or not. They can choose to let family child care homes use federal nutrition funds once the homes meet health and safety standards - or not.

There are many choices like this. Too often states in prosperous times bypass many good opportunities to use federal funds to feed their hungry residents. But in hard economic times such a failure is particularly shortsighted. Because the programs are 100 percent federally funded, and because growing numbers of people in the state are having trouble making ends meet, improving the programs is particularly important.

FRAC in this package has presented briefly more than a dozen such choices that are win-win situations for states. If adopted, these strategies will:

- feed hungry people, especially children;
- bring federal funds into the state;
- boost businesses (e.g., grocery stores) and employment in the state.
- have zero or very small cost to the state government; and
- help restart economic growth in the state.

Each of the descriptions of these strategies also refers the reader to additional resources, typically resources readily accessible on the internet. And FRAC staff are ready and anxious to provide assistance to policymakers, officials, schools, advocates, service providers, businesses, unions, religious leaders and others in advancing these strategies in states and localities.
Food Stamp Program

1. Expanding Food Stamp Participation By Easing Application Procedures

One reason why millions of eligible families do not apply for food stamps is that they are discouraged by barriers at the front door: many states' application processes are simply too cumbersome. By taking targeted steps to ease burdensome application procedures, states may increase the number of low-income families receiving federally funded food stamps, and bring the purchasing power of those food stamps into local economies. Below are a number of low-cost strategies for easing application burdens.

- **Make sure food stamp applicants are not “diverted”:** Many states have adopted policies to discourage or delay families from turning to cash welfare, if they have any alternative. Such strategies are inappropriate (and often inconsistent with the law) if also applied in the Food Stamp Program. States that have cash welfare diversion programs in place should scrutinize their practices to ensure that they are not inadvertently discouraging food stamp applicants as well. States are required to accept a food stamp application the day a family asks for one, and indeed must go further by informing applicants that cash assistance program rules do not apply in the Food Stamp Program.

- **Shorten applications.** A study in 2000 found that the average food stamp application is 12 pages long; 12 states’ are over 18 pages. Applications need not be this long: Florida’s and Tennessee’s are just one page, and the study found that long applications did not help states issue food stamps more accurately. States that have not yet done so should shorten application forms to encourage more families to apply. One approach is to ask only a few basic questions on the application, and ask others at an interview.

- **Expand office hours:** Few food stamp offices are open in the evenings or over the weekends, so people must usually take time off from work to apply. Low-wage jobs rarely give their employees paid time off, so these workers have to lose income – or even risk their jobs – in order to apply. In a recession, even fewer are willing to take this risk. Through flexible scheduling, states can expand office hours without increasing costs.

- **Accept applications in new ways:** Families should be able to apply for food stamps at the same sites where they obtain other benefits, such as health insurance from Medicaid and SCHIP, child care subsidies, and Workforce Investment Act job services. States can also permit families to apply for food stamps on-line, through simple web sites.
that families can use at social service agencies, community centers or libraries, if not at home.

Resources


2. Improving Outreach

States can help get food to needy people by conducting food stamp outreach campaigns. In the current economic slowdown, states may want to make one specific target of information about food stamps those laid-off workers who are struggling to pay bills.

Matching funds from the federal government will pay half the costs of outreach. And, of course, since the food stamps are funded entirely with federal dollars, each household enrolled in the program will provide a direct economic stimulus to the state. The average food stamp household receives $158 in benefits per month. By enrolling 1,000 new households in the food stamp program, a typical state can bring $158,000 federal dollars into its economy per month or $1,896,000 in a year. And these dollars have a "multiplier effect" that really doubles the impact on local economic activity.

Many people are eligible for food stamps but are not currently participating in the program. This often occurs because people do not know they are eligible. According to USDA, only 57 percent of food stamp eligible individuals participated in the program in FY 1999. This is down from 74 percent in 1994. A report by Mathematica Policy Research, Inc. identified a lack of client information as one significant barrier to participation by eligible persons. Among non-participating people eligible for food stamps, nearly three-quarters were not aware they were eligible.

Effective outreach could include public education campaigns, where information is delivered through flyers, posters, and public service announcements, and an information hotline is used to answer questions. State agencies also can partner with businesses, unions, and community organizations such as food banks, agencies on aging, and schools which...
can provide information or application assistance. Some states and localities enlist TANF recipients to serve as food stamp outreach workers.

States can target food stamp outreach to recently unemployed people by providing informational materials or out-stationing food stamp eligibility workers at places where displaced workers go, such as unemployment compensation offices, job placement services, or bill payment counseling offices. States may also want to target outreach efforts to populations with low food stamp participation rates (the percent of food stamp eligible people who actually participate in the program). According to USDA, among eligible people only 43 percent of households with earnings, 32 percent of the elderly, and 48 percent of non-citizens participated in the food stamp program in FY 1999.

