Billy Glunz
62112

Food Stamps Radio Address
November 18 2000

Interns office - 62742
Volunteer - 67750

PRESIDENT CLINTON'S RADIO ADDRESS TO THE NATION: IMPROVING ACCESS TO NUTRITIONAL ASSISTANCE FOR WORKING FAMILIES

November 18, 2000

Today in his weekly radio address, President Clinton will announce new steps to support low-income working families by improving access to nutritional assistance. The President will unveil a new Food Stamp program regulation that will allow states to: provide transitional benefits to families leaving welfare; make it easier for families on food stamps to own a reliable car to get to work; simplify the application process and reporting requirements so it is less time consuming for working families; and implement various eligibility changes for legal immigrants. The President also will call on Congress to restore food stamp benefits to certain legal immigrants, raise the minimum wage, promote responsible fatherhood and increase the child support paid directly to low-income families, which builds on the Clinton-Gore Administration's strong record of supporting working families and promoting fairness for legal immigrants.

Increasing Access to Food Stamps for Working Families. On November 21, 2000, the U.S. Department of Agriculture will release a final new Food Stamp program regulation that will make it easier for eligible working families to access food stamps. First, this regulation allows states to provide a three-month transitional food stamp benefit to help support households leaving welfare for work. Second, it simplifies existing rules on how the value of a vehicle is counted toward eligibility limits and excludes certain low-equity vehicles from consideration altogether, thus providing nutritional support to 100,000 individuals in households that own a reliable car necessary to get to work. Third, the rule allows states to relieve working families of the requirement to report modest income changes for up to six-months at a time, reducing the amount of time these families need to spend in food stamp offices. Finally, it strengthens systems to ensure that food stamp cases are not closed without review when a family leaves cash assistance and requires states to inform applicants that many rules that apply to cash assistance, such as time limits, do not apply to food stamp eligibility.

Addressing Legal Immigrant Access to Food Stamps. This rule minimizes unnecessary access barriers for eligible immigrants and eligible members of mixed status households, which include both citizens and immigrants, as part of finalizing the eligibility changes for legal immigrants that were enacted in the 1996 welfare reform law and in subsequent legislation. The rule details how a sponsor's income factors into the calculation of an immigrant's eligibility and excuses indigent immigrant households who cannot afford food and housing from having such income deemed as their own. It also codifies eligibility restrictions on certain legal immigrants first implemented in 1997.

Building on a Strong Record of Supporting Working Families. Since taking office, the Clinton-Gore Administration has significantly expanded critical supports for working families, securing nearly 200,000 new rental housing vouchers, raising the minimum wage, expanding the Earned Income Tax Credit, doubling child support collections and child care funding, improving access to jobs by supporting creative local transportation solutions, and giving families strong incentives and new opportunities to move from welfare to work. This Fall the Administration and Congress worked together and enacted common sense changes to the Food Stamps program, making it easier to own a reliable car and recognizing the impact of high housing costs on low-income working families. Today, the President will call on Congress to continue this progress by restoring food stamp benefits to legal immigrants, improving child support and fostering responsible fatherhood, and passing a $1 increase in the minimum wage.

Non-Citizen Eligibility and Certification Provisions of the Food Stamp Program
PRWORA Rule

November 18, 2000

Overview

Q1: What did the President announce today?

A: Today in his weekly radio address, President Clinton announced new steps to support low-income working families by improving access to nutritional assistance. The President unveiled a new Food Stamp program regulation that will allow states to: provide transitional benefits to families leaving welfare; make it easier for families on food stamps to own a reliable car to get to work; simplify the application process and reporting requirements so it is less time consuming for working families; and implement various eligibility changes for legal immigrants. The President also called on Congress to restore food stamp benefits to certain legal immigrants, raise the minimum wage, promote responsible fatherhood and increase the child support paid directly to low-income families, steps which builds on the Clinton-Gore Administration's strong record of supporting working families and promoting fairness for legal immigrants.

New Regulatory Provisions

Q2: What does the rule do to current application processing requirements?

