

Greenstein reaction —
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PHOTOCOPY
PRESERVATION

Immigrants Would Get Food Stamps Back In Clinton Budget

A1 By JAMES DAO

WASHINGTON, Jan. 30 — In the budget he is to present to Congress on Monday, President Clinton will call for spending \$2.5 billion in the next five years to provide food stamps to the hundreds of thousands of legal immigrants whose benefits were cut off by the sweeping Federal welfare law of 1996.

The welfare law removed 935,000 immigrants from the Federal food stamp rolls, according to Government estimates. While the states with the largest immigrant populations, including New York, California, Texas and Florida, have partly filled the void with their own programs, nearly 700,000 poor immigrants are still without food stamps. And in New York City, where officials say 65,000 immigrants have lost the benefits, the President's plan takes on an even greater importance.

Since the day that he signed the 1996 bill, Mr. Clinton has advocated restoring some aid to legal immigrants who have not become citizens. With the Federal budget nearing balance and a strong economy pumping unanticipated tax dollars into the Government's coffers, the time is ripe, his aides argue.

But the proposal is expected to ignite a heated debate on Capitol Hill over its cost and over the role of the

Continued on Page A16

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Federal Government in assisting noncitizens. Already, word of the President's plan has generated strong opposition from House conservatives, who charge that Mr. Clinton is trying to undermine the 1996 law by bits and pieces.

"Noncitizens should look to themselves, their families and their sponsors, not the American taxpayers, for financial support," said Representative Bob W. Goodlatte, Republican of Virginia, who is chairman of a House subcommittee that oversees the food stamps program.

But in New York City, Mayor Rudolph W. Giuliani has been strenuously lobbying to restore the benefits. Officials there say that some families who lost their food stamps have been pushed to the brink of hunger, placing new burdens on already stretched food pantries.

The fight over restoring the aid could also spill over into New York's already contentious Senate race. Advocates of Mr. Clinton's plan are trying to prod Senator Alfonse M. D'Amato into carrying their fight to the Republican leadership, as he did last year in pushing to restore other welfare benefits for legal immigrants. The advocates warn that Mr. D'Amato, a Republican who is running for his fourth term, will incur the wrath of immigrants who have obtained citizenship if he fails to lead the food stamp battle in Congress.

"He is pivotal," said Josh Bernstein, a policy analyst for the National Immigration Law Center in Washington.

Mr. D'Amato, who voted for the 1996 welfare bill, said in an interview that he supported Mr. Clinton's plan, although he had not seen details. "I will be joining with my colleagues to try to win this battle," he said.

Representative Charles E. Schumer, a Brooklyn Democrat who is seeking the Democratic nomination to challenge Mr. D'Amato, said he also supported Mr. Clinton's plan, though he wanted better Federal oversight of the food stamp program to prevent fraud and waste.

Except for a few small groups, including military veterans and recent refugees, the 1996 welfare law ended food stamp benefits for almost all immigrants, a number put at

holds. Connecticut has not established such a program.

But advocates for the poor say that despite local programs, many immigrants are stretching their meager resources to feed their families by substituting canned goods for fresh produce and getting groceries from food pantries.

White House officials and people involved in budget negotiations say Mr. Clinton will call for restoring benefits to the elderly, the disabled and families with children. His plan would also provide assistance to some Hmong refugees. The Hmong are a Laotian mountain tribe that was allied with the United States during the Vietnam War. The Clinton plan would extend to seven years from five the time that refugees are eligible for food stamps after arriving in the country.

In his State of the Union Message on Tuesday, Mr. Clinton made an oblique reference to his plan, saying, "I also want to thank Congress for restoring some of the benefits to immigrants who are here legally and working hard, and I hope you will finish that job this year."

The plan is expected to cover many, perhaps most, immigrants who were in the country before Mr. Clinton signed the welfare bill. But White House officials said there was not enough money to cover all those immigrants.

Advocates for the poor say that if Mr. Clinton's plan is approved, states like New York could supplement the new Federal money with their own funds to provide food stamps to all immigrants. Aides to Gov. George E. Pataki said that he was unlikely to support giving food stamps to able-bodied, childless adults. But Tony Coles, a special adviser to Mr. Giuliani, said the Mayor would probably endorse that idea. New York State splits the cost of its \$83 million immigrant food stamp program with local governments.

"The Mayor would support anything that would maximize coverage for legal immigrants," Mr. Coles said. "He will not be satisfied until we get 100 percent restoration."

Congressional sources, who have reviewed portions of Mr. Clinton's budget said it would also significantly increase aid to New York City for job training programs, education, AIDS treatment and hospitals. Mr. Clinton is expected to propose eliminating Federal operating subsidies for Amtrak, but he will also call for a 44 percent increase in Federal aid to the city's mass transit system, the sources said.

Opponents say Clinton is trying to undo a 1996 welfare law bit by bit.

935,000 by the Department of Agriculture. But more than a dozen states, including New York and New Jersey, have created locally financed programs that are helping to feed more than 240,000 immigrants — leaving almost 700,000 without benefits.

The New York program provides food stamps to children, the elderly and disabled immigrants who came before Aug. 22, 1996, the day Mr. Clinton signed the welfare bill. The program has restored food stamps to about half of the state's 150,000 immigrants who had lost their benefits. The New Jersey program, which is similar to New York's, returned benefits to 10,000 of 16,000 house-

Food stamp loss

Since last fall, 935,000 legal immigrants have been cut from the federal food stamp program, leaving many struggling to survive. President Clinton hopes to restore that benefit.

By Richard Wolf
USA TODAY

PHILADELPHIA — Fai Tong Wong helps serve hot lunches to other elderly immigrants at Holy Trinity Bethlehem Presbyterian Church in this city's impoverished north end. Then he takes half of his own lunch home for dinner.

Wong, 71, and his 68-year-old diabetic wife, Mam Nam Po, lost their food stamps last May under the federal welfare reform law. The cutback reduced their monthly income from \$595 to \$373 — and changed their lives.

Left to live on Wong's part-time, federally funded job with the city's Nationalities Service Center, they buy groceries near the expiration date and clothes at thrift shops. They don't heat their apartment in winter or cool it in summer. "All I can do is lower my living standard to the lowest level it can be," Wong says through an interpreter.

The couple's son and daughter in New York sponsored them when they came to the U.S. seven years ago, but no longer can afford to support them. The part-time job and the food stamps they have received for two years have tided them over. Now Wong has passed his citizenship test and is awaiting an interview that could lead to a restoration of his food stamps.

Skimping on food and other necessities has become commonplace among the nation's legal immigrants who have not yet become citizens. Since last fall, 935,000 of them have been cut from the federal food stamps program.

In a prepared text of his State of the Union address Tuesday night, President Clinton thanked Congress for restoring disability benefits to legal immigrants last year and urged lawmakers to "finish the job" with food stamps. His plan, which faces opposition from some Republicans in Congress, will reignite the debate over welfare reform and immigration.

In the meantime, 13 states have bowed to political pressure and restored aid to about 235,000 immigrants, usually children, the elderly and disabled. The states include those with the largest immigrant populations: California, New York, Texas and Florida.

Nowhere are the cutbacks more controversial



Aides in need of aid: Fai Tong Wong and his wife, Mam Nam Po, help serve meals to fellow immigrants at Holy Trinity Bethlehem Presbyterian Church in Philadelphia. The couple lost their food stamps last May.

States taking the biggest hit

States with the highest number of legal immigrants who are losing federal food stamps. All but Arizona and Pennsylvania are providing state aid for some of the immigrants.

Losing food stamps	
Calif.	300,000
N.Y.	159,000
Texas	133,000
Fla.	92,000
Ill.	26,000
Wash.	22,000
N.J.	22,000
Mass.	18,000
Ark.	10,000
Pa.	13,000
50-state total	935,000

Source: U.S. Agriculture Department, Center on Budget and Policy Priorities

right now than in Pennsylvania. Pressure is building on Republican Gov. Tom Ridge to follow the lead of other states and restore some food stamps.

Food stamp cuts have "had a big impact on the emergency food network," says Berry Friesen, executive director of the Pennsylvania Hunger Action Center. Food pantries are "stretched very thin. Some of them aren't keeping their shelves stocked because of increased demand."

The cuts have hit elderly immigrants hardest. At the New World Association of Emigrants from Russia, in northeast Philadelphia, refugees from the former Soviet Union know it's urgent to learn English and to apply for citizenship.

Some, like Anatoly Chearnyavsky, 52, already live "dollar to dollar." The photographer-turned-maintenance worker lives with his 90-year-old mother, who just lost \$120 in monthly food stamps.

Others, like Ninel Lapteva, 67, a retired journalist, still get food stamps because they came to the USA as refugees. But that aid is cut off after five years — for Lapteva, later this year. Without the \$215 a month she, her husband and mother receive, she says, "I do not want to think what will be."

The food stamp cuts, expected to save \$27 billion over six years, represent more than half the savings under the 1996 welfare reform law. In the

first year under the law, the number of people receiving food stamps fell by nearly 2 million, from about 21 million.

Dropping legal immigrants from the food stamp rolls accounts for \$3.7 billion of the total. The average \$73 per person and \$172 per household.

Most Republicans in Congress say restoring food stamp benefits for legal immigrants who are not citizens would be a retreat from welfare reform. Noncitizens should be supported by their U.S. sponsors, not taxpayers, they say.

"Government benefits have become an increasing draw for people coming into the country," says Rep. Bob Goodlatte, R-Va., who chairs the House panel with oversight.

The cuts fall hard on farm workers, who are responsible for much of the nation's food supply. They rely on food stamps during the winter, when their work runs out. "The purpose of welfare reform was to get them to work. Well, these folks do work. They work really hard," says Shelley Davis of the Farm Worker Justice Fund.

The immigrants aren't the only losers. In some of the nation's ethnic enclaves, the lost food stamps are taking a toll on the entire economy: ► Fresno, Calif., used to have 36,000 immigrants from Southeast Asia on public aid. Now it's down to 20,000. Grocery stores have laid off workers.

► Food pantries have doubled their business and grocery stores are losing customers in El Paso, where about 23,000 legal immigrants lost food stamps last fall.

► Landlords and utility companies have felt the impact in New York City, where many of the 50,000 noncitizens who lost food stamps are falling behind on their bills.