Resources:


3. Transitional Food Stamps for Families Leaving TANF

In order to assist families during their transition from Temporary Assistance for Needy Families (TANF) to work, states now can simply continue to provide the same level of food stamp benefits for up to three months after TANF cash assistance ends. This new Transitional Benefit Alternative (TBA) state option provides a critical support to work—helping families meet their nutritional needs, while not making parents skip work to get desperately needed supports. It provides time for the household situation to stabilize before new eligibility and benefit levels are determined for food stamp benefits, thereby reducing the burden of paperwork and verification for both the state and the household.

Like other food stamp benefits, these transitional benefits are 100 percent federally funded. If 10,000 persons received TBA food stamp benefits, more than $8 million/year new federal funding would flow to people to spend in grocery stores across the state each month. And using the option should significantly lower administrative costs.

The final rule allowing this TBA option was published by USDA's Food and Nutrition Service (FNS) on November 21, 2000 but only became
effective September 10, 2001. Several states got waivers before September 10th to use the option, or have implemented it since. Implementing the rule is relatively simple: when the state agency closes a household’s TANF case, it freezes the food stamp benefit amount. The state agency can extend the certification period, if necessary, to provide the three-month transition period. If a state opts for TBA, it must provide it to all families with earnings that leave TANF. Except for certain groups of households specifically restricted in the final rule, the state agency may extend TBA to additional groups of TANF leavers.

TBA also is useful as part of a broader effort to help households understand that food stamps benefits are not dependent upon TANF enrollment. Many families believe that if they are no longer receiving TANF funds, they are no longer eligible for food stamps. Numerous studies show that a significant portion of those who leave the Food Stamp Program then turn to a food pantry or other emergency food provider for assistance, and continue to have trouble purchasing enough food. It is essential that families that remain eligible for food stamps stay on the Food Stamp Program so that they don’t go hungry.

TBA will reduce paperwork. Food stamp households are not required to submit monthly reports and state agencies are not accountable to the federal quality control system for changes in household circumstances during the transitional period.

Resources:
• New York Governor Pataki’s press release implementing the TBA option prior to final OMB clearance because of the importance of these benefits in easing the transition from cash assistance to work (available at, http://www.state.ny.us/governor/, see press release dated 11/15/01).
4. Easing Information Reporting for Food Stamp Recipients and Caseworkers

Many eligible families do not receive food stamps, even if they have gotten past burdensome application requirements, because the process of continuing to receive benefits is itself unduly burdensome. Many families must reapply every three months. When they do, they must meet with their caseworker face-to-face, often taking time off work to do so. Other families must submit forms and pay stubs monthly. States now have options under recent federal laws, rules and guidance to ease all of these burdens. Adopting these options will help many families continue to receive food stamps, and ease state caseworkers’ workload.

- **Extend certification periods**: In the 1990s, out of fear that they were not counting working families’ income accurately, many states started requiring these families to reapply for food stamps every three months. This change to shorter certification periods unintentionally caused a dramatic decline in food stamp participation, as families were unable or unwilling to reapply so often. States should stop requiring families to reapply every three months, and instead allow families to keep food stamps for six or twelve months between reapplications. Recent positive adjustments to the federal government’s “quality control” system for working families, designed to address this problem, reduce the likelihood that states will face sanctions for inaccurate payments if they allow families to reapply less frequently.

- **Reduce face-to-face interviews**: The federal rules used to require states to meet in person with households reapplying for food stamps, even if the household reapplied every three months. Under new rules, such face-to-face meetings need only occur once a year. Moreover, states may substitute telephone interviews for face-to-face interviews in hardship situations. Even if states continue to require more frequent reapplications, states should require interviews only annually, and permit these to be done by phone in cases of hardship.

- **Adopt new reporting methods**: Instead of requiring families to submit monthly forms reporting changes in their earnings, or to call the food stamp office whenever their monthly income changes by $25 or more, 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 period, the family’s food stamp benefit level would be frozen, and the family would only have to report a change if its monthly income rose above the eligibility limit. About 20 states are already taking or considering this option. States unwilling to adopt semi-annual reporting could ease burdens.
on families in other ways, such as quarterly reporting or requiring reporting of only certain types of changes in income. Around 20 states take one of these two approaches.

Resources


5. Expanding the Three Month Food Stamp Time Limit for Needy Jobless Adults Aged 18-50

Many low-income childless adults aged 18-50 who are laid off will be eligible for (at most) three months of food stamps unless their state takes action. The 1996 federal welfare law restricted able-bodied adults without children to only three months of food stamps in a 36 month period unless they are (1) working or in an employment and training program at least half time, or (2) participating in workfare for a required number of hours.

This rule is especially harsh and counter-productive in a recession, when many adults will be unable to find work despite their best efforts. Fortunately, states have several options under federal law to make sure the unemployed can continue to receive the food stamps they – and their local communities – need. Many states have not taken full advantage of these options.

- **Geographic waivers:** States can obtain from USDA waiver of the time limit in geographic areas of high unemployment or with insufficient jobs. Most states have requested waivers for certain counties or cities, but 13 have not. Even those states that have received some waivers should reconsider whether they have sought waivers for all areas that could be eligible. Many states have used only the Department of Labor’s list of “labor surplus areas”; they could cover additional areas by using other measures of high unemployment.