A: The rule will:

- Preserve applicants' rights under the existing regulations;
- Limit intrusive and stigmatizing verification methods;
- Reduce the risk that households will be unable to attend interviews and provide a reasonable opportunity to reschedule for those that do miss; and
- Distinguish food stamps from TANF cash assistance to prevent TANF diversion efforts from affecting food stamps and to avoid confusion about TANF time limits.

Q3: What changes are being made to protect the rights of participants?

A: We will be making several changes to correct problems that showed up in implementing the changes from welfare reform before we were able to get the rule changes into effect. Those changes include:

- Strengthening the process that States use in determining the continued food stamp eligibility of households leaving TANF, in order to ensure that TANF leavers who are entitled to benefits continue to receive them;
- Allowing State agencies the option to suspend food stamp benefits for a month, rather than closing the household's food stamp case, when they are unable to get needed information from the household on time;
- Allowing State agencies to extend a household's certification period, when that would be beneficial;
- Offering State agencies an optional procedure for issuing transitional food stamps for 3 months after a household leaves TANF; and
- Offering State agencies a 6-month reporting option for working households.

Q4: How does the rule strengthen procedures to ensure that TANF leavers continue to get food stamp benefits if they are eligible?

A: There would be a two-step process. First, the food stamp office would send a written notice that informs the household leaving TANF that the agency believes the household's circumstances have changed, that tells the household what actions the household has to take, and that gives the household at least 10 days to contact the agency and clarify the situation. Second, the State agency would issue a notice of adverse action to shorten the household's certification period, if the household did not respond, did not provide enough information to clarify its circumstances, or agreed that changes in its circumstances justify filing a new application. The notice would explain the reason for the action.

Q5: What is a notice of adverse action?

A: The notice of adverse action lets the household know what information the State agency needs to be able to continue its food stamp benefits, and gives the household a reasonable time to collect the information and respond to the State agency's request. It also allows the family to formally appeal the action.

Q6: Does a State agency have to follow this two step process whenever a household leaves TANF?

A: No. If the State agency knows enough about the household's circumstances when the household leaves TANF, and the household's food stamp certification has not ended, the agency must continue the household's food stamp certification, and just make changes to reflect the loss of TANF income.

Q7: Wasn't there some problem with the way State agencies were handling these cases?

A: Yes. We were getting complaints that people leaving TANF were having their food stamp cases closed, even though they were still eligible for food stamps, and even though States were following the Federal rules. Studies confirmed that this was happening. As a result, the new rules will restrict State agencies to using a similar notice, the notice of expiration, only for the purpose originally intended in the Food Stamp Act, as a way to notify a household that its assigned certification period is ending, and to tell it what to do to continue participating. All actions to end a certification period early must use the notice of adverse action.

Q8: What's the option to suspend food stamp benefits for a month?

A: During the comment period on the proposed rule, a State agency proposed this approach which is similar to the procedure in its TANF program. We agreed that it would work, and will offer it as a State option. Rather than close the case of a household that has not responded to a request for information on its circumstances, the State agency may suspend the household for a month. It must warn the household with a notice of adverse action, and at the end of the grace period, can suspend the household. If the household then responds during the suspension period, the State will issue the household's allotment for the suspension month and, if necessary, adjust the allotment with a second notice of adverse action.

For example, a State agency gets unverified information that a household's income has increased during the certification period. The food stamp office sends the household a notice of adverse action stating that it has information that the household's income has changed, asking the household to confirm and verify the change within 10 days, and stating that it will suspend the household's benefits for 30 days if the household does not comply. On the ninth day, the household confirms that its income has increased, but does not verify the amount. The food stamp office suspends the household's benefits at the end of the 10 days. The household brings in proof of its new income amount after two more days. The food stamp office then issues the allotment that had been suspended, and sends the household a new notice of adverse action, notifying it of its new, lower, allotment level, explaining the basis for the change, and telling the household how to apply for a hearing if it does not agree with the change.

Q9: What's the story on extending the certification period?