► State of the Union, 1A, 3-4A



Congressman

Bob Goodlatte

Representing Virginia's Sixth District

Press Release

DATE: January 8, 1998
CONTACT: ELLEN STROUD

GOODLATTE CRITICIZES CLINTON PROPOSAL TO ABANDON FOOD STAMP REFORMS

**Subcommittee Chairman Criticizes President's Call to
Expand Food Stamp Program**

WASHINGTON, D.C. -- CONGRESSMAN BOB GOODLATTE (R-VA), CHAIRMAN OF THE HOUSE SUBCOMMITTEE WITH JURISDICTION OVER THE FEDERAL FOOD STAMP PROGRAM, TODAY REJECTED A REPORTED PROPOSAL BY PRESIDENT CLINTON TO GIVE FOOD STAMPS TO NON-CITIZENS, CRITICIZING THE PRESIDENT'S PROPOSAL TO EXPAND FEDERAL WELFARE BENEFITS AT A TIME WHEN CONGRESS' WELFARE REFORMS ARE SUCCEEDING.

According to Administration aides, President Clinton will propose to extend food stamp benefits to non-citizens in his fiscal year 1999 budget submission. The President has failed to indicate how he would pay for such a major expansion of the food stamp program.

"For the past century, our laws have said that immigrants who are likely to go on welfare should not be allowed to enter the country, and those who do have been subject to deportation. Non-citizens should look to themselves, their families, and their sponsors, not the American taxpayers, for financial support," said Goodlatte, who chairs the House Agriculture Subcommittee on Department Operations, Nutrition, and Foreign Agriculture.

"This Administration fails to understand that welfare hurts people by creating a never-ending cycle of dependency that lasts for generations. Furthermore, it's fiscally irresponsible to use good economic times as an excuse to permanently expand welfare," Goodlatte said.

Goodlatte has long led congressional efforts to reform the federal food stamp program and to end food stamp waste, fraud, and abuse. Last year, Goodlatte's H.R. 1000 -- a bill to end prisoner participation in the food stamp program -- passed the House of Representatives by a vote of 409-0. Goodlatte has pledged to continue to use his subcommittee, which has jurisdiction over the food stamp program, to aggressively pursue food stamp waste and fraud and to further the goals of

welfare reform.

Congressman Goodlatte represents Virginia's Sixth Congressional District, which includes Roanoke, Lynchburg, and the Shenandoah Valley.

www.house.gov/goodlatte

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Greenstein: matching less favorable than expected

recommending basic exemption for fams w/children; something was shared

dangerous precedent....afdc....block grant....fed safety net

80's idea -- would have been easier to ding fs if this had been around

Stacy -- hunger gps; Farr/Fax -- options/menu with match option a while back -- booed out of room

Immig perceive it as half a benefit... They hate that;

hunger groups don't think states will stick with it

ch, refugees, working poor, elderly & disabled; leftovers aren't many

fams with children: \$1.9b; fams with children under 7: \$700m

Just kids: \$600m

She and Bob like ch and refugees



CENTER ON BUDGET AND POLICY PRIORITIES

F A X

From the desk of...
ELLEN NISSENBAUM
Legislative Director

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nissenbaum@center.cbpp.org

**Center on Budget
and Policy Priorities**

To: Diana Fortuna/Cynthia Rice – 456-7431
Date: December 19, 1997
Re: Food Stamp restoration for legal immigrants

We sent this fax earlier today to a number of Administration folks, and thought you would be interested.

ROBERT T. MATSUI
FIFTH DISTRICT, CALIFORNIA

COMMITTEE ON
WAYS AND MEANS

SUBCOMMITTEE ON TRADE
RANKING DEMOCRAT
SUBCOMMITTEE ON
HUMAN RESOURCES

WHIP AT LARGE

Congress of the United States

House of Representatives

Washington, DC 20515-0505

December 11, 1997

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The Honorable William J. Clinton
President of the United States
The White House
Washington, D.C. 20500

Dear Mr. President:

When you signed the welfare bill in August of 1996, you mentioned two areas in which you believed the bill was flawed and should be improved: food stamps and benefits for immigrants. You followed through on those sentiments in the recent Balanced Budget Act by restoring SSI benefits to certain elderly and disabled immigrants. The Balanced Budget Act did not, however, address food stamps and, in particular, children in immigrant families.

These problems have an acute California angle. Consider the following facts. Nearly half of the one million legal immigrants who lost federal food stamp eligibility under the 1996 law live in California. Of these approximately 500,000 individuals, 86% are families with children. Thus, to help California, there must be a concerted effort to restore food stamps to families with children.

In addition, it is important to keep in mind that almost all Californians receiving SSI are automatically ineligible for food stamps. It is therefore clear that while it is important to extend the Balanced Budget Act provisions to cover food stamps as well as SSI for the elderly, disabled, and refugees, restoring benefits to this population alone would do little to help most individuals affected by the new law in the state of California.

As you consider additional changes to the 1996 welfare law, I urge you to consider the dynamics of California, the nation's most heavily populated immigrant state. Policies must take into account children in families of legal immigrants and their working parents. Thank you very much for your consideration.

Sincerely,

Robert T. Matsui
Robert T. Matsui

PATSY T. MINK
SECOND DISTRICT, HAWAII

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Congress of the United States
House of Representatives
Washington, DC 20515-1102

December 18, 1997

COMMITTEE ON THE BUDGET
COMMITTEE ON EDUCATION AND
THE WORKFORCE
EARLY CHILDHOOD, YOUTH AND
FAMILIES SUBCOMMITTEE
OVERSIGHT AND INVESTIGATIONS SUBCOMMITTEE
CAUCUS: DEMOCRAT
COMMITTEE ON GOVERNMENT REFORM
AND OVERSIGHT
(ON 10/98)
REGION II WHIP
DEMOCRATIC CAUCUS EDUCATION
AGENDA TASK FORCE, CO-CHAIR
CONGRESSIONAL ASIAN PACIFIC
CAUCUS, CHAIR

THE HONORABLE WILLIAM J. CLINTON
THE PRESIDENT
THE WHITE HOUSE
1600 PENNSYLVANIA AVE NW
WASHINGTON DC 20500

Dear Mr. President:

As you make your final decisions regarding the FY 1999 budget proposal, I write to bring to your attention an issue of deep concern to the Congressional Asian Pacific Caucus and the community we represent -- the need to restore Food Stamp benefits to the significant number of poor legal immigrants who lost their benefits as a result of the 1996 welfare law.

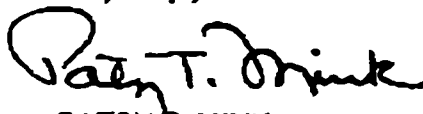
With your leadership we achieved great success this year in restoring some of the benefits which were denied legal immigrants in the 1996 law. Your strong commitment to remedy this injustice is greatly appreciated. However, the one area that has not been resolved for legal immigrants is Food Stamps. We have now seen the significant impact the denial of Food Stamps has had in the Asian Pacific and other immigrant communities, especially for families with children and the elderly.

For many legal immigrant children and families and for many refugees, Food Stamps were their only federal government support. This supplement was essential for their basic nutritional needs. Though some states have tried to fill the gap with one year of state funded food assistance to immigrants, the large majority of legal immigrants live in states that haven't taken any such action. In addition, the state programs have fallen far short of what is necessary to maintain the basic level of support provided by the federal Food Stamp program.

State action is no substitute for reinstating the federal entitlement to Food Stamps. Legal immigrants and refugees deserve the same universal standards and protections afforded all other needy families and individuals across the country.

We respectfully request that this issue receive the highest priority in your FY 1999 budget proposal. Thank you for your consideration.

Very truly yours,


PATSY T. MINK
Member of Congress

12/15/97 MON 10:21 FAX 202 225 2202

202 225 2202

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Congress of the United States
House of Representatives
Washington, DC 20515

December 12, 1997

The Honorable William J. Clinton
President of the United States
The White House
Washington, DC 20500

Dear Mr. President:

We are writing to express our concern over the devastating impact that the loss of food stamp assistance is having on immigrant communities. We ask that you make restoration of food stamps for legal immigrants one of your highest priorities for inclusion in the federal budget for fiscal year 1999.

We greatly appreciate your efforts this year to restore some essential services to certain legal immigrants which had been cut by 1996 welfare legislation. The restoration of SSI and Medicaid to elderly and disabled immigrants in the Balanced Budget Act prevented a major crisis for a very vulnerable group. However, it is important to note that many immigrants, notably children, received no such relief, and certain categories of services including food stamps, remain unavailable to all legal immigrants.

As you finalize your budget proposal, we strongly urge you to make every effort to provide full restoration of food stamps for legal immigrants. We have already seen the effects of the loss of nutrition assistance in the immigrant communities in our districts. Sectors of the immigrant community which are being hardest hit include working, low-income families with children, the elderly, and the disabled. As you know, some 900,000 legal immigrants who were receiving federal food have lost this greatly needed assistance. Approximately 600,000 U.S. citizen children with immigrant parents will have less food on their tables because of these cuts, bringing the estimated total of affected individuals to at least 1.5 million.

Census figures indicate that almost one third of low-income Latino families had at least one year-round, full-time worker in 1995. Even those who manage to secure full-time work are unable to provide sufficiently for their families without the assistance of food stamps. It is ironic that immigrant farmworkers, those who toil in the fields to put food on our tables, are suffering from the inability to feed their own families.

It is essential that food stamps be restored as a federal entitlement. Relying on states to "fill the gap" is neither sound policy nor an acceptable resolution to this problem. While twelve states are providing limited food stamp coverage to immigrant communities, only Washington and Nebraska are providing full access to food stamps for legal immigrants. Nearly all twelve of these states have appropriated funds for food stamps for only one year. Immigrants are not assured of

The Honorable William J. Clinton
December 12, 1997
Page 2

coverage beyond the one year. When the food stamp program was initiated, President Nixon established it as a program with universal standards and benefits. Immigrants should not be treated differently simply because of where they live, while citizens receive equal treatment across the states. Food pantries and soup kitchens are reporting a growing emergency caused in part by demand for services from legal immigrants who lost food stamps. Catholic Charities USA reports that its church-based pantries have shelves that are nearly empty. Similarly, Second Harvest reports a 15% increase in requests for emergency food assistance across the country. The U.S. Conference of Mayors reports an 11% overall increase in requests for emergency food assistance over the last year.

When you signed the 1996 welfare law, you singled out the immigrant provisions as particularly unfair, and your Administration took a major step in fixing the damage by restoring SSI and Medicaid to nearly 500,000 elderly and disabled immigrants. While this is an important first step, nearly twice as many legal immigrants have been thrown off of the food stamp rolls. This issue has already received significant attention in the media; it is likely to receive increased scrutiny as the crisis grows.

For Members of the Congressional Hispanic Caucus, the restoration of food stamps to legal immigrants is one of the most important issues requiring attention in the drafting of the FY-1999 Budget. We are committed to helping you in this effort in any way. We look forward to your response.