- **15% exemptions:** States may, in addition, exempt from the time limit 15 percent of persons not protected by a geographic waiver. Each year...
USDA allocates a number of so-called "15% exemptions" to each state. States have unlimited discretion how to allocate the exemptions granted to them. USDA will not penalize states that provide too many exemptions in a year, but will merely reduce a future year's allocation of exemptions. Many states also can use unused exemptions from prior years.

- **Employment & training programs:** States may provide employment and training programs that allow individuals affected by the time limit to retain their eligibility for food stamps. Much of the 100% federal funding for these programs has gone unused.

- **"Statewide fixed clocks":** States may ease their administrative burdens as well as requalifying for food stamps more quickly some individuals who already used three months of benefits by measuring the 36 month period from a single fixed date for everyone in their state, rather than having a separate "rolling" period for each individual recipient.

**Resources**

- 7 U.S.C. § 2015(o) (3 month time limit); 7 C.F.R.§ 273.24 (15 percent exemptions); 7 C.F.R. § 273.7(d) (employment & training grants).
- USDA "Tracking the 36-Month Period for Able Bodied Adults Without Dependents" (Sept. 1, 1999) and The Center on Budget & Policy Priorities, "Restarting the Clock on the Food Stamp Three-Month Cut-off", December 7, 2000, available at http://www.cbpp.org/12_7_00faCLK.pdf. The Center also has short descriptions of the geographic waiver and 15% exemption rules at its web site, http://www.cbpp.org.
6. Increasing Food Stamp Benefit Amounts Via the Standard Utility Allowance

A state may increase the amount of food stamps many of its households receive by adjusting the state's standard utility allowances (SUAs). An upward adjustment to a state's SUAs would increase benefits for as many as half of its food stamp recipients, at no state cost and generally with no legislative action needed. Although many states have increased their SUAs in recent years, not all states have taken advantage of this opportunity. The winter of 2001-2002, in the middle of a recession, is a particularly appropriate time to act.

The Food Stamp Program's formula for calculating benefit amounts provides a deduction from a family's gross income for "excess shelter" expenses - housing costs that are more than half a family's income after certain other deductions have been taken into account. This deduction increases a family's food stamp allotment because the formula provides more food stamps to families with less net income. Over 60 percent of food stamp households receive the excess shelter deduction.

A major component of a family's shelter expenses is utility payments. Rather than require all food stamp applicants to submit up-to-date bills detailing their utility costs, all states have adopted standard utility allowances, or SUAs - standardized amounts which most families may opt for in lieu of providing actual bills. Unless the family already receives the maximum excess shelter deduction (as is true of about 10 percent of households), an increase in countable shelter expenses through an increase in the SUA may increase the family's food stamp allotment. For example, if a state raised its SUA by $30 (a fairly typical amount among states that have raised their SUAs recently), that would increase benefits $9/month for many households. For a caseload of 150,000 households, and estimating that about a third of the households are using the excess shelter deduction, are not at the maximum, and use the SUA instead of actual bills, that would bring more than $5 million/year additional benefits into the state.

States may choose their own methodology for setting and adjusting the SUAs, subject to USDA approval. Although states are required to review their SUAs annually, not all states have used that opportunity to determine whether their SUAs are truly reflective of recent increases in heating and electricity costs.

(Of course, a state need not adjust its SUA sooner than it otherwise would have if the SUA has been adjusted over the years and utility costs have temporarily declined below last year's levels.) One possible methodology is to compare a state's current SUA with the Consumer Price Index for Fuels and Utilities, which has increased in recent years. Alternatively, a state may survey utility companies' rates, use data from the state's utility
regulator, or use its own data of food stamp recipients' utility costs. States may change the SUA or their methodology at any time.

Resources

- USDA chart of states’ fiscal year 2002 SUAs, and whether their use is mandatory, available at www.fns.usda.gov/fsp/menu/admin/certification/support/sualpha.htm
- USDA chart of states’ current year and prior year heating and cooling SUAS, available at www.fns.usda.gov/fsp/menu/admin/certification/support/suascurrentprior.htm

7. Making Sure Low-Income Families with Cars or Other Modest Assets Can Receive Food Stamps

The Food Stamp Program is generally restricted to households with very few or no assets: a family is usually ineligible if it has a car worth more than $4,650, or retirement savings or other assets of more than $2,000. These limits force many low-income families, and especially newly-unemployed families, to make terrible choices: if they want food stamps to feed their children, they must sell their car – which may be needed in a job hunt or to make future employment possible – and must cash in even meager retirement savings (often paying a penalty to do so).

New state options, however, allow a state to exclude the value of one or more cars, or even eliminate the asset restrictions altogether for most households. Adopting these options allows more households to receive food stamps, at no state cost. Although many states have already adopted one of these options, as of late 2001, 16 states still impose the strict federal vehicle and asset rules.