A: The State agency may want to align the household's food stamp certification period with its TANF certification period for administrative convenience, for households that are not leaving TANF. State agencies may also want to extend certification periods so that they conform to Medicaid. We will permit that under the new rules, as long as the extended certification period does not exceed the length that the law allows. The Food Stamp Act limits certification periods to 24 months for households in which all adult members are elderly (age 60 or older) or disabled, and to 12 months for all other households.

Q10: What's the story on transitional food stamps?

A: This is an optional procedure we are offering State agencies, as a result of comments during the comment period on the proposed rule.

- The agency would send a household leaving TANF a transition notice that its food stamp participation would need reevaluation due to closure of cash assistance, but that its benefits are frozen at the old amount, and it would not have to report changes until re-certification.
- It would freeze food stamp benefits for up to 3 months, depending on the household's current food stamp certification period. The agency could extend the household's food stamp certification period, if needed, to provide for the 3-month period. But it could not exceed the statutory maximum period since the last certification.
- The household would have no reporting requirement during the period, so the State agency would have no quality control liability for changes in household circumstances during the period. If the household did report changes, the agency would have to adjust the household's benefit amount in the middle or at the end of the transition period (depending on the type of change.) as with current rules, and those changes would be subject to quality control errors.
- The State agency would adjust the benefit level at the end of 3 months with a notice of adverse action based on information it had, re-certify the household if its certification period ended during the transition period, or close the case with a notice of adverse action if the household had not provided information needed to continue the case.

Q11: What was the reason for doing this?

A: This is similar to transitional Medicaid that people currently can receive after leaving the TANF rolls, although it would not be a pure entitlement like Medicaid. In FY 2004 this transitional benefit will assist approximately 14,000 families. It would offer several advantages:

- Providing a known amount of food stamps while the household reorders its life after TANF would help with the transition from cash assistance. This is a period when people's work hours are not always fixed, child care is not firmed up, transportation is often a problem, and people have not learned to deal with unexpected problems, and fluctuating income.

- Also, freezing the household's benefit amount during the transition period would be administratively easier, and would insulate the State agency from quality control errors during a highly volatile period in the family's life.
- And finally, providing transitional food stamps would reinforce the point that food stamp participation is not dependent on TANF eligibility.

Q12: What's the story on the 6-month reporting option?

A: States will be able to certify working families for 6 months or more while requiring them to report changes for the first 6-months only if their income rises above 130% of the poverty line. This **6-month reporting option** gives States a strong incentive to offer working families longer certification periods. States could either give the family a 6-month certification period or assign a longer period and get a report from the family at the 6-month point. It will reduce reporting and reapplication burdens on families while giving States administrative relief. We estimate that States will be able to assist almost 1.5 million persons with this option in FY 2005.

Q13: How is the state option to switch to a six-month reporting period an improvement? What were the reporting requirements in the past?

A: This option will allow States to approve working families for food stamps for longer periods of time while only requiring them to report the most important changes in their circumstances. States that approve households with earnings for at least a 6-month certification period will be allowed to require that the households only report if their gross income exceeds 130% of the monthly income poverty line (an income eligibility standard). After 6 months, the household must report other changes such as changes in income, household size, residence, and shelter costs; or be recertified.

Under current regulations and waivers, States may choose to have households report monthly, quarterly, or when certain changes occur - such as a $100 change in earnings or other employment status. While States have a variety of options, all of these choices entail families reporting on frequently changing circumstances. In order to track these circumstances, many States assign short certification periods. This requires households to reapply and submit new documentation more frequently. Under the new option, States will have an incentive to go to longer certification periods and limit the amount of information that working families are expected to report.

Q14: How does the rule affect the food stamp vehicle policy?

A: The rule also makes 2 key changes in program vehicle policy that will simplify program administration and improve access to the program by low-income workers who need a reliable car.

First, **no car with an equity value of less than $1500** will count toward the food stamp asset limit. The Department proposed to disregard any vehicle with an equity value of under $1000 for most households and under $1500 for a household with an elderly member. This rule finalizes the threshold at the higher amount for all households - simplifying administration and helping more low-income families. We estimate that this change will enable 80,000 more low-income people to participate in food stamps in FY 2001.