Sincerely,


XAVIER BECERRA
Chairman, Congressional Hispanic Caucus


LUIS GUTIERREZ
Chairman, CHC Immigration and Citizenship
Task Force

DEC. 18. 1997 5:33PM SEN DIANNE FEINSTEIN

NO. 432 P. 2

DIANNE FEINSTEIN
CALIFORNIACOMMITTEE ON FOREIGN RELATIONS
COMMITTEE ON THE JUDICIARY
COMMITTEE ON RULES AND ADMINISTRATION**United States Senate**

WASHINGTON, DC 20510-0504

(202) 224-3841

December 17, 1997

The Honorable William J. Clinton
President of the United States
The White House
Washington D.C. 20500

Dear Mr. President,

I am writing to urge you to include in the FY99 budget, funding to restore food stamp benefits for certain legal immigrants. As you know, the 1996 Welfare Reform banned both Supplemental Security Income (SSI) and food stamps for legal immigrants and this year's budget agreement only restored SSI, but not food stamps for legal immigrants.

Under 1996 Welfare Reform, approximately 900,000 legal immigrants nationwide lost federal food stamp benefits. In California alone, over 278,000 legal immigrants lost food stamp benefits, costing California over \$200 million in food stamp funding. Governor Wilson's FY99 budget only provides \$34 million in state funding for food programs for immigrant children and senior citizens but not family members of children. This means over 83% of destituted legal immigrant family members of children who rely on food stamps for survival will not get any federal or state food stamp assistance. It also means a cost shift of over \$166 million to local counties who are already financially strapped for funds under Welfare Reform to take care of the hungry and destituted legal immigrant families of children.

I urge you again to provide food stamps for legal immigrants in your FY99 budget to provide a safety net for those destituted legal immigrant families with children who rely on food stamps for survival.

Sincerely,

Dianne Feinstein
United States SenatorFRESNO OFFICE:
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INDIAN AFFAIRS
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FOREIGN RELATIONS

December 18, 1997

The Honorable William J. Clinton
President of the United States
The White House
Washington, DC 20500

Dear Mr. President:

As you finalize your budget proposal for FY 1999, I encourage you to ensure that food stamp benefits are restored for all legal immigrants. In signing the 1996 welfare reform bill, you recognized the unfairness of its provisions affecting immigrants. While the Balanced Budget Act of 1997 restored some benefits for legal immigrants, food stamps were not among them.

Despite a strong economy and low unemployment, the need for food assistance is on the increase, especially among immigrants. Catholic Charities USA recently reported that the demand for free food is swelling nationwide, and that some of their pantries are completely out of food for the first time in many years. Second Harvest has experienced a 15 percent increase in requests for emergency food. A recent report by the Conference of Mayors found that requests for emergency food rose 16 percent this year, the largest increase since 1992. Only two of the 29 cities surveyed by the Conference were able to meet all their food requests.

What accounts for these disturbing trends, and what can be done about them? Certainly some of the cause is directly related to cuts made in the welfare reform bill. 900,000 legal immigrants were dropped from the federal food stamp rolls this year as a result of welfare reform. In addition there are 600,000 U.S. citizen children with immigrant parents who have less access to food because their parents lost their food stamps.

In Minnesota, cuts in food stamps have had a major impact on our immigrant communities. While the state has offered temporary and partial food assistance for legal immigrants to replace certain federal benefits, it has not been enough. Food banks have experienced a noticeable increase in demand for their services, especially in the Hmong and Somalian communities.

Food stamps for legal immigrants must be restored as a federal entitlement. The need to eliminate hunger for legal residents of this country should remain a national responsibility, not contingent on state action. As of today only three states have provided full access to food stamps for legal immigrants. And most of the twelve states who have any food stamp coverage for immigrants have appropriated funds for only one year, at a level below what federal entitlements had been.

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12/19/97 FRI 10:33 FAX

003

Reinstating federal food stamp benefits for legal immigrants will help restore an essential safety net for individuals legally residing in this country. If reinstated, these immigrants will once again be able to provide adequate nutrition for themselves and their children. And, as I am sure you are aware, two thirds of the immigrants who have lost food stamps are children, a disturbing fact that must be changed. While the Balanced Budget Act of 1997 took the first steps to reinstate needed services for legal services, it did not go far enough. I strongly encourage you to include the reinstatement of federal food stamp benefits in your budget submission for FY 1999.

Sincerely,



Paul Wellstone
United States Senator

cc: Erskine Bowles, White House Chief of Staff
Franklin Raines, Director of OMB

Washington Post (Editorial)
 Washington, DC
 December 17, 1997

When Small Is Not Beautiful

OFTEN THE politicians try in budgeting to make large amounts look small. The reverse is likely to be true in next year's federal budget; small amounts and disputes will be made to look large. If the president and Congress stick to the spending limits they set for themselves in this year's balancing agreement, the budget will be tighter than even some of those who voted for it may yet understand. The rules set up a zero-sum game in which, as a practical matter, new programs can be added only if older ones are cut back.

That means most changes are going to be small and hard-fought. But of course next year is also an election year in which neither party is going to want the voters to feel forgotten. Both will want to seem to be doing more—by way of adding services or cutting taxes—than they can afford. For that reason, too, you can expect small steps to be inflated in size and importance.

A little of this already is evident in the preliminary maneuvering. The welfare bill the president let become law last year included all manner of cuts in other programs for the poor having little or nothing to do with welfare. In trying to justify his signature, he said he'd work to reverse them, and this year some were reversed. Now there's pressure on the administration to do some more—continue the repairs. Nearly half the Senate—41 Democrats, six Republicans—has signed a letter to budget director Franklin Raines asking, among other things, that food stamps be restored to legal immigrants, and particularly to immigrant families with children. A list of advocacy groups has done the same. It includes the principal group repre-

senting the interests of Hispanics, whose future votes both parties are busily courting in such major battleground states as California.

The restoration of food stamps is the right thing to do, and the president owes it. Nor would it be that large an expense as a share of the total budget. But as a share of the limited amount the president will have available next year for new initiatives, it is a hefty amount—and there are lots of other things, some of which have broader political appeal, that he also wants to do. He and aides speak of wanting to increase federal aid for child care, health care, education, energy conservation—all the familiar totems. And that's just his list. The Republicans will have one of their own. They (and some Democrats) want to cut taxes and increase highway spending, for example.

Two bad things can happen in a competition for scarce funds such as this. One is the shoving aside of weaker constituencies, such as needy foreigners legally here, who, precisely because of their weakness, may be the claimants in greatest need of extra aid. The other is, of course, a budget breakout. If the economy continues to drive down the deficit, why not relent a little and spend some of the dividend? What happens when the economy then stops expanding or the baby boomers begin their retirement is left to someone else. You can already hear a certain amount of such talk in Congress: We've solved the budget problem; now what do we do with the proceeds? That's the question they pose—but they haven't solved the problem, as the year ahead is about to attest.

Los Angeles Times (Editorial)
Los Angeles, CA
December 17, 1997

Food Is No Luxury

White House should seek restoration of aid for legal immigrants

The White House advisors drawing up budget recommendations for President Clinton's sixth year in office should do the right thing and restore food stamps for legal immigrants, especially families with children.

California suffered the heaviest loss when Congress passed the 1996 Welfare Reform Act and its restrictions on immigrant aid. Clinton signed it with a caveat: that he would find a way to fix this aid problem, which he said was particularly unfair. Now is the time. He should redress the wrong by proposing about \$500 million a year in the new budget to restore the food stamp program for low-income families with children, the elderly and the disabled.

Congress and the Clinton administration already took a major step in repairing part of the damage by restoring Supplemental Security Income (SSI) and Medicaid to nearly half a million elderly and disabled legal immigrants. But more needs to be done.

In total, about 1.5 million people have felt the weight of the cuts. The welfare reform law booted 900,000 adult legal immigrants out of the

food stamp program nationally. The reduction, now fully implemented, has had a devastating effect on their households, which also contain 600,000 children who were born in the United States and thus are U.S. citizens.

The cuts have created a national crisis in charitable food pantries and soup kitchens. Now, Catholic Charities USA and other community-based organizations report that their shelves are almost empty.

In California alone, close to 280,000 people were cut from the food stamp rolls a year ago. Of those affected by the cuts, 86% are members of families with children. The state's commitment to providing food stamps to them covers only a fraction of the need, and in many cases the restoration is only partial. Restoration of food stamps to legal immigrants is compassionate and absolutely necessary.

The White House staff has identified budgetary areas that can provide the funds for the program. The government, in justice and fairness, should share America's food bounty with those in need.

New York Times (Editorial)
New York, NY
December 13, 1997

Our Hungry Legal Immigrants

Close to a million legal immigrants across the country have had food stamps revoked under the 1996 welfare law, 50,000 in New York City alone. The city's food distributions to soup kitchens and food pantries are soaring, and some are reportedly running out of food each month. But statistics mask the individual tragedies. As reported by Rachel Swarns of The Times, a mother of four from Trinidad has been forced to use her rent money for food and substitute Kool-Aid for orange juice. A Peruvian mother spends her days pleading for groceries in one food pantry after another.

White House officials will meet next week to decide what programs need additional money next year. No item should rank higher than food stamps for the legal immigrants cut off by the harsh 1996 act. Congressional leaders and some Administration officials smugly believe that this year's balanced-budget plan corrected the worst of the 1996 cuts in aid to immigrants. But Congress restored Medicaid coverage and cash assistance for only some elderly and disabled immigrants. It did not restore food stamps. Food stamps are crucial because they are the only surviving welfare program

whose benefits are set by Washington and not dependent on the generosity of state legislatures.

A dozen states, including New York, have decided to spend their own money restoring food stamps for immigrants. But almost all of these state programs cover only some groups of immigrants, like children or the elderly, and are likely to shrink once state budgets contract under the weight of the next recession. Even in these generous states, however, the picture is not pretty. In New York, for example, a Cambodian father of six has seen the value of food stamps fall to \$127 a month from \$354. A Dominican mother of three has lost \$214 a month in food stamps.

Rising tax revenues in flush economic times should give the Administration some leeway to raise spending next year. White House officials have already drawn up a tentative list of entitlement programs to trim to make way for new initiatives. The cost of restoring food stamps need not be huge. Providing them for immigrant households with children would cost only about \$400 million a year — a small price to put food back on children's plates.