- **Borrowing a better vehicle rule from a TANF assistance program:** Many states, recognizing that ownership of a reliable car may be a family’s key to moving from welfare to work, have liberalized the vehicle rules in their TANF (cash welfare) programs. Under a law Congress passed in 2000, states may now adopt the same rule that they apply in their cash TANF program in the Food Stamp Program, if that rule is more generous. They may also borrow for all families for food stamp purposes the vehicle rule that they use in another program (e.g., child care) funded with TANF assistance; if the other program has no asset test, the state may eliminate all vehicle restrictions in its Food Stamp Program this way. As of the end of 2001, 25 states were
borrowing the vehicle rule from their welfare programs; three were adopting a rule from another TANF-funded program.

- **Modify or eliminate the asset test via “categorical eligibility”:** The Food Stamp Program has long recognized that, because families who receive a means-tested government benefit already have been determined to be needy, the Food Stamp Program need not impose an additional asset test on them: they are “categorically eligible.” This has been most typically applied when families are receiving cash TANF or Supplemental Security Income. Federal regulations now make clear that the households authorized to receive other services or benefits mostly funded with federal TANF funds (or state TANF maintenance-of-effort funds) are also categorically eligible for food stamps, and hence not subject to the Food Stamp Program’s asset rules. By providing food stamp applicants with a service or benefit funded with TANF funds — such as a pamphlet describing services available to needy families, or the offer of case management services — a state may make all such applicants (or particular types of households) categorically eligible. Six states have used categorical eligibility to disregard the value of all vehicles for at least some households.

**Resources**

- 7 U.S.C. § 2014(g)(2)(D) (borrowing from TANF programs);
  Categorical Eligibility, 7 C.F.R. § 273.2(j)(2)(i).
- USDA, “TANF Vehicle Rules,” available at
  www.fns.usda.gov/fsp/menu/admin/welfare/support/tanfvehiclerules.htm
- USDA, “Questions and Answers on Categorical Eligibility and Vehicles,” available at
  www.fns.usda.gov/fsp/menu/admin/welfare/support/q&aoncatel&vehicles.htm
  http://www.cbpp.org/7_30_01fa.htm.
8. Improving Food Stamp Benefit Allotments for Immigrant Families

States can boost food stamp benefit allotments for immigrant families by adopting certain benefit calculation rules. Federal rules allow states to exclude the income of ineligible legal immigrants when computing food stamp benefit allocations for eligible legal immigrants or U.S. citizens who reside with the ineligible legal immigrants.

Many states are already prorating the income of these ineligible immigrants. However, this new option to exclude income entirely is an important additional opportunity to allow low-income families to get even more food on the table and helps the state in two ways: it reduces paperwork and error rates; and it brings federal funds into the state economy (federal funds pay 100 percent of the cost of the food stamp benefits that are spent at the store).

This is possible because the amount of food stamps that any household receives depends on its countable income. The lower the household income, the higher the food stamp benefit. Extrapolating from a recent Oregon study, using the immigrant option could bring in half a million food stamp dollars in a year for each 1000 households involved. The Oregon study showed that a hypothetical immigrant household (containing two ineligible adults, one working full-time and the other part time at minimum wage jobs, and two eligible children) would receive an increase from $187 to $238 in food stamps per month if Oregon took full advantage of federal dollars under USDA immigrant benefit calculation rules.

States may take this option through administrative or legislative action. Food Stamp regulations specify that states can choose to disregard the income of household members whom the Personal Responsibility and Work Opportunity Reconciliation Act (PRWORA) of 1996 made ineligible for food stamps. Most legal immigrants lost eligibility for federal food stamp benefits under the PRWORA in 1997. Congress mandated partial restoration in the Agricultural Research, Extension and Education Reform Act of 1998 (and is currently considering further restorations), and some states are purchasing federal food stamp coupons for immigrants. However, most needy legal immigrants remain ineligible for federal food stamps.

A state that takes this option must: 1) count all of the ineligible immigrant's resources in determining whether the household meets the resource test (as opposed to the income test); 2) count none of his or her ineligible income and deductible expenses; 3) count any money payment made by the ineligible immigrant to at least one eligible household member; and 4) cap the resulting benefit amount for the eligible members at the allotment amount that the household would receive if the ineligible immigrant was still an eligible household member, so that households...
with ineligible immigrant members do not receive more benefits than similarly situated households in which all members are U.S. citizens or eligible immigrants. Each of these steps is no more complex and in some cases easier for the state and caseworkers than following the income counting option that is less favorable to immigrant households.

Resources:


9. Helping Homeless Persons and Persons With Past Drug Convictions Make a New Start

In a recession, as jobs become harder to find, life becomes still more difficult for two groups of individuals already struggling to get by: (1) homeless people and (2) individuals with drug convictions trying to make a new start in life. For homeless persons, states may develop a "standard homeless shelter deduction" which will increase many homeless individuals' food stamp allotment. For individuals struggling to start a new life after a conviction for a felony drug offense, states may enact legislation to enable such persons to receive food stamps.