Second, we are **streamlining the equity test for vehicles**. Right now we exempt one car per household plus any car used to get to or look for work or to go to school. The final rule will exempt one car per adult plus any other cars used by a teenager to drive to work or school. This change simplifies the process for eligibility workers since they will no longer need to figure out what each car is used for, and will result in 27,000 more low-income people getting food stamps in FY 2001. (This change pertains to cars that are not exempted by the $1,500 equity test).

Q15: Is lack of transportation really a problem for low-income families?

A: The lack of transportation is a well-documented barrier to employment for many low-income families. Public transit often doesn't link to suburban job sites, cover evening and weekend working hours, or serve rural communities. Recent studies show that welfare recipients and other low-income people with cars are much more likely to be employed. For example, in Watts (Los Angeles), a low-wage jobseeker can get to 57 times more jobs than a person without a car. In Boston, only 43 percent of entry level jobs were found accessible by public transportation, and only 33 percent of all employees in high-growth employment centers were accessible by public transportation. In the Atlanta region, only 43 percent of entry-level job opportunities were accessible by the transportation authority.

Q16: How do the initiatives contained in this rule help food stamp families own a reliable car so they can get to work?

A: To be eligible for food stamps, families must not have resources (such as savings, real estate other than their homes, or vehicles) that exceed the asset limit of $2,000, ($3,000 for families with elderly members). The rule will now exempt from the asset limit any vehicle whose equity value (value after paying off any loans) is $1,500 or less. By selling such a car, a family's net proceeds would be lower than the asset limit. This action finalizes the initiative the President announced last February and complements the recent change the Administration secured in the Agriculture Appropriations bill permitting States to use the higher vehicle asset limit of the TANF program.

Under the new guidelines, State agencies would add vehicles with equity values below $1,500 to the list of vehicles already excluded from the asset limits: vehicles used to produce income, used as a home, necessary to transport a disabled family member, or necessary to carry fuel for heating or water for home use.

Current food stamp law counts all but $4,650 of the fair market value of one vehicle regardless of use, plus any vehicles used for employment and training purposes. Any additional vehicles are counted at the higher of their equity value or their excess fair market value over $4,650. As of July 1, 2001, States will be able to use their TANF vehicle rules in situations where those rules are more advantageous to the household.

Under current rules, a family owning a 1995 Chevy Lumina with a fair market value of $6,300 and no other assets would be eligible for food stamps because $6,300 minus the exemption of $4,650 is less than $2,000, which is the family's asset limit. If the Lumina were a year newer, with a fair market value of $6,850, the family would not qualify. Under the President's new initiative, food stamp workers would deduct the family's auto loan from the fair market value of their car. If the difference is $1,500 or less, the family would qualify. Food stamp recipients benefit because they often owe more on their vehicles than they could obtain by selling them.

For example, a household with three adults has 3 cars. Under current equity rules, one is exempt and the other two would be exempt if the State agency determines that they are used for education or employment. Under this regulation, the State could simply exempt one for each adult without determining the purpose for which they are used.

In 1977, when the fair market value rules were enacted, one could buy a reliable car within the threshold of $4,500. During the past 23 years, however, this threshold has increased by only $150, causing a growing number of otherwise eligible families to be disqualified from the Food Stamp Program solely on the basis of their vehicle ownership.

Q17: What's the difference between equity value and fair market value?

A: Fair market value is the price a car should fetch on the market—sometimes called the "blue book value." Equity is what you have left after you sell the car for its fair market value and pay off any loan on the car.

Q18: Will this initiative bring back the "Welfare Cadillac?" How expensive a vehicle will food stamp families be able to own?

A: No, that's not a realistic concern. The gross income limit for food stamp eligibility is 130% of the poverty level, or about $18,000 per year for a family of three. Given that many low-income families have to pay 50% or more of their monthly income for housing, there is simply not enough left to make the payments on an expensive car. In fact, the Food Stamp Program conducted a project in North Carolina in 1995 and 1996 that allowed participating families to own a car regardless of value. The average value of cars owned by participants was under $7,300; the average age of the cars was three years.

Legal Immigrant Eligibility Provisions

Q19: What are the immigrant provisions of the rule?