CENTER ON BUDGET AND POLICY PRIORITIES

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Broadcast Fax

To:

Jack Lew	395-1005
Gene Sperling	456-2878
Barbara Chow	395-6170
Emil Parker	456-2223

FROM:

Bob Greenstein

REGARDING:

Elderly and Disabled Immigrants vs. New Entrant Families

DATE:

December 21, 1997

NUMBER OF PAGES:
(including cover sheet)

7

Comments:

vs disabled/elderly

- Fam w/ children

- Among 80m

- Refugees 200m

- CHRP/MA

*- exemption from
ban + tougher
deeming
- But if affidavit,
that applies*



*Do disabled +
elderly in SS I only
Exclude non-SSI;
save \$100m*

*Spent
Svcs - affid
Counts*

 **CENTER ON BUDGET
AND POLICY PRIORITIES**

To: Jack Lew
Gene Sperling
Barbara Chow
Emil Parker

From: Bob Greenstein

Subject: Elderly and Disabled Immigrants vs. Post-August 22 Families with Children

Date: December 21, 1997

Kudos on a terrific job in securing approval for a substantial immigration restoration proposal. All of us who have been seeking inclusion of such a proposal in the budget are very grateful to the four of you. This memo concerns one remaining issue that we are concerned about — the trade-off between elderly/disabled conformity and families that enter the country on or after August 22, 1996 (i.e., “new entrant” families).

I think I understand the case for proposing to cover new entrant families rather than the elderly and disabled — it includes the judgment that Congress is likely to put back the elderly and disabled anyway, a desire to propose a large families-with-children restoration so there is room to give something up there and still secure a substantial restoration, and the desire to uphold the principle — to which we all adhere — that families in need should be able to receive assistance without regard to their date of entry. But we still come out on the other side. Let me set forth the opposing case. It consists of five points.

- Given the intense competition for funds in the agriculture research bill that is likely to go to conference between the House and Senate Agriculture Committees and then to pass both chambers in February or March — and the lack of interest in immigrants among the overwhelming bulk of members of both Agriculture Committees — we probably will *lose* the elderly/disabled restorations if the President’s budget fails to include them. If the President does not ask for these funds, the Ag. Committees will use more of the resources in this bill for ag. research, crop insurance, and the Fund for Rural America and less for immigrants. The result will be that food stamp cost allocation savings in the ag. research bill that could go to restore food stamps for poor elderly and disabled legal immigrants will instead go for ag. programs, and we will end up with less total food assistance for immigrants.
- Including funds in the budget for post-August 22 families rather than for the elderly and disabled entails placing funds where we have no chance of securing them instead of placing them where we have a good chance of getting them if the Administration requests them.

- It makes sense that you should propose more than you will end up with for families with children. But covering all families with children, including families with able-bodied parents who are not working, puts us far beyond anything the Republican Congress will give us regardless of whether your proposal also covers new entrants. Removing new entrants still gives you considerable room for maneuver.
- Moreover, to win as much as possible of an Administration proposal relating to families with children, we will need a powerful coalition united behind the Administration's overall immigrant proposal. After all, we face formidable obstacles in seeking substantial restorations of food stamps for legal immigrants. There will be few mandatory savings to go around this year. And there is a distinct lack of interest on the part of the Agriculture Committees. There is only one senator on the entire Senate Agriculture Committee from a large immigrant state and that is Phil Gramm. There are *no* Republicans (and only one or two Democrats) on the House Agriculture Committee with significant immigrant populations in their districts. These Committees are not like Finance and Ways and Means insofar as immigrants are concerned; there really are no members on either agriculture committee who care much and will fight hard on the immigrant issues. Charles Stenholm is probably the best we have, and Charlie, who has virtually no immigrants in his district, currently has no interest in anything beyond partial-BBA conformity.

To win any significant families-with-children restoration, we will need a powerful effort by a united front of organizations and an array of Members of both parties who are not members of the Agriculture Committees, backed up by grassroots activity as well as help in approaching certain key Members of Congress by individuals who are strong, well-connected political supporters of these Members and have close ties to constituency organizations working the immigrant issue. I do not think we can pull this off if the elderly and disabled are left out. Not including them will deprive us of support from the disability community and of much help from the Jewish community, both of which were important to winning this year's immigrant restorations. Instead, we'll have a somewhat fractured coalition, with different elements advancing divergent propositions.

Also, I'm concerned that we will be able to enlist fewer key Senators and Representatives in the effort to push the Budget and Agriculture Committees and the Congressional leadership if we do not have the appeal of restorations for the vulnerable elderly and disabled in the package. We need to be able to go to Members and say that the elderly immigrant with heart disease or Parkinson's whose SSI the Member helped restored last year still had her food stamps yanked away, and the Administration package we are supporting would fix this problem.

- Finally, even if you somehow, miraculously, were to get the post-August 22 families covered, it would be a hollow victory due to the welfare and immigration law rules concerning sponsor affidavits and deeming. *The sponsors of most of these families with children would be required to repay the government for the value of the food stamps the family received, which would likely have a chilling effect on participation. In addition, deeming would make many families ineligible and have a further chilling effect on participation by those remaining eligible. Few post-August 22 families would likely apply and get assistance. (The deeming issues are quite different here than they were when you proposed restoring SSI for new entrants who became disabled after entry and restoring Medicaid for new entrant children. Under pre-welfare law rules, deeming never applied to those who became disabled after entry or to the Medicaid program, and a strong case thus could be made for disposing with deeming rules in conjunction with these restorations. But deeming has always applied to families with children on food stamps, and it will be extremely difficult to scale back food stamp deeming as it applies to new entrants.)*

One final thought is that there may be a way to cover within your cost constraints both some post-August 22 families *and* the elderly and disabled. Suppose you proposed to make the food stamp rules for new entrant families with children like those used in TANF and Medicaid — in other words, suppose you proposed a five-year bar on food stamp assistance for new entrant families with children (and hopefully no deeming after that) rather than a bar until citizenship. This should have minimal cost in the five-year budget window, and that, in turn, could enable you to put back elderly/disabled conformity. (Of course, the fact that sponsors generally would be asked to repay the value of the food stamp benefits for new entrant families with children still would limit participation to low levels and render this restoration of small value.)

Several of these points are discussed further on the pages that follow.

1. Can we win the elderly/disabled restorations in the ag. research bill if they're not in the President's budget?

I think this is highly unlikely. The limited money in the ag. research bill has to be divided four ways — ag. research, crop insurance, Fund for Rural America, and food assistance. The competition is intense. If the Administration's budget covers refugees, asylees, and the Hmong but fails to include elderly and disabled conformity, then coverage of the refugees, asylees, and the Hmong is very likely all we will get (at a cost of about \$300 million). Furthermore, if, as I'm told, the Administration's budget *makes crop insurance mandatory* and does so without covering elderly and disabled immigrants, the chances of covering the elderly and disabled in the bill will be very small.

The ag. research bill that the Senate has passed and that will go to conference contains *zero* for immigrants. Until early November, Senator Harkin, the ranking Democrat on the Senate Ag. Committee, wanted to do no more for immigrants in the

conference on this bill than extend the five-year exemption for refugees and asylees to six years. Rep. Stenholm also did not want to do very much — he proposed extending the refugee/asylee exemption to seven years. *Elderly and disabled exemptions weren't even being discussed* by Ag. Committee Democrats, who were focused on agriculture increases. Only when Rep. Xavier Becerra blocked unanimous consent on the House ag. research bill with a few days left in the Congressional session did Stenholm come back and propose two more pieces — covering disabled people who were *on the food stamp rolls* on August 22, 1996 and the Hmong — in an effort to get Becerra to back off. And only after Rep. David Obey blocked UC a second time (this time blocking UC on a measure to send the ag. research bill to conference) did Harkin and Leahy's staffs propose adding to Stenholm's offer a restoration for elderly immigrants aged 75 and over; their idea was to generate enough Hispanic and liberal House support to compel Obey to back down. (Obey's blockage of the ag. research bill was for reasons unrelated to the immigrant issue.) Incidentally, the response of Senator Lugar's staff to the Harkin/Leahy proposal was that they generally liked it but that its immigrant restorations were a bit too big.

I mention these developments because they signify two things. First, even the elderly/disabled proposals advanced as part of eleventh-hour desperation efforts to overcome opposition to UC requests so the ag. research bill could pass before Congress went home fell well short of full elderly/disabled BBA conformity. These proposals did *not* cover people who were in the U.S. on August 22 but became disabled at a later date. They also did *not* cover elderly individuals aged 65 to 74 who were on the rolls on August 22, 1996. Second — and most important — now that we no longer are in the waning days of a Congressional session and UC will not be essential for the House to get to conference, there is likely to be little chance of getting elderly/disabled restorations in this bill if the Administration can't find money in its own budget for them. Rep. Stenholm and Senator Harkin themselves would prefer to spend the money on ag. programs. Needless to say, so would the Republicans.

Hence, if the Administration's budget contains the refugee/asylee and Hmong proposals but not the elderly and disabled piece, the refugee, asylee, and Hmong pieces are likely to be all of the immigrant restorations that make it into the ag. research bill. And as noted, if the Administration proposes to make crop insurance mandatory but not to cover elderly and disabled immigrants, the likelihood any of the money will go to the elderly and disabled becomes very small since crop insurance and immigrants will essentially be competing with each other.

What makes this scenario so unfortunate is that the immigrant restorations in the ag. research bill may be all that we get this year. If there is no budget deal because the price the Republicans want for it is too high, there probably will be no immigrant restorations other than those in the ag. research bill. For these reasons, we and the immigrant groups believe we need to go after as much of BBA conformity in the ag. research bill as we can get. That, in turn, makes it essential for the Administration to have full BBA conformity in its budget.

2. We have no chance of winning restorations for post-August 22 families

Last year you worked extremely hard for SSI for new entrants who became disabled after entry as well as for Medicaid for new entrant children. If we cannot win SSI restoration for people maimed in a workplace accident or hit by a bus and we also cannot get Medicaid for sick children, we surely cannot get food stamps for new entrant families, some of whom are headed by able-bodied parents on welfare. In addition, if we can't win SSI or Medicaid restorations for new entrants in the Finance, Ways and Means, or Commerce Committees, we certainly can't get such restorations in the Agriculture Committees, which are more conservative and contain far fewer Members from states or districts with significant immigrant populations. Sad to say, it just can't be done.

Thus, to propose to cover this group instead of the elderly and disabled is to forgo the opportunity of helping a significant number of poor immigrants. The likely result would be less overall help for poor immigrants.

I understand that the priorities which we and the immigrant groups are advancing mean violating the principle that date of entry should not matter, a principle to which we all subscribe. But to us, the larger principle is not to miss the opportunity to provide as much assistance as we can get to poor immigrants — not to leave elderly and disabled immigrants hungry by proposing to put funds in a place where there is no chance of securing them.

We also are struck by another consideration. Even if you did miraculously get restorations for the post-August 22 group, it wouldn't matter very much. As noted, sponsors would be asked to repay the government for food stamp assistance provided to families with children that entered the United States under the new affidavits of support, and few would likely apply in these circumstances. (This requirement is part of the immigration law, and an effort to remove it would entail asking Rep. Lamar Smith to reopen the immigration law, something none of us want.) Furthermore, the welfare law imposes deeming until citizenship (or until 40 quarters of work in the U.S.) for those who enter after August 22, 1996. USDA data show hardly any immigrant families get food stamps during the deeming period. The chances of getting the Republican leadership and the Ag. Committees to agree *both* to restore food stamp eligibility for post-August 22 families with children *and also* to blow away deeming after, say, three years in the United States are essentially zero.