- **Standard homeless shelter deduction**: Almost by definition, most homeless individuals do not make regular rental payments that they can verify to the food stamp office, and thereby receive the benefit of the food stamp program's deduction for certain shelter costs. Nonetheless, many homeless individuals do have income and do incur costs of obtaining shelter: they may make irregular payments to friends or family members who take them in occasionally, or they may be obligated to pay a proportion of their income to a homeless shelter. States have the option of providing a standard homeless shelter deduction, of up to $143/month, to homeless households that incur any shelter expenses. Providing such a deduction would increase many homeless individuals' food stamp allotments. The standardized deduction would also ease the paperwork burdens on state caseworkers.

- **Restoring eligibility for people with felony drug convictions**: The 1996 federal welfare law barred for life any individual with a felony drug
conviction for conduct occurring after August 22, 1996 from receiving TANF cash welfare benefits or food stamps. The law allows states to opt out of this harsh provision, in whole or in part. A recent study of women affected by this law in Pennsylvania found that the overwhelming majority of the women had no prior drug convictions, and their felony convictions were for very small quantities of drugs (often only $5 or $10 worth). The study also found that the women had begun their drug usage when they were very young, often in direct response to sexual and/or physical abuse. Their inability to receive food stamps (or welfare benefits) impeded their ability to recover from their addictions, and increased the likelihood of recidivism or placement of their children in foster care.

States should ameliorate the harsh impact of this arbitrary disqualification through state legislation. Twenty-nine states, including New York, New Jersey, Illinois, Connecticut and Ohio, have eliminated the ban or modified it (by, for example, lifting the ban for those participating in drug treatment programs). By restoring eligibility for these individuals, states also help in-patient drug treatment centers, which frequently rely on their residents’ food stamps to purchase food.

Resources

- Standard homeless shelter deduction, 7 C.F.R. § 273.9(d)(6)(i).
Child Nutrition

10. Increasing Participation by Low-income Children in the School Breakfast and Lunch Programs

Increasing participation in school meals programs helps children, families, schools and communities. It helps ensure that students, especially low-income children, eat nutritious meals and begin each school day ready to learn. It helps families stretch their limited food budgets. And federal funds for school meals support schools and communities even while states are cutting their budgets. All school meals served under the School Breakfast Program and the National School Lunch Program receive some level of federal support. Federal reimbursements are highest for free or reduced-price school meals served to low-income students.

Currently only about 40 percent of the number of students who receive free and reduced price lunches receive free and reduced price breakfasts. If all states just raised the participation rate of low-income students in the School Breakfast Program to the level of the five top-performing states during the 2000-01 school year, an additional $300 million in federal funds for school breakfasts would be available to schools for purchasing food and hiring staff. (These numbers can be found in FRAC’s School Breakfast Scorecard, http://www.frac.org/html/news/112701.html) Two efforts that can quickly and significantly increase participation in these programs are:

Expanding Direct Certification: Direct certification streamlines the school meal application process for both families and schools by allowing students from households that participate in Food Stamps, Temporary Assistance to Needy Families (TANF), or other programs designated by the state, to qualify for free school meals without filling out separate school meal applications. In direct certification, schools cross-reference their student files (taking precautions to ensure students’ privacy) with participant files at the other programs. Currently, all states and the District of Columbia implement some form of direct certification, with most implementing it statewide. About two-thirds use TANF applications, and almost all use Food Stamp applications for direct certification. Schools then notify the eligible households that their children qualify for free school meals. In some states, parents or legal guardians must sign and return the notification letters in order for their children to receive free school meals. However, in most states, parents or legal guardians notify their schools only if they do not want their children to receive free school meals. Direct certification feeds children and reduces schools’ administrative costs for gathering and approving school meals applications. School districts that have not used direct certification in the past should utilize it now. And, because the recession is causing many families who were not eligible for free school meals at the start of the school year to be eligible now, those districts that already use direct
certification should utilize it more often during the school year in order to reach families as they lose employment or wages.

Increasing Outreach to Parents, Students and the Public: With many who were not eligible for free or reduced-price meals at the start of the school year eligible now, it is imperative that schools periodically remind parents of the availability of free and reduced-price meals, and that they may apply for them at any time during the school year. Schools can communicate with parents via school newsletters, menus sent home with their children, notices enclosed with report cards, and PTA meetings. Schools can also do outreach to students through school newspapers, teachers and coaches, and cafeteria promotions and prizes. There are also many effective ways to educate the public about the availability and benefits of school meals: op-ed pieces, articles and announcements in local and ethnic newspapers, house of worship bulletins and pennysavers; and public service announcements and advertisements for television, radio, public transportation, billboards, milk cartons, and grocery bags.