A: Section 402 of the Personal Responsibility and Work Opportunity Reconciliation Act of 1996 (PRWORA) made most legal immigrants ineligible for the Food Stamp Program. The provisions of PRWORA were implemented by law in August 1997. This rule codifies these nondiscretionary PRWORA provisions in the CFR. The provisions, however, have been in effect for over three years.

The regulation deals with a number of other immigrant issues such as how the income of sponsors and ineligible household members is counted.

Q20: How does this rule deal with the deeming of an immigrant's sponsor's income?

A: The rule provides that the income of a sponsor will be deemed to an eligible immigrant until the immigrant naturalizes or can be credited with 40 quarters of work, as required under law. In calculating the amount of a sponsor's income to deem, the rule allows deductions to reflect the costs of supporting the sponsor's own household. In the case of indigent households, who are too poor to obtain food and shelter, the rule provides that only the amount of income actually received from a sponsor will be counted in determining an immigrant's eligibility.

Process Questions

Q21: When will the rule be published?

A: It will be on display at the Federal Register on November 20, 2000, and published on November 21, 2000.

Q22: Why did you make so many changes from the proposed rule?

A: USDA reviewed 412 comments from states, advocates, and others, in response to a major NPRM published on February 29, 2000. This is an exceptionally complex and comprehensive rule that affected many key provisions of the Food Stamp Program. The final rule implements several key provisions of PROWRA concerning application processing and alien eligibility. While it retains key application processing and recipient protection provisions of current regulations, it also ensures that restrictive TANF requirements are not inappropriately applied to food stamp applicants and recipients and ensures that low income families will have appropriate access to food stamps.

Q23: How much does this rule cost and how is it paid for?

A: The discretionary pieces of this rule cost approximately $1 billion over the five year period FY 2000 to FY 2004. The cost of these policies are fully offset for the purposes of regulatory cost neutrality by a combination of programmatic savings anticipated from other discretionary regulatory actions, and by the unanticipated and undesirable savings from declines in food stamp participation. Overall, this rule yields savings of $2 billion over five years due to the cuts in benefits to legal immigrants that are required by law.

General Food Stamp Questions

Q24: What is the purpose of the Food Stamp program?

A: The FSP is intended to safeguard the health and well-being of the Nation's population by raising levels of nutrition among low-income households. It is the cornerstone of the Federal food assistance program. It helped put food on the table for approximately 7.7 million households and 18.2 million individuals each day in FY 1999. In FY 1999, the FSP issued approximately $16 billion in food stamp benefits; issuance is expected to decline to $15 billion in FY 2000. As of August 2000, participation was 17 million persons.

The Food Stamp Program is the country's largest nutrition assistance program. The regular program operates in all 50 States, District of Columbia, Guam, and Virgin Islands. Variants of the regular program operate in Puerto Rico, American Samoa, and Northern Marianas. States are responsible for certifying households to get food stamps. They decide whether a household is eligible for benefits, and the amount of benefits a household is eligible to receive, based on national standards.

Federal appropriations pay for all benefits and approximately one-half the cost of administration and work/training activities - States carry remaining administrative and work/training expenses and administer the program.

Q25: Who is eligible to participate in the program?

A: FSP is based on national eligibility criteria. Eligibility for Food Stamps is based on the income, resources, and other non-financial criteria of persons who live together and buy food and prepare meals together. The individuals may or may not be related. We refer to this group as a "household".

A household's gross income must not be more than 130 percent of the poverty line (currently $1,848 a month for a family of four). Net income must not be more than 100 percent of the poverty line (currently $1,421 a month). By net income, we mean income after certain allowable costs such as housing, work-related expenses, child care for working households and medical expenses for elderly and disabled household members. Almost all types of income are counted when determining eligibility.

A household may not have more than $2,000 in resources or assets. This limit increases to $3,000 if the household has a member who is age 60 or older. Resources that are considered include cash-on-hand and money in savings and checking accounts. Some resources are not counted, such as the home and surrounding lot, and up to $4,650 of the fair market value of a vehicle.