3. The need to propose more for families with children than you will end up with

We agree that you need to start out proposing more for families with children than you hope to end up with. *But how much you are able to get of what you propose for immigrants and especially for families with children depends in substantial part on the public support and Congressional support generated for the Administration's immigrant proposal.* Excluding the elderly and disabled (while including new entrant families, including families headed by able-bodied parents who are not working) will result in the generation of considerably less support for the proposal. The disability groups won't be involved. The Jewish

groups will be involved at a far lower level. I also believe that exclusion of the elderly and disabled will hurt us badly with a number of senators and representatives whose support we need early on. I think it's unwise politics to leave the elderly and disabled out. (Note: if you propose the elderly and disabled restorations, we will be able to get only part of them in the ag. research bill, and the broader coalition will continue beyond that bill; politically, there is no way to get full BBA conformity in the ag. research bill, since it costs too much.)

Moreover, if you leave out the post-August 22 families (or, alternatively, leave out able-bodied non-working parents while retaining new entrant families), there still will be plenty to give up in the families-with-children area. There is almost no chance we can win Congressional approval either for the post-August 22 families or for able-bodied non-working immigrant adults. (In fact, I won't be surprised if we get only children who were here before August 22, although I think there is some hope of winning working parents.) We will be able to get a larger proportion of the Administration's request if we have a broader coalition and greater Congressional and grassroots support. We need the appeal of the elderly and disabled — and the active support of the disability and Jewish groups — to secure the broad, strong support we need for the Administration's proposal.

A Possible Alternative

Right now, new entrants are barred till citizenship (or 40 quarters of work) from receipt of food stamps and SSI. TANF and Medicaid bar new entrants for their first five years here. (Restoring eligibility for TANF and Medicaid after five years is a state option.) Your current proposal would take food stamps from having, along with SSI, the most stringent rules for new entrants to having the most liberal rules of any major program. Josh Bernstein asks whether the following idea is viable.

- Propose to make food stamps for new entrant families with children like TANF and Medicaid in that there would be a five-year bar on food stamps for such families. Families would become eligible for food stamps after the five-year point if they otherwise qualified. (Deeming also would be limited to an individual's first five years here.)
- This would mean there should be very little cost in the five-year window. The savings would be used to include elderly and disabled conformity in the budget.¹

¹ If this idea isn't viable, Josh, like the rest of us, favors covering the elderly and disabled over the post-August 22 families.



Record Type: Record

To: Bruce N. Reed/OPD/EOP, Elena Kagan/OPD/EOP, Cynthia A. Rice/OPD/EOP

cc: Laura Emmett/WHO/EOP

Subject: Legal immigrant budget options

FYI, here's what OMB is carrying in legal immigrant benefit restorations.

1. Food Stamps -- \$2.7 billion over 5 years

Restore benefits to:

- all families with children
- disabled/elderly population who got SSI/Medicaid benefits restored (i.e., here when law was signed)
- Let refugees/asylees get benefits for 7 years after arrival. (Current law is 5 years; we extended it to 7 years for SSI/Medicaid, so this would conform to that for food stamps.)

Possible ways to scale this back are to:

- drop the disabled/elderly (saves about \$600 million)
- drop non-working parents -- i.e., cover working parents only (also saves about \$600 million)

OMB is pushing to include non-working parents on the theory that they're the poorest. Also, if we cover kids but not parents, advocates will argue that we're still hurting the kids, since the household eats together.

These restorations would cover both people here when the law was signed and new entrants. The strategy is that we should let Congress propose scaling it back.

There will probably be some action on this issue early on, when the "Ag research" bill comes up. This is the vehicle to spend the \$1 billion+ in cost allocation savings. The expectation is that this money will be divided among crop/agriculture and legal immigrants, with perhaps \$400 million in restorations potentially happening at that time.

2. State Option to Cover Legal Immigrant Children under Medicaid and CHIP -- \$200 million

This is small and politically popular. It only applies to children entering after the law was signed, since those who were here in 8/96 are already covered.

Miriam H. Vogel

12/09/97 12:11:31 PM

Record Type: Record

To: See the distribution list at the bottom of this message

cc:

Subject: Food Stamps/Immigration Benefits Mtg

FYI: This is the latest Manifest for today's Meeting:

Sharon Daly - Catholic Charities USA
Nandy Wisdow - US Catholic Conference
Diana Aviv - Council of Jewish Federation
Jennifer Vassilow - Coaliton on Human Needs
Helen Blank - Children's Defense Fund
Cecilia Munoz - NCLR
Ellen Nissenbaum - Center on Budget & Policy Priorities
Janet Park - National Asian Pacific American Legal Consortium

Waiting to hear back from:

Josh Bernstein - National Immigration Law Center

Certificate / univs
Ballon - drop \$
Novelty Casco

4-Learne

Message Sent To:

Maria Echaveste/WHO/EOP
Maureen T. Shea/WHO/EOP
Diana Fortuna/OPD/EOP
Emil E. Parker/OPD/EOP
Laura Emmett/WHO/EOP
Doris O. Matsui/WHO/EOP
Ann T. Eder/WHO/EOP
Marjorie Tarmey/WHO/EOP

*Again, coord of LI

Chuck Marx

Sharon D - Unqualified - only 1 year - SSI/MA

- Cub/Hait entrants, PRACOL
- view it as part of Pres/Con "promise"
- FS top priority - single people

Aviv - FS (know won't get it all)
- Elderly don't even go

Josh -

Ellen - viability - Ag Res - fs admin costs - Stockholm →
legal imm

- don't do just FS just to SSI gp. - also wkg poor - Cong. dir
- wkg poor (18-59 al. no)

Ag Res bill - likely veh.

wkg vs. fam.
seeking nation
how to prove

Govs?
12 states

Cynthia/Diana/Andrea

THE PRESIDENT HAS SEEN
12-9-97

1. Let's try to find out
some facts and give him
a good appraisal for the
weekly.

Reed
How big a
problem is this?
JK

copied
Reed
COS

2. I also think we're going
to have to give him a
summary of -- and response
to -- The report ~~is~~ being
issued today.

Thanks.

Elean

Core

- Children only
- Wkg parents

- Ref/asyl

All fam w/ch - all

(-dis/elderly) +

2.6-2.7

who came after

2006

3 all states

9/5/06

Denied Food Stamps, Many Legal Immigrants Scrape for Meals

By RACHEL L. SWARNS

In Manhattan, a 53-year-old workfare participant from the Dominican Republic sweeps the city streets, searching for a glimmer of silver amid the trash. And he pockets the dirty nickels and dimes for food with a desperation that leaves his cheeks burning with shame.

In Brooklyn, a 42-year-old mother of four from Trinidad spends her rent money on food, buying grape Kool-Aid instead of orange juice and canned tuna instead of fresh beef, and edging ever closer to eviction.

And in the Bronx, a 40-year-old woman from Peru rides the subway from food pantry to food pantry, pleading for groceries to fill her refrigerator. One turns her away because she lacks a referral. Another runs out of rice, spaghetti and green apples while she waits in line.

"I'll keep looking," the woman, Rosa Doloné, said wearily as she walked out of the crowded church into the cold winter morning. "My children have to eat."

In the first wave of welfare cuts to hit New York City under the Federal welfare law, more than 50,000 able-bodied legal immigrants between the ages of 18 and 59 have been denied food stamps since September. The law, which was intended to move foreigners off public assistance and into jobs, has pushed an estimated 770,000 immigrants off the food stamp rolls across the nation, Federal officials say.

And as the months pass and kitchen cupboards grow bare, immigrants who earn on average about \$10,000 a year find themselves giving up fresh meat, spending rent money on groceries, lining up at food pantries and hunting for work in a city where the unemployment rate stands at 9.1 percent, nearly double the national average.

Calling the situation a crisis, Peter F. Vailone, the Speaker of the City Council, proposed on Nov. 28 spend-

ing an extra \$2 million to restock food pantries running short of supplies. Mayor Rudolph W. Giuliani agreed, and promised to have his aides survey the city's food programs to determine their needs.

But while advocates for the poor worry that hunger is on the rise in New York City, few of the more than a dozen immigrants interviewed recently said they were actually going hungry. Instead, they appeared to be sliding deeper into poverty.

State officials have agreed to finance food stamps for the elderly, the disabled and children, with the city contributing \$26 million, but able-bodied adults no longer receive those benefits. And Houth Leng of Cambodia now gets \$127 a month in food stamps instead of \$354 for himself and his six children.

In a shabby brick tenement in the Fordham section of the Bronx, Mr. Leng can still afford to make chicken soup for his children, but he has eliminated snacks and has fallen a month behind in the rent.

In Flatbush, Brooklyn, Nicole Joseph of Trinidad crawls into bed some nights with a cup of Maxwell House coffee and a growling stomach while her two boys dine on leftover chicken stew. "It makes the food last a couple more days," she said.

And in Washington Heights, Elisa Osorio of the Dominican Republic waited an hour last Wednesday in a line that began in a church basement on Broadway and spilled into the street, hoping for a bag of groceries, including powdered milk, a can of no-name tomato juice, an 18-ounce box of Kellogg's cornflakes, white rice and some sweet potatoes.

But while the jostling crowd peered anxiously at the white plastic bags filled with groceries, the Washington Heights Ecumenical Food Pantry ran out of tomato juice and cornflakes.

"We'll just have to give them more rice," sighed Oswaldina Carrillo, the



Bags of groceries being distributed at the Washington Heights Ecumenical Food Pantry. On a day last week, the pantry ran short of items.

pantry's coordinator.

Some local merchants say they also feel the sting of food stamp cuts, which has resulted in fewer customers. Ramon Hernandez, manager of Los Prados Meat Market in Inwood, often stands in an empty shop these days, his white apron bloodied by the meat his customers can no longer afford. He used to take in \$600 a week in food stamps. Now, it is only \$200.

"It's hard on them and it's hard on us," said Mr. Hernandez, who was forced to lay off one of three employees, but still gives his customers orange juice and sweet sausages on credit. "Everyone is suffering."

But the impact of the cuts seems to vary neighborhood by neighborhood. In a random survey of 42 food pantries conducted by the city several weeks ago, none reported having to

turn away anyone, said Anthony P. Coles, a senior adviser to Mayor Rudolph W. Giuliani. The city is currently conducting a broader survey of hundreds of emergency food providers to better assess the need.

In March, the city filed a lawsuit against the Federal Government to prevent the cuts in food stamps and other benefits to immigrants, saying the loss of Federal food dollars would cause "extreme hardship, hunger and malnutrition."