Resources:

- FRAC, brochure explaining to parents that they can apply for free and reduced price meal eligibility for their children at any time during the school year (e.g., after a reduction in income), available at http://www.frac.org/html/news/brochure012202.pdf
- Direct Certification, Child Nutrition Programs, 7 C.F.R. § 245.6 (2002), available at http://www.access.gpo.gov/nara/cfr/cfrhtml_00/Title_7/7cfr245_00.html
11. Ensuring that Schools in Low-income Neighborhoods Receive “Severe Need Payments” – the Maximum School Breakfast Program Reimbursement

“Severe need payments” are extra federal dollars that can go to school breakfast programs in schools that serve a high proportion of low-income students. As school budgets are squeezed during this recession, the increased federal funds that can be provided through severe need payments are more important than ever. And as families lose wages and employment, more schools will qualify for severe need payments. These higher reimbursements for school breakfasts target federal money to those schools and children that are most in need of financial support.

Severe-need schools are those that serve 40 percent of breakfasts at free or at reduced-price rates. For the 2001-02 school year, severe need schools are reimbursed $1.37 per free and $1.07 per reduced-price breakfast, which is up to 22 cents higher per meal than the normal reimbursements for free and reduced-price school breakfasts. (Schools in Alaska and Hawaii receive slightly higher school meal reimbursements than other states.) Children from families with incomes at or below 130 percent of the federal poverty level are eligible for free school breakfast. Those with incomes between 130 and 185 percent of the poverty level are eligible for reduced-price meals. For the period from July 1, 2001 to June 30, 2002, 130 percent of the federal poverty level for a family of four is $22,945; 185 percent is $32,653.

Currently, about 65 percent of the breakfasts served in the School Breakfast Program receive severe need payments. According to the U.S. Department of Agriculture, however, many additional schools eligible for severe need payments for breakfasts are not receiving them. All schools that qualify for severe need payments should be encouraged to claim these higher reimbursement rates. In order to do so, they must show the state agency through cost accounting that the regular school breakfast reimbursement is not sufficient to cover the costs of serving breakfast. While this sounds complicated, tens of thousands of schools around the country are doing it.

Resources
- A list of state agencies administering the federal child nutrition programs is available at http://www.fns.usda.gov/cnd/Contacts/StateDirectory.htm.
12. Expanding the Number of Afterschool Programs that Use Federal Funds to Offer Nutritious Snacks and Suppers

States can dramatically expand the number of afterschool programs that offer children snacks and suppers by using provisions of the federal National School Lunch Program and Child and Adult Care Food Program. Recent changes in these federal programs help meet the nutritional needs of more low-income children after school and support afterschool programs, which play an important role in decreasing juvenile crime and providing educational and enrichment activities during out-of-school time.

The snack and supper funds that the federal child nutrition programs offer require no state or local matching funds. While the amount of reimbursement for each snack is modest, the funds add up quickly: the typical afterschool snack reimbursement (57 cents per snack), if the school year is 180 days, amounts to $102 per child each year. Increasing participation by 5,000 children in the state means more than $1/2 million per year in new federal funds. Afterschool programs that serve suppers can receive as much as $376 in addition, per child per year. Increasing supper participation by just 3,000 children means more than $1 million additional federal funds.

There are several proven strategies to boost afterschool food participation:

- **Conduct Outreach to Afterschool Programs and Provide Technical Assistance:** States should ensure that all afterschool programs know about the funding available and how to apply. States can promote the program inexpensively, piggybacking on other regular communications with schools, local government agencies, and non-profits that operate afterschool programs. State child nutrition agencies also should provide technical assistance to afterschool programs on how to use the nutrition funds.

- **Involve Other State Agencies Working with Afterschool Programs:** Many states are allocating more funds to support afterschool programs, involving a variety of agencies in direct contact with these programs. A state can set up an interagency task force (including the child nutrition agency, the licensing bureau and the afterschool program grant-making agencies) to promote participation in the afterschool nutrition programs.

- **Assure that Publicly-Funded Afterschool Programs Are Using Available Federal Nutrition Funds:** Governors are often instrumental in making afterschool funding a priority. A budget office or gubernatorial instruction that organizations receiving state funds to operate afterschool programs participate in the federally-funded afterschool snack programs would substantially increase participation, bring additional revenue into the state, and help ensure that programs receiving state funds are more sustainable.
• **Decrease Paperwork for Programs that Serve Afterschool Snacks:** Since this program is administered at the state level, states have some discretion in developing applications and paperwork requirements. States can re-evaluate their paperwork requirements to ensure the least amount of red tape.

**Resources:**

• A list of state agency contacts and additional information on afterschool snacks is available at http://www.frac.org/html/building_blocks/bblox_index.htm

13. **Expanding the Availability of the Summer Food Service Program**

The Summer Food Service Program is designed to take the place of the National School Lunch Program during the summer, when hungry children are not in school, and helps schools, local public agencies and non-profits provide meals to low-income children who may not get good nutrition otherwise. Many families do not have the resources necessary to provide adequate nutrition to their children when school meals available during the academic year end as summer vacation begins. The summer food program helps local sites feed children up to two meals per day (receiving a maximum reimbursement of $3.80 per child per day). Each month that 10,000 children are fed every weekday through the Summer Food Service Program, more than three quarters of a million federal dollars come into the state and stimulate the economy.