In addition to income and resources, we also consider non-financial criteria when determining whether a household is eligible. This includes citizen and student status. Any member of the household who can work must register for work, and accept a reasonable job offer. The member cannot quit a job without good cause. States also provide employment and training programs to help people prepare for work.

Q26: How much can a household receive in food stamps?

A: If the household passes the program's eligibility tests, the amount of food stamps it gets will depend on the number of people in the household and the amount of income that is left after certain expenses or deductions are subtracted. We expect households to spend 30 percent of their net income for food. So we deduct 30 percent of the household's net income from the maximum allotment for the household size.

The maximum allotment for a 4-person household is $434. That's based on a plan worked out by USDA nutritionists to make sure the household is properly nourished, at an economical cost. If a 4-person household had $0 net income, it would get $434 in food stamps each month. Most households have some income, so most get less. The average monthly benefit per person in fiscal year 2000 was $72 per person or $173 per household.

Q27: How are food stamp benefits issued?

A: Households receive their benefits in the form of paper coupons – either directly or through a bank – or through electronic benefit transfer (EBT) that work much like bank debit cards. Currently, 75 percent of benefits are received using EBT technology. The Welfare Reform Law of 1996 requires that all States switch to EBT by October 2002.

Households can use food stamps to buy any food or food product for human consumption, and seeds and plants for use in home gardens to produce food. Households cannot use food stamps to buy: alcoholic beverages and tobacco; lunch counter items or foods to be eaten in the store (with the exception of homeless individuals); vitamins or medicines; pet foods; and any non-food items (except plants and seeds).

Q28: What are the characteristics of food stamp households?

A: Based on 1999 information:

- Just over half of all participants (51.5 percent) are children (18 or younger);
- 56 percent of food stamp households include children;
- 27 percent of food stamp households have earned income;
- 9.4 percent of all participants are elderly (age 60 or over);
- 92 percent of all benefits go to households with children, disabled persons or elderly persons;
- 69 percent of households with children were headed by a single parent, most of whom were women;
- The average gross monthly income per food stamp household is $603;
- Among adult participants, women outnumber men by more than 2 to 1;
- 41 percent of participants are white; 36 percent are African-American; and 18 percent are Hispanic.

Q29: Why has food stamps participation been declining for the past few years?

A: There are a number of factors contributing to the decline in food stamp participation. One is the strength of the nation's economy, which allowed participants to find work, reducing their need for food stamps. Another is the success of welfare reform in moving participants from welfare to work. At the same time, some working families don't realize they are eligible for food stamps and have difficulty obtaining them, leading some participants to leave the program unnecessarily and discouraging others from applying for benefits. Finally, some changes in program rules under welfare reform restricted the participation of immigrants and unemployed childless adults. While we are encouraged by recent data showing that the rate of decline has slowed, we believe that there is need to enhance public information about the program, its policies, and its practices.

Background

Administrative data from the Food and Nutrition Service show that food stamp participation has fallen from a peak of 28.0 million in March 1994 to 17.0 million in August 2000 (a 39 percent decline). Between 1995 and 1999, nearly twice as many people left food stamps compared to the number that left poverty.

However, the rate of the food stamp decline is slowing. For example, participation fell by 4 percent between June 1999 and June 2000 compared with 7 percent between June 1998 and June 1999. As a result, the difference between the drop in the number of persons in poverty and the number receiving food stamps is narrowing: between 1995 and 1997, the drop in food stamp participation was 5 times the drop in poverty; between 1997 and 1999, the drop in food stamp participation was only 1.2 times larger than the drop in poverty.

Ongoing research also shows that the number of participants has declined more rapidly than the number of people eligible for food stamp benefits. A recent report prepared for the Food and Nutrition Service (*Reaching Those in Need: Food Stamp Participation Rates in the States*) shows that food stamp participation nationally declined from 71 percent to 62 percent of those eligible between September 1994 and September 1997. Participation rates fell in every region of the country and in all but five states.

Q30: What steps has the Food and Nutrition Service taken to improve participation?