The city lost that legal battle, but advocates for immigrants and city officials say the situation is less dire now that state officials have agreed to cover the most vulnerable immigrants, about 67,000 people across the state. "That has not solved the problem, but it has certainly ameliorated it," Mr. Coles said.

But advocates for the poor say it is not enough. The New York City Coalition Against Hunger, an association of food programs, has reported a growing crisis, with 73,000 families and individuals turned away from emergency providers when food runs out each month.

But Mr. Coles, who noted that city spending on food programs has increased steadily over the last four years, said the city's preliminary surveys did not yet support that.

But no one denies that thousands of immigrant families are now struggling. Janice Arrieta, the 42-year-old Trinidadian mother of four who buys Kool-Aid instead of juice, lies sleepless most nights as she frantically calculates her shrinking budget.

She used to receive \$248 each month in food stamps. Now she receives \$179. She has fallen behind on her rent and her electric bill. A widow and a welfare recipient for several years, she is now looking for work.

That is exactly what the Republican Congressional authors of the Federal welfare law hoped would happen: that the new law would force immigrants on public assistance to move into the work force. And Ms. Arrieta, who used to be a cook in a restaurant, says she would welcome the opportunity to work.

But she has yet to find a permanent job. So she continues to scrimp and scrape, baking her own bread, going without meat and telling her children she can no longer afford fancy cereals like Froot Loops.

"Sometimes you feel like giving up," Ms. Arrieta said wearily. "The kids want this, the kids want that, and you just get depressed thinking about how life is."

But with four children to feed, she has little time for depression. So she whispers a prayer and gets back to the business of getting by. "I cook rice," she said. "Rice will always fill you up."

RE PHOTOS: THE NEW YORK TIMES
12-9-97

IMPACT OF THE BALANCED BUDGET ACT ON BENEFITS TO IMMIGRANTS

(dollars in billions)

NOTE: Estimates below show scoring of Welfare Reform and Balanced Budget Act (BBA) at times of enactment. Relative differences in savings by program will vary from prior estimates because of changes in baselines and technical assumptions.

	Welfare Reform (savings in FY 1997 baseline)		BBA (costs of restored benefits with FY 1998 midsession baseline)		Affect of Welfare Reform after adjusting for benefit restorations in BBA (savings in draft FY 1999 baseline)	
	FY 2002	Five Years 1998-2002	FY 2003	Five Years 1999-2003	FY 2003	Five Years 1999-2003
SSI	- 3.6	-15.6	2.2	11.0	-0.8	-2.7
Food Stamps	-0.7	-3.2	NA	NA	-0.7	-3.2
Medicaid	-1.6	-5.0	0.8	3.6	-1.2	-3.9
Total	-5.8	-25.2	3.0	14.6 ^{vs 11.5 CBO}	-2.7	-9.8
	Number of Individuals made Ineligible FY 2002		Number of Individuals with Eligibility Restored (Affect in FY 2003)		Number Still Ineligible After BBA (Affect in FY 2003)	
SSI	590,000	NA	355,000	NA	140,000	NA
Food Stamps	1,000,000	NA	0	NA	775,000	NA
Medicaid	440,000	NA	NA	NA	350,000	NA

Wq
Ne
RL
—
NY
NJ
CA

\$1/b
in 2003


Record Type: Record

To: Bruce N. Reed/OPD/EOP, Elena Kagan/OPD/EOP
cc: Cynthia A. Rice/OPD/EOP, Andrea Kane/OPD/EOP, Jeanne Lambrew/OPD/EOP, Laura
Emmett/WHO/EOP
Subject: Budget options on restoring more benefits to legal immigrants

We're meeting tomorrow morning with Barbara Chow, who will unveil OMB's preferred options to restore additional restorations to legal immigrants. They have been tight-lipped on this, but the staff just walked me through their recommended options orally. I still have no paper. 


The proposed restorations total \$3 billion over 5 years:

1. Food Stamp State Option \$1.2 billion over 5 years

They want to give states the option of offering food stamps to legal immigrants, both those who were here before the law was signed and new entrants. We would pay 50% of the cost. They think this is more saleable politically than a simple restoration. A few states are already doing this with 100% state money.

2. Medicaid/Child Health State Option \$0.2 billion over 5 years

This was our proposal from last year, with CHIP added in. CHIP doesn't cost anything since it's a block grant. It says that states can choose to offer Medicaid or CHIP to children who entered after the law was signed, and we'll pay our regular share of each program.

3. Refugees and food stamps \$0.2 billion over 5 years

Refugees are eligible for benefits for the first 5 years in this country. We lengthened that to 7 years for SSI in the BBA. This would offer refugees the same 7 year exemption for food stamps.

4. SSI and Medicaid \$1.4 billion over 5 years

This is what we did NOT get in our package last year: SSI and Medicaid for new entrants who become disabled after entry. This is a slightly tougher policy than last year because it requires deeming of sponsors' income.

I am assuming your guidance is that you are not particularly anxious to spend \$3 billion dollars this way, particularly given competing needs like child care. I think it would be nice to do something on food stamps, and the state option is clever. On the other hand, as Cynthia notes, it seems unlikely Congress will do these. While the same could have been said of last year's proposals, we had the impetus of the balanced budget and the impending SSI cutoffs to pressure them. Next year we have little or no leverage legislatively, and all the cutoffs have happened. Anyway, if you have any guidance, let me know.

3 states do > 50%
Wash, Ne Rt (NY 40%)

State options

FS → 50% Fed (Wash MOE)
MA
CHP

State options

2003

54/1999-2003

1) A) FS (current + future)

0.3

2.4 w/ state 2
3.2 total 1.2

B) CHP + MA

0.1

0.2

(10 yr costs grow)

(> low signed)

(assumes all do it)

all or none

2) Ref/any less 5 → 7 for

0

0.2

3) SS 1 + MA

entr > 8/96 - disabled > entry

0.6

1.4

Deeming - assumes (last time didn't hr)

HCTA dislike, not ready

1.0

3.0

what we did not get

leg
act?

 **CENTER ON BUDGET
AND POLICY PRIORITIES**

To: Frank Raines
Gene Sperling
John Hilley
Jack Lew
Larry Summers
Melanne Verveer
Sylvia Mathews

From: Bob Greenstein

Subject: Forthcoming Budget Decisions On Mandatory Spending Initiatives

Date: December 8, 1997

In the next few weeks, you will be making decisions on the FY 1999 budget, including decisions on which initiatives to include in the mandatory spending area. I am writing to urge inclusion of two modest initiatives of substantial importance to low-income children and their families and to recommend against substantial parts of another initiative that may be on the table. Related to these specific recommendations is a larger concern that the budget package may focus so heavily on middle-class children that it provides inadequate assistance to children in low-income working families, the families that need help most, as well as to other low-income households. This memo focuses primarily on three areas:

- The need for food stamp restorations for targeted groups of low-income legal immigrants;
- The desirability of providing two new state Medicaid options — an option to cover low-income working parents whose children are eligible for Medicaid (in part so mothers who have left welfare for work but are uninsured don't have to return to welfare to secure coverage if they become ill) and an option to allow states to lengthen the current 12-month period during which "transitional Medicaid coverage" is provided to families that have left welfare for work; and
- Weaknesses in USDA's proposed child nutrition initiative, along with a discussion of one part of the initiative that may warrant consideration but can be accomplished at a reduced cost.

The question of adequate provision for low-income families in the budget package takes on added importance due to what I understand to be a likely decision to propose enlarging the Dependent Care Tax Credit without making it refundable. I understand the political concerns about refundability; the purpose of this memo is not to criticize a decision not to seek refundability. But it should be recognized that expanding the DCTC in this manner will fail to touch something like the bottom two-fifths of young children. A family of four with two children and child care costs of \$200 a month would receive no

benefit from a DCTC expansion until its income surpassed \$28,000 (in 1998), and the increased relief such a family received would not even equal \$5 a week — a tiny share of family child costs — until its income reached nearly \$30,000. If the family's child care costs for its two children are \$400 a month — a more realistic amount — it would receive no relief until its income reached \$31,000, and it would not get even \$5 a week of relief until its income reached nearly \$33,000.

These income levels are close to the median income for families with young children. Hence, the DCTC expansion under consideration would miss most of the bottom half of children. This makes it all the more important to include initiatives in the budget that address problems of families at lower income levels. I understand you plan to increase funding for the child care block grant, which would assist families below the DCTC threshold. That would help, but the mandatory spending initiatives need to do more than that to aid families on the lower rungs of the economic ladder.

My concern that the budget package may not have adequate provision for low-income families is heightened by recent Census data which demonstrate that the safety net for children weakened in 1996 — and that this was the principal reason the poverty rate failed to decline last year despite substantial economic growth.

The Poverty Data

Census data released two months ago show that poverty failed to decline in 1996. More detailed examination of these data shows that economic growth, by itself, *did* reduce poverty — the “pre-transfer” poverty rate (i.e., the poverty rate before government benefits are taken into account) declined. But among those who would be poor in the absence of the benefit programs, the proportion lifted out of poverty by the programs fell in 1996, and that offset the positive effects of economic growth. The net result was no change in the poverty rate.

These figures are for 1996. The safety net weakened further in 1997 as a result of changes in eligibility for benefits among such groups as less-disabled children previously on SSI and legal immigrants who were dropped from the food stamp program. As you know, most legal poor immigrants who are not elderly or disabled were not protected by the immigrant restorations in this year's budget law.

Recommendation #1: Food Stamps and Legal Immigrants

The Administration won an outstanding victory this year in securing the continuation of SSI for elderly and disabled legal immigrants who were about to be terminated. But there is important, unfinished business here.

This year's immigrant restorations did not include food stamps. As you may recall, last year at about this time, the immigration groups, the Hispanic Caucus and we recommended to you some immigrant benefit restorations in SSI, Medicaid, and food stamps. Because of the Administration's concerns that the cost of this package would be

at a level that would lead Congress to dismiss the immigrant proposals, the Administration removed the food stamp pieces of this proposal. At the time, none of us would have predicted that Congress would adopt as much of the Administration's immigrant benefit proposals as it did; the assumption was that these proposals would be cut back sharply on the Hill. As one senior Administration official recently said to me: "In hindsight, had we left in the food stamp proposals, we probably would have won them, too."

Let me be clear that I am not being critical of last year's decision on this matter, given what appeared to all of us at the time to be the political realities. But considerable need remains in this area, as a spate of compelling news stories in recent months about the effect of the immigrant food stamp cut-offs indicates. Moreover, poor immigrant families that are not elderly and disabled — and in particular, legal immigrant families with children in which the parents work for very low wages — were not touched by this year's budget law. Some of these poor immigrants are now encountering substantial hardship as a result of the loss of food stamps.