There are a number of ways states can expand the availability of this program:

• **Take Advantage of Two New Decreased Paperwork Options:**

1. **Schools and Local Public Agencies (in Alaska, Arkansas, Idaho, Indiana, Iowa, Kansas, Kentucky, Nebraska, New Hampshire, North Dakota, Oklahoma, Puerto Rico, Texas and Wyoming):** These jurisdictions, which USDA data and FRAC analysis previously had shown to suffer from particularly low participation in the summer food program, now can take advantage of a change in the law which helps their schools and local public agencies reduce the paperwork associated with participating, makes it more economically feasible and easier for sponsors to operate the program, and provides a tremendous opportunity to attract new sponsors. These jurisdictions should make sure every potential sponsor knows about the new opportunity.
2. **Schools (Nationwide):** School districts across the nation now can take advantage of a new waiver that allows school sponsors to reduce the paperwork and administrative burdens of operating both the National School Lunch Program and the Summer Food Service Program, makes it simpler for schools to run both programs, and provides a great opportunity for school sponsors to start Summer Food Service Programs or to add more sites to their existing summer food programs. Each state agency that administers child nutrition programs should make sure every existing and potential school sponsor knows about this new waiver and should develop a simple system for school sponsors to apply for this waiver. State agencies apply for waivers for school districts, and USDA regional offices approve the requests.

- **Conduct Outreach and Provide Support to Sponsors and Sites:** The winter is the best time for states to recruit new sponsors for the next summer so advance planning can be done. States should recruit schools, local government agencies (such as parks and recreation departments), and non-profit organizations to sponsor the program at numerous sites throughout their communities. (One sponsor can run the program in multiple sites.) Together, these types of organizations have the capacity to serve the entire community and to substantially increase the number of children participating. States also need to notify families that this program is available in their neighborhoods and how children can participate. Information can be distributed through parent newsletters, schools’ communication vehicles, electricity bills, and Summer Food Program hotlines that help parents locate the site nearest their home. Finally, the program is most successful when meals are served in conjunction with education, enrichment, and recreation activities. States can help summer food sponsors and sites find funding for recreation and education programs as well.

- **Extend the Length of Programs:** Unfortunately, many Summer Food Programs only operate for a portion of the summer, while low-income children need their services throughout the summer months. States should actively promote expanding the length of summer food service. This makes an enormous difference from a financial as well as nutritional perspective. A program that operates for only 4 weeks for 10,000 children brings in $760,000 in federal funds; 10 weeks would increase the reimbursement to $1.9 million.
Resources

- State Summer Food Service Program (SFSP) agency contacts and more information on the SFSP are available at http://www.frac.org/html/building_blocks/bblox_index.html and also at http://www.fns.usda.gov/cnd/summer.

14. Increasing Family Child Care Providers’ Participation in the Child and Adult Care Food Program

The Child and Adult Care Food Program (CACFP) provides reimbursements for up to three meals a day and snacks in Head Start programs, day care centers, and family child care homes. Maximum reimbursements go to providers or children with incomes below 185 percent of the poverty line or providers in low-income areas. CACFP also provides crucial nutrition standards, training and monitoring for family child care providers. These providers – many of them low-income women – are operating a valuable child care business in their homes.

Expanding the CACFP program to reach more family child care homes will bring much needed nutrition benefits to children in care, improve the quality of care, and inject 100 percent federal funds into the state’s economy. A typical home serving six children would get about $4,500 in federal food reimbursements per year. For each additional 1,200 children participating in the program, nearly $1 million per year in federal funds will be injected into the state economy. These additional funds also will help to sustain child care providers through this economic downturn. The federal funding comes without any state match requirement and includes separate administrative funds.

In the weak economy, families are hard-pressed to make ends meet as parents experience pay cuts or reductions in work hours. Many of these families have children in child care, and these children need extra support, including plenty of healthy nourishing food.

Unfortunately, many family child care providers do not know about the Child and Adult Care Food Program. Nationally, only about half of the eligible child care homes participate. There is an enormous potential for increasing the use of this resource. The following are effective state strategies with a proven track record for increasing participation in CACFP.
• **Promoting the use of special, federally-funded CACFP outreach and expansion grants:** Fully federally-funded CACFP grants provide funding for sponsoring organizations to conduct outreach to family child care homes in low-income and rural areas. (Sponsors are nonprofit organizations that report to the state and administer CACFP on the local level directly to family child care homes.) The grants allow sponsoring organizations to undertake intensive efforts to reach out and help providers in often underserved areas. The state CACFP agency administers the money. Many states are underutilizing this funding stream through which federal money can be used to bring more providers into CACFP.

• **Partnering on CACFP outreach with the state's child care subsidy and child care licensing agencies:** Interagency cooperation between the state CACFP agency and the child care subsidy and licensing agencies can bring a broader, more aggressive CACFP outreach campaign among providers already connected to state agencies. For example, the child care agency that distributes the Child Care Development Fund and/or TANF child care funds can increase participation in CACFP by distributing CACFP promotional materials along with the child care subsidy check mailed to parents or providers. The state child care licensing agency can include CACFP promotional materials as part of the licensing application and training process for providers.