A: In 1999, the Administration announced a major campaign to minimize the barriers to participation. This includes three strategic components:

- **Enforcement**: ensuring State agency operations are following all applicable laws and regulations.
- **Information:** to effectively communicate messages about the role of the Food Stamp Program in welfare reform and to reach out to low-income individuals who are potentially eligible for nutrition assistance.
- **Policy Improvement:** to pursue short- and long-term policy changes aimed at increasing participation among households eligible for nutrition assistance, easing program administration, and supporting the working poor.

Since implementation of the campaign, the Food and Nutrition Service has taken the following actions:

encouraged by recent data showing that the rate of decline has slowed, we believe that there is need to enhance public information about the program, its policies, and its practices.

Background

Administrative data from the Food and Nutrition Service show that food stamp participation has fallen from a peak of 28.0 million in March 1994 to 17.0 million in August 2000 (a 39 percent decline). Between 1995 and 1999, nearly twice as many people left food stamps compared to the number that left poverty.

However, the rate of the food stamp decline is slowing. For example, participation fell by 4 percent between June 1999 and June 2000 compared with 7 percent between June 1998 and June 1999. As a result, the difference between the drop in the number of persons in poverty and the number receiving food stamps is narrowing: between 1995 and 1997, the drop in food stamp participation was 5 times the drop in poverty; between 1997 and 1999, the drop in food stamp participation was only 1.2 times larger than the drop in poverty.

Ongoing research also shows that the number of participants has declined more rapidly than the number of people eligible for food stamp benefits. A recent report prepared for the Food and Nutrition Service (*Reaching Those in Need: Food Stamp Participation Rates in the States*) shows that food stamp participation nationally declined from 71 percent to 62 percent of those eligible between September 1994 and September 1997. Participation rates fell in every region of the country and in all but five states.

Q30: What steps has the Food and Nutrition Service taken to improve participation?

A: In 1999, the Administration announced a major campaign to minimize the barriers to participation. This includes three strategic components:

- **Enforcement**: ensuring State agency operations are following all applicable laws and regulations.
- **Information:** to effectively communicate messages about the role of the Food Stamp Program in welfare reform and to reach out to low-income individuals who are potentially eligible for nutrition assistance.
- **Policy Improvement:** to pursue short- and long-term policy changes aimed at increasing participation among households eligible for nutrition assistance, easing program administration, and supporting the working poor.

Since implementation of the campaign, the Food and Nutrition Service has taken the following actions:

- Conducted program access reviews in every State to identify best practices and provided technical assistance;
- Launched a campaign to educate the public about the nutritional benefits of the FSP;
- Crafted two access guides to help States identify and eliminate barriers to participation faced by working families and the elderly;
- Made policy changes that facilitate the application and approval process, including expansion of food stamp categorical eligibility, nationwide implementation of quarterly reporting and status reporting waivers and an increase of the quality control threshold from $5 to $25; and approved the use of up to 35 percent of each State's reinvestment funding for improving access to their programs.

Q31: What is the status of the state reviews?

A: FNS Regional office staff have completed reviews in every State and corrective measures have been instituted as necessary. FNS plans to continue monitoring program access in the State and local offices through FY 2001 and beyond.

Legislative Action and Proposals

Q32: How does the Agriculture Appropriations bill improve Food Stamp program participation?

A: On October 28, 2000, President Clinton signed the Agriculture, Rural Development, Food and Drug Administration, and Related Agencies Appropriations Act of 2001, which appropriates just over $20 billion for the Food Stamp Program. The Act contains several provisions that make the Food Stamp Program much more responsive to the needs of low-income families:

1. The Act includes a change proposed in the President's budget to make it easier for families moving from welfare to work to own a reliable car and still receive food stamps by allowing State agencies to substitute the vehicle valuation rules they use in their Temporary Assistance for Needy Families (TANF) program, where these rules would result in a lower amount of resources counted towards the household's limit. Up to 245,000 people, most of whom live in working families with children, will benefit from the new law if all States exercise this option. The new vehicle provision is effective July 1, 2001, and will cost about $668 million over the next five years.