Among those sharply affected are poor *citizen* children whose parents are legal immigrants. Although these children remain eligible for food stamps, the removal of their parents from the program has meant that the food stamp benefits their families receive have been slashed 50 percent or 70 percent in many cases. Some 600,000 poor children who are U.S. citizens are in families whose food stamp benefits have been cut deeply for this reason, resulting in less food for all family members, including the children. Overall, more than one million people, including both citizens and legal immigrants, are members of households whose food stamps were terminated or substantially cut because of the new food stamp immigrant rules.

There is now an opportunity to address this problem. New mandatory savings you are likely to put in the budget, including further savings to be secured in the food stamp program by establishing new rules governing how states are reimbursed for food stamp administrative costs, create room for mandatory spending initiatives. I would strongly urge that restorations of food stamp assistance for targeted groups of needy immigrants be a priority on the mandatory initiatives list.

The question may be raised whether such restorations would gain support on Capitol Hill and have chance of enactment. Fortunately, the chances of enactment look good.

- In its final week, Congress came within a hair's breadth of passing legislation to save \$1.25 billion over five years from changing the rules for reimbursing state food stamp administrative costs. Despite pressures from agricultural and rural interest groups to spend large amounts of these savings on agricultural research, crop insurance, and the Fund for Rural America, it became quite clear in the final days of the Congressional session that a significant amount of this funding — probably \$400 million to \$500 million — would be used for food stamp restorations for legal immigrants if

the bill went to conference. On the Senate side, Senators Harkin and Leahy proposed to Senator Lugar that \$500 million be used in conference for legal immigrants, and Senator Lugar was close to this number, himself. Moreover, Lugar has since said publicly that he wants to push this legislation reducing federal expenditures for food stamp administrative costs when Congress reconvenes and to make agricultural research and food stamps for immigrants the two principal places where the money goes. On the House side, Rep. Charles Stenholm made clear to other Members in the final days of the session, including members of the Hispanic Caucus, that he would work in conference for at least \$400 million of these savings to go for legal immigrants; the Hispanic Caucus and a number of other liberal members were pushing Stenholm for a higher number for immigrants, and his only concern with going higher was difficulty in fitting all four "pieces" (i.e., agriculture research, crop insurance, Fund for Rural America, and food stamps for immigrants) into the \$1.25 billion total available under the bill. At one point in the final week of the session, Hispanic Caucus chair Xavier Becerra blocked the bill from going forward in the House as part of an effort to push the immigrant number up. In addition, Rep. Stenholm's staff has told us Stenholm also spoke with House Agriculture Committee chairman Bob Smith during the final days of the session and that Smith was amenable to putting some of the savings from this legislation into immigrant food stamp restorations. (Also of note, Republican staff of both the Senate and House Agriculture Committees believe the legal immigrant cuts are the one place where the welfare law's food stamp cuts went too far.)

I should note that these developments do not mean that only \$400 million to \$500 million in restorations could pass, but rather that this was about the amount that could be secured in a \$1.25 billion savings package that had primarily to satisfy agricultural interests. That this much was likely to be secured from such a vehicle when providing funds for immigrants meant *lowering* the amounts the agricultural constituencies would get is itself an indication of some growing strength for food stamp immigrant restorations. Senator Lugar's recent statement is another indication.

- On November 24, some 47 Senators sent a letter to OMB director Raines and Secretary Glickman calling for inclusion in the President's forthcoming budget of restorations of various cuts in food assistance programs. The letter names as its first priority the restoration of food stamps for legal immigrant refugees, asylees, children, and elderly and disabled people.
- A House bill featuring immigrant food stamp benefit restorations (known as the "Hunger Has a Cure" bill) has 140 sponsors in the House, including 24 Republicans.

In addition, 20 organizations, including the national immigrant advocacy and constituency organizations, some of the major religious groups, and all of the major anti-hunger organizations, recently sent the President a letter emphasizing that this is their top priority for the Administration's budget. Among other things, this means the anti-hunger and religious groups accord food stamp immigrant benefit restorations higher priority than USDA's child nutrition proposals.

What to Do in the Immigrant Benefits Area?

I would urge inclusion of the following changes.

- *Refugees and asylees:* The balanced budget act makes refugees and asylees eligible for SSI and Medicaid for their first *seven* years in the country, instead of their first *five* years as the welfare law provided. Refugees and asylees are the poorest groups of immigrants; they have no sponsors, and in many cases, had to leave their possessions behind when they fled their native lands. Recognizing that they cannot apply for citizenship until they have been in the U.S. for four years and nine months and that it can take up to two years to naturalize, this year's budget agreement exempts them from SSI and Medicaid bans on immigrants newly entering the country for their first seven years here.

In the food stamp program, however, refugees and asylees still are disqualified after five years. For many working poor refugee families not comprised of elderly or disabled people, food stamps have been their principal source of government assistance. There is no sound justification for casting them off food stamps at the five-year point and making it difficult for them to feed their families while they are caught in INS naturalization backlogs. Food stamp rules in this area ought to conform to the SSI/Medicaid rules; there should be a uniform seven-year exemption across SSI, Medicaid, and food stamps. This change enjoys support on the Agriculture Committees. It costs \$213 million over five years, according to CBO.

- *Families with children:* Immigrant families with children generally were not helped by this year's victories on immigrant benefit restorations. For many of these families — especially working poor immigrant families with children — food stamps were the main source of public support.

The best approach here would be to restore eligibility for families with children. If that is considered too costly, the next best approach would be to reinstate food stamp eligibility for children and for *working* parents (i.e., parents working at least half time).

Covering parents as well as children would help several hundred thousand citizen children whose parents are poor legal immigrants; their family's

food stamp benefits would rise back to a reasonable level. This proposal is particularly important in California, where restoring food stamps only for elderly and disabled immigrants would do little because SSI recipients in the state are categorically ineligible for food stamps. I also would note that covering children and working parents also is quite important in Texas, where cash assistance benefits under TANF are very low and the preponderance of poor families — citizen and immigrant alike — are families with working parents.

Given the difficulty of securing benefit restorations for immigrants who entered the country on or after August 22, 1996 (the date the welfare law was signed), you could limit this restoration to immigrants present in the country before that date, although it would be better not to include such a limitation in the budget and to let yourselves be negotiated down by Congress to an 8/22/96 restriction. (Covering families with children, without limiting eligibility to those here on August 22, 1996, should cost about \$2 billion over five years. Covering children and *working* parents reduces the cost somewhat, as does including an 8/22/96 restriction.)

- *Conform the food stamp treatment of the elderly and disabled to the Balanced Budget Act's treatment of these groups for SSI and Medicaid.* There is considerable support for this proposal as well, which is seen by a number of people on the Hill (including some key Ag. Committee Republican members and staff) as simply conforming the food stamp treatment for these groups to their treatment under SSI and Medicaid, as agreed to in this year's budget deal. It is hard to explain why indigent 85-year-old disabled immigrants should have their SSI restored but their food stamps cut off. The cost of this proposal should be about \$400 million to \$500 million.
- *Reinstate eligibility for the Hmong.* This idea also attracted support in the final days of the session. Of all immigrant groups, the Hmong seem to be the group having the most difficulty acculturating. They consequently have an extremely high poverty rate, and the cut-off of food stamps appears to be causing severe hardship and distress among them. (Among other things, suicides have been reported.) There also is a second issue here. Many of the Hmong fought alongside U.S. armed forces in Southeast Asia and were promised adequate treatment in return. The Balanced Budget Act includes a Congressional resolution stating that Hmong veterans should be considered as veterans of the U.S. armed forces, but USDA's General Counsel has preliminarily indicated it has no statutory authority to treat Hmong veterans like veterans of the U.S. armed forces, and the Hmong have been cut off food stamps. A number of Hmong leaders have decried the food stamp cut-off as a betrayal by a U.S. Government that promised to take care of them when we abandoned the war in which they were aiding us. Most proposals to spend some of the food stamp administrative savings

in the final days of Congress included a proposal to reinstate eligibility for the Hmong, which CBO has estimated to cost \$75 million over five years. (There is a question as to whether this requires legislation or could be done administratively. If administrative action is possible, that is preferable.)

As a group, these proposals would cost approximately \$2 to \$3 billion over five years, with the cost declining over time. One question that would have to be addressed is whether to limit restorations for groups other than the refugees and asylees to those present in the country before August 22, 1996. You might want to continue adhering to the principled position you took in fashioning the FY 1998 budget that old and new entrants should not be treated differently if they are in need. On the other hand, I would urge against such a course if it meant that for budgetary reasons, you would have to propose covering fewer of the immigrant groups mentioned above; since the chances of securing agreement on the Hill to reinstate food stamps for people entering after 8/22/96 (other than refugees and asylees) would be slim, I would recommend against proposing to do so *in lieu* of covering key categories of needy immigrants.

I'd like to raise one other immigrant benefit issue. Last year, the Administration proposed reinstating Medicaid eligibility for low-income legal immigrant children who arrive on or after August 22, 1996. The Senate adopted this proposal, which costs only a few hundred million dollars over five years. The Senate reconciliation bill also gave states the option to cover such children under the child health block grant. These provisions fell out in conference due to House opposition (and as part of the process of securing House agreement to the broad reinstatement of SSI eligibility for elderly and disabled immigrants). I think it's worth trying again here; this is the area where chances of securing some assistance for these children are strongest. Some governors would like the ability to cover these children and should be supportive of such a proposal. Some health care provider groups seeking to avert costs for uncompensated care also might help, especially if large Medicare and Medicaid budget changes do not divert their attention this year as they did last year.

Recommendation #2: State Medicaid Options

In a world of welfare time limits, it becomes especially important for those who work their way off welfare to avoid returning periodically to the welfare rolls, as happened so frequently in the past. Such recidivism disrupts the movement of these parents up the wage scale. It also uses up their "time" on public assistance, with the result that they could exhaust their "time" and be ineligible for aid when the next recession hits and jobs for low-skilled individuals are much harder to find.

Thanks to Medicaid policy changes over the past decade and this year's budget law, a low-income working mother whose *child* gets sick does not have to return to welfare to get health care coverage for the child. But if the mother herself becomes quite sick, quitting her job and returning to welfare often is the only way she can get insurance.

We ought to address this. In our view, dealing with this problem should be the next incremental step in extending health insurance. We can't be as effective in moving people from welfare to work if we leave these low-income working mothers uninsured.

The need here is considerable. Census data for 1996 show that half — 49 percent — of poor adults who live with children and earn at least what half-time minimum wage work pays (about \$4,700 in 1996) are uninsured throughout the year. Some 37 percent of adults raising children who have at least this level of earnings and total household income between 100 percent and 150 percent of the poverty line are uninsured. Continued erosion of employer-based coverage suggests these figures are likely to grow further in the years ahead.