• **Extending CACFP eligibility to all eligible licensed and regulated family child care:** The CACFP agency can increase participation by extending eligibility to all family child care homes that meet federal, state or local approval standards, not only those that are fully licensed. Many states exempt many, or all, types of small family child care homes from full licensing requirements, considering them "license exempt" for general purposes, including welfare-to-work subsidies; but some of these states then turn around and require full licensing for CACFP. This is self-defeating. Many of these license exempt homes serve very low-income children and need the nutrition as well as child care subsidy funds to serve children well. This type of care is often used to support the working poor and welfare-to-work efforts. A number of states extend CACFP eligibility to license-exempt child care, as allowed by federal rules.

**Resources**

• A list of state CACFP agencies and additional CACFP information is available at http://www.frac.org/html/federal_food_programs/programs/cacfp.html.
15. Expanding the Number of Homeless and Domestic Violence Shelters that Use the Child and Adult Care Food Program to Feed Children

The number of homeless children and families is increasing. The Child and Adult Care Food Program (CACFP) can be the source of the funds that homeless shelters need to feed children in their care. Homeless and domestic violence shelters are eligible to receive reimbursements for up to three meals or two meals and a snack each day for children up to age 12. Through CACFP, shelters could be eligible to receive up to $1,545 per child per year. The program reimbursements come completely from federal funds, with no requirement for a state match.

The U.S. Conference of Mayors recently released a survey of major U.S. cities that showed that 81 percent of the cities reported an increase in requests for emergency shelter. Officials in all the cities interviewed expected requests for emergency shelter to increase in 2002.

As requests for emergency shelter increase, emergency shelters will need more resources to pay for feeding their residents. Despite the useful resource that CACFP can be, most shelters are unaware of the program. Nationally, only slightly more than 200 shelters participate in the program. States can take action to increase participation in the CACFP component for children in homeless and domestic violence shelters:

- **Outreach and technical assistance to participating shelters**: The CACFP state agency should work with partners such as homelessness and domestic violence organizations to teach shelters about the program. The state agency can place articles in newsletters distributed to shelter providers, speak at meetings of shelter providers or send a mailing to those on the mailing lists of homelessness and domestic violence organizations.

- **Make the program user-friendly for shelters**: Since the program is administered through each state, states can take steps to make the program easier for the shelters that participate in it. States can review program requirements to ensure that they do not place unnecessary administrative burdens on already overworked shelter staff and volunteers. Paperwork can be adapted to meet the special needs of shelters, so that it is easier for shelter personnel to understand and comply with simplified record-keeping requirements.
Resources

- Information about how the program operates and an outreach brochure on the program is available at http://www.frac.org/html/federal_food_programs/programs/cacfp_sheltersdocs.html.
ACKNOWLEDGEMENTS

A number of staff members of the Food Research and Action Center prepared this report: Michelle Albee, Jessica Cates, Louise Hayes, Geri Henchy, Doug Hess, Denise Odell, Lynn Parker, Anne Phelps, Sonya Schwartz, Ellen Vollinger, Crystal Weedall, Jim Weill, and Nicole Woo.

Major support for this report and FRAC's work on food stamp and child nutrition issues is provided by:

- Birkenstock USA
- BPI Technology, Inc.
- Butler Family Fund
- The Annie E. Casey Foundation
- Edna McConnell Clark Foundation
- Deer Creek Foundation
- Food Marketing Institute
- General Mills Foundation
- The Gerber Foundation
- Grocery Manufacturers of America
- John D. and Catherine T. MacArthur Foundation
- Ewing Marion Kauffman Foundation
- Kraft Foods, Inc.
- Land O'Lakes Foundation
- A.L. Mailman Family Foundation
- MAZON: A Jewish Response to Hunger
- The Moriah Fund
- National Association of Public Interest Law
- National Dairy Council/Dairy Management
- Nestle USA
- New Prospect Foundation
- The David and Lucile Packard Foundation
- Philip Morris Companies Inc.
- Pritzker Cousins Foundation
- Public Welfare Foundation
- Charles H. Revson Foundation
- Sara Lee Foundation
- Share Our Strength
- SlimFast Foods Company
- Taste of the NFL
- Unilever United States, Inc.
- United Church of Christ Hunger Action Office
- United Food & Commercial Workers Union
- Washington Ethical Society

Copyright © 2002 Food Research and Action Center
Permission is granted to distribute part or all of this document, electronically or by photocopying, with attribution to the Food Research and Action Center.
NOTICE

Reproduction Basis

This document is covered by a signed "Reproduction Release (Blanket)" form (on file within the ERIC system), encompassing all or classes of documents from its source organization and, therefore, does not require a "Specific Document" Release form.

This document is Federally-funded, or carries its own permission to reproduce, or is otherwise in the public domain and, therefore, may be reproduced by ERIC without a signed Reproduction Release form (either "Specific Document" or "Blanket").