2. The Act increases the amount State caseworkers can deduct for excessive shelter expenses when determining the amount of benefits a household receives. It raises the limit from $300 to $340 per month for Fiscal Year 2001, and then indexes it

for future years. By allowing low-income families a more generous shelter deduction, the new law will help more than 400,000 households with high shelter costs by increasing their monthly food stamp benefit. Virtually all (about 95 percent) of the households that benefit include children. Households able to use the entire increase will receive food stamp benefits worth an additional $12 per month, making it less likely that they will have to choose between food and shelter. The shelter provision of the new law is effective March 1, 2001, with a projected five-year cost of $365 million.

3. The Act also makes available $8 million which the Department can use to continue and expand its efforts to improve access to the Food Stamp Program and make eligible individuals aware of vital nutrition assistance.

4. The Act funds a second education initiative, at the $2 million level, that aims at helping Food Stamp Program participants expand their nutritional knowledge, make healthy food choices, and develop thrifty shopping skills.

Q33: What are the changes to immigrant eligibility for food stamps that the President called on Congress to enact?

A: The President's FY 2001 budget included a proposal to restore eligibility to legal immigrants in the United States before August 22, 1996 who either subsequently reach age 65 or who live in a household with Food Stamp eligible children. This proposal would restore benefits to about 165,000 legal immigrants by 2005 at a cost of $565 million. A broader version of this proposal was included in the bipartisan Hunger Relief Act (S.1805/H.R. 3192), restoring food stamp eligibility to all legal immigrants who lost access during welfare reform. This proposal was considered in the Agriculture Appropriation agreement and rejected by the Republicans. We are continuing to push to restore fairness for legal immigrants by restoring access to both food stamps benefits and health insurance through Medicaid and the State Children's Health Insurance Program.

Q34: What changes to child support and responsible fatherhood is the President calling on Congress to enact?

A: The President's FY 2001 budget included proposals to:

- change child support distribution and pass-through provisions to increase the child support paid directly to families; and
- invest in employment and training services for noncustodial parents, most of whom are fathers, seeking to find work and honor their responsibility to their children.

The bipartisan Child Support Distribution Act of 2000 shares these goals and has widespread agreement in Congress. The President has encouraged Congress to take action on these important issues this year.

General Accomplishments for Working Families

Q35: What has the President done to help families moving from welfare to work and other low-income working families?

A: The President started reforming welfare early in his first term, granting waivers to 43 states to require work and encourage personal responsibility, expanding the **Earned Income Tax Credit** and the **minimum wage** to make work pay, and pushing the Congress for nationwide **welfare reform legislation**, which he signed into law in August 1996. Since 1996, he has launched **The Welfare to Work Partnership**, which now includes more than 20,00 businesses that have hired an estimated 1.1 million welfare recipients; **challenged federal agencies to hire welfare recipients** (nearly hired 50,000 to date under the Vice President's leadership); and supported the launch of the **Vice President's Welfare to Work Coalition to Sustain Success**, an array of national civic, service, and faith-based groups working to help new workers with the transition to self sufficiency.

He also fought for and won additional funds for welfare to work efforts, including **$3 billion for the Welfare-to-Work grant program** administered by the Department of Labor, a **new tax credit to encourage the hiring of long term welfare recipients**, funding for **Welfare-to-Work transportation** ($100 million in FY 2001), and **rental housing vouchers** (nearly 200,000 new vouchers).

Last April, the President put in place **new welfare rules** that make it easier for states to use TANF funds to provide such as child care, transportation, and job retention services for working families. The **Welfare-to-Work amendments** included in the FY 2000 budget agreement also help states and communities more effectively serve hard-to-serve welfare recipients and low-income non-custodial parents (mostly fathers).

Last year, the President warned Congress not to renege on the bipartisan commitment to help states and communities finish the job of welfare reform. He vigorously opposed attempts to cut the welfare block grant and the EITC tax refund for low-income workers. And, he has consistently urged states to use the resources and flexibility provided by welfare reform to invest in those who face the greatest challenges moving to work and to ensure that those who have gone to work succeed. In this year's budget, he called for and won increases in funding for housing vouchers and transportation, helped more hard-pressed families access food stamps, and continues to call on Congress to improve fairness for immigrants, raise the minimum wage, improve child support and foster responsible fatherhood.