"Transitional Medicaid assistance" (TMA), which is supposed to enable parents who work their way off welfare to retain Medicaid coverage for a year, does not help that much. TMA is complex to administer and doesn't work well; many who are eligible for it are not enrolled. And it lasts only a year. Research shows that almost half of mothers who leave welfare are uninsured three years after leaving it and that almost two-thirds of low-income women who cease being covered under Medicaid become uninsured.

This matter can be addressed in a relatively non-controversial manner, *without creating a federal mandate or a new entitlement program*, by establishing two new state Medicaid options and making modest changes in transitional Medicaid assistance so it is easier for states to administer and for families to use. One option would allow states to cover parents up to some income limit (such as 133 percent or 185 percent of the poverty line) if their children also are covered under Medicaid. This would give states the option of covering low-income working parents along with their children. Moreover, it would allow states to cover working poor parents who have remained independent of cash aid, as well as those who formerly had been on public assistance. And as a result, it would enable states to cover two-parent as well as single-parent families, unlike TMA which is largely limited to single-parent families. This option would be of particular value in rural areas, where wages tend to be lower and the proportion of working families with low incomes consequently is higher. It would be purely optional for states, and there would be no enhancement in the Medicaid matching rate.

We also recommend three changes in transitional Medicaid assistance: 1) establishing a state option allowing states to continue TMA — which now ends 12 months after a family leaves welfare for work — for a longer period, such as an additional 12 or 24 months; 2) simplifying the complex and cumbersome TMA reporting requirements that make it difficult for states to administer and for families to use; and 3) either extending TMA, which sunsets at the end of 2001, or making it permanent. We've sent a more detailed paper to Administration health policy experts describing these proposed Medicaid options and TMA changes more fully.

A number of governors engaged in welfare reform efforts would likely welcome such options as strengthening their welfare-to-work efforts. States also should favor changes to ease administration of TMA and extend it beyond 2001.

Because the principal proposals here would be state options rather than mandates, costs should not be too large. (We do not have cost estimates for these proposals.)

Another advantage of these proposals is that they should have little "crowd-out" effect. Most researchers agree there is little crowd-out at the income levels that would gain coverage here, in part because coverage is so low at these levels. In addition, the proportion of an employer's work force that might gain Medicaid eligibility under these options would generally be too small for these policies to influence employer behavior very much. Even among low-wage employers, workers who do not live with children and workers in two-earner families generally would not qualify, making it difficult for employers to abandon coverage. Any crowd-out effect would be much smaller than the crowd-out effect that would likely be engendered by extending government-financed coverage for children to levels significantly above the 200 percent of poverty line limit that the child health block grant sets.

Recommendation #3: Issues Related to USDA's Child Nutrition Package

I would urge caution regarding large parts of the hefty \$3.8 billion child nutrition package that USDA has submitted. I have been heavily involved in most efforts to expand the USDA food assistance programs since 1972, including virtually every expansion of child nutrition programs over the past 25 years. But in my view, most of the proposals in the USDA package are of dubious merit and should not be accorded high priority.

The child nutrition programs are sound programs that have expanded very substantially over the years. They are mature programs that already provide building blocks for your education and child care initiatives. By and large, these programs are not where additional resources are most needed; I would not like to see you put a lot of money here that could better be used elsewhere.

Nor does the Administration need to add a lot of new money to these programs for political reasons. You have an excellent track record for having stood up resolutely — and successfully — to Republican efforts to convert these programs to block grants.

Most of the USDA proposals — such as those in the school breakfast, summer feeding, nutrition education, and nutrition research areas — can be set aside. I think some of the proposals related to the Child and Adult Care Food Program may have merit and warrant consideration for inclusion in your child care package. The useful proposals in that area can be done for less money than USDA has requested.

Proposals Not Warranting Priority Consideration

The principal USDA recommendation would make school breakfasts free through the third grade for children at *all income levels*; about half of USDA's \$3.8 billion proposal consists of money for this and a few much smaller school breakfast program liberalizations. The school breakfast program is healthy, has been growing rapidly — the

number of schools in the program has skyrocketed from 20,000 in 1977 to 37,000 in 1987 and nearly 70,000 in 1997 — and doesn't need an infusion of new federal funds. Most schools in low-income areas already are in the program, and 80 percent to 90 percent of all elementary school children with low incomes attend a school with a breakfast program. Breakfast is free to all children in these schools with family incomes up to 130 percent of the poverty line (\$20,865 for a family of four) and is available for a nominal price (30 cents) to children with incomes between 130 percent and 185 percent of the poverty line, now about \$30,000 for a family of four. The proposal to make breakfast free at all income levels would primarily subsidize middle-income children who don't need free breakfasts — the children newly subsidized would consist primarily of middle-income students who already eat a school breakfast and pay the regular charge and those middle-income students who now eat breakfast at home with their families but would eat at school instead if school breakfasts were free. "Buying out the base" and inducing some middle-income children to eat at school rather than at home do not constitute important social advances that justify the use of a sizable chunk of your limited resources.

Furthermore, USDA evaluations have shown that 94 percent of children in kindergarten through third grade already eat breakfast on a given day and that the presence of the school breakfast program does not increase this number. When a breakfast program is established in a school, the proportion of children eating at home falls by essentially the same amount that the proportion eating at school rises. (The nutritional quality of the meal does improve somewhat, on average.)

Supporters of the proposal to make school breakfasts free at all income levels argue that a study by Harvard researchers found educational benefits to such an approach. The so-called Harvard study, however, is a series of overheads produced for USDA last month by two Harvard Medical School faculty members and paid for by the Kellogg cereal company and part of the dairy lobby. The overheads present "findings" from several schools where breakfasts were provided free to all children, but one cannot determine from the overheads how some of the data were collected, how rigorous the methodology was, or how valid the results are.¹ Furthermore, the text contained in these overheads appears to recommend greater use of an option *already available under current law*, through which schools with mostly poor children can serve breakfasts free to all children. This is different than enacting new legislation to make school breakfasts free to children from families making \$50,000, \$100,000, or \$150,000 a year. At most, the information in these overheads might suggest carrying out a small, rigorous pilot project testing universal free breakfasts in a modest number of schools, at a cost of a few million dollars.

The USDA child nutrition package also would spend almost \$300 million raising the amounts that Summer Food Program operators are paid for meals they serve to

¹ Another universal breakfast study conducted in a few schools in Minnesota has similar problems. It consists largely of impressions of teachers, parents, and children who were interviewed and lacks data produced under methodologies that rigorous evaluations employ.

children in low-income areas during summer months when school is out. This, too, is low priority. The theory behind the proposal seems to be that the welfare law reduced the amounts these programs are paid for each meal served and that reversing this change is needed to prevent big drops in program participation. Data recently made available, however, show that the number of meals served in the program actually *increased* this summer by 12 million meals, a nine percent rise. The welfare law's reduction in meal reimbursement rates in this program did not depress participation.

Another half billion dollars would go for a variety of nutrition education and research activities and for added funding for the administrative costs of various state, local, and private agencies that administer various food programs. None of this seems high priority compared to competing uses for the limited amount of mandatory money available. Many of these proposals seem to be ways to augment with mandatory funds the discretionary funding the budget will include for various USDA agencies. In addition, it isn't clear that we know how to spend larger amounts of nutrition education funding in an effective enough manner to make this a priority use for scarce resources.

Child and Adult Care Food Program Proposals

The USDA package also proposes an array of expansions in the Child and Adult Care Food Program, which subsidizes meals served in child care settings. Unlike USDA's other child nutrition proposals — which are not really needed to support other budget initiatives — some of the proposals in this area dovetail with your child care initiative and warrant consideration. The cost of the proposals in this area can be reduced.

One major component of the USDA proposals in this area would facilitate the provision of federal subsidies for meals served to children in after-school-care settings located in schools. Schools currently can get subsidies for such meals, but the application and reimbursement procedures are more cumbersome. *The key question here is to what extent facilitating access to these meal subsidies will cause growth in the supply of after-school care provided in schools.* If the effect on supply is small, the funds might better be spent directly increasing the supply of adequate-quality child care for low- and moderate-income families. If the effect on supply would be more substantial, this proposal should be considered. I don't know what the likely effects of streamlined access to these meal subsidies on the supply of after-school care in schools would be.

The need for after-school care is most acute in low-income areas. There are likely to be fewer other resources available in these communities to provide such care. In addition, there is a greater need in these areas to provide after-school activities to keep youth out of danger and out of trouble. There also is evidence from academic studies that some mothers in poor areas are reluctant to accept jobs that don't allow them to be home when school lets out, because they fear their children may be in danger from street violence, drugs, or gangs if the children are left unsupervised.

Given the need to limit costs and the uncertainty concerning the effect these meal subsidies would have on the supply of after-school care, I'd recommend making available

in low-income areas (rather than in all areas) the new procedures USDA has proposed to streamline school access to these subsidies. (In the child nutrition programs, low-income areas are defined as those where at least half of the children have family incomes below 185 percent of the poverty line, now about \$30,000 for a family of four.) Schools in middle-income areas would retain an entitlement to subsidies for meals served in after-school settings, but they would continue using the current procedures for obtaining the subsidies.

I'd apply the same thinking to another, related USDA proposal — a proposal to extend the provision of federal meal subsidies to meals served to children *aged 13-18* in after-school care. This proposal applies both to after-school programs located in schools and to programs run outside schools; currently, federal reimbursements in both types of programs are available only for meals served to children under 13. This proposal may have merit in poor areas where there is a need to provide after-school activities for teens to keep them off the streets and out of trouble. There is, however, no need for such a step in non-poor areas. Moreover, we should avoid spending money to provide federal subsidies for serving snacks to upper-middle-income children who participate in their school's chess club (or a similar activity) after school lets out.

The approach recommended here, which envisions dropping most other proposals in the Child and Adult Care Food Program area as being of lower priority, would restrain costs. (A few other, very small USDA proposals with a total cost of about \$25 million over five years appear useful.) It also should be noted that a small amount of financing could be secured in the child nutrition area by reproposing a \$200 million savings provision that was part of both the vetoed 1995 reconciliation bill and the FY 1997 Clinton budget but fell out of the final welfare law. (Politically, the savings from this provision can be applied only to food programs in schools, since these savings come from the school food programs.) Some small additional savings in the child nutrition programs from minor changes in "rounding rules" also may be feasible to use for offset purposes.

Conclusion

I am concerned the Administration's package of mandatory spending and tax cut initiatives will provide resources primarily for middle-income families and not be of sufficient assistance to low-income families. The proposals recommended here (for food stamp restorations to legal immigrants and state Medicaid options to cover more low-income working parents and families) along with an increase in funding for child care programs targeted on low- and moderate-income families would help to address this problem.