

# **New Federal Food Stamp Restoration for Legal Immigrants**

---

*Implications and Implementation Issues*



# **New Federal Food Stamp Restoration for Legal Immigrants**

---

*Implications and Implementation Issues*

Kelly Carmody  
Stacy Dean

**The Center on Budget and Policy Priorities**, located in Washington, D.C., is a non-profit, research and policy institute that conducts research and analysis of government policies and the programs and public policy issues that affect low- and middle-income households. The Center is supported by foundations, individual contributors, and publications sales.

---

---

### Board of Directors

John R. Kramer, Chair  
Tulane Law School

Henry J. Aaron  
Brookings Institution

James O. Gibson  
DC Agenda

Robert D. Reischauer  
Brookings Institution

Barbara Blum  
National Center for  
Children in Poverty  
Columbia University

Richard P. Nathan  
Nelson A. Rockefeller Institute  
Institute of Government

Audrey Rowe  
Lockheed Martin IMS

David de Ferranti  
The World Bank

Marion Pines  
Institute for Policy Studies  
Johns Hopkins University

Susan Sechler  
The Aspen Institute

Marian Wright Edelman  
Children's Defense Fund

Sol Price  
Chairman, The Price Company  
(Retired)

Juan Sepulveda, Jr.  
The Common Enterprise/  
San Antonio

William Julius Wilson  
Harvard University

---

---

Robert Greenstein  
Executive Director

Iris J. Lav  
Deputy Director

### Authors

**Kelly Carmody** is a Senior Policy Analyst with the Center on Budget and Policy Priorities. She works in the State Low-Income Initiatives Project which assists state-based organizations and state officials in designing and implementing state programs for the poor. She works primarily on public benefits for immigrants.

**Stacy Dean** is a Senior Policy Analyst at the Center on Budget and Policy Priorities working on national policy issues such as the federal budget, the food stamp program, and benefits for immigrants. In addition she assists state-based organizations and state officials with policy design issues related to the food stamp program.

July 10, 1998

Center on Budget and Policy Priorities  
820 First Street, N.E., Suite 510  
Washington, DC 20002  
(202) 408-1080

E-mail: [center@center.cbpp.org](mailto:center@center.cbpp.org)  
HandsNet: HN0026  
Web: [www.cbpp.org](http://www.cbpp.org)

---

## Acknowledgments

---

The authors wish to express their gratitude to their colleagues at the Center on Budget and Policy Priorities who contributed to this report. Robert Greenstein and David Super both edited the report and provided significant guidance with respect to its contents. Donna Cohen-Ross shared numerous outreach ideas. Betty Hitchcock, Michael Garrett and Wendy Burnette did extensive work preparing the report for publication.

Grants from the Annie E. Casey Fund, the Emma Lazarus Fund, MAZON: A Jewish Response to Hunger, and the Presbyterian Hunger Program helped to support the Center on Budget and Policy Priorities' work in preparing this report.



---

## Contents

---

I.	Overview .....	1
II.	Legal Immigrants Made Eligible By the Federal Restoration .....	7
III.	Implications of the Federal Restoration for States with State-Funded Programs .....	13
IV.	Administrative Options to Move Newly Eligible Immigrants on to the Food Stamp Program .....	23
	Appendix: The Funding for the Federal Restoration: The Change in Reimbursement for Food Stamp Administrative Costs .....	35

---

## I. Overview

---

On June 23, 1998, the President signed legislation — Public Law 105-185 — that restores federal food stamp eligibility for a substantial number of legal immigrants who had lost eligibility under the 1996 welfare law (the Personal Responsibility and Work Opportunity Reconciliation Act of 1996). As a result of enactment of this legislation, 250,000 legal immigrants — including most children and disabled immigrants and many elderly immigrants — will be able to begin receiving federal food stamp benefits on November 1, 1998.

The food stamp restoration in the new law is limited — the law restores federal food stamp eligibility to slightly fewer than one of every three legal immigrants who lost eligibility due to the welfare law. Most legal immigrant adults who are neither elderly nor disabled — including parents living with citizen or immigrant children — remain ineligible. Most immigrants who arrive in the United States after the date the welfare law was signed — August 22, 1996 — also continue to be ineligible.

This paper discusses issues relating to this partial federal food stamp restoration. The paper is intended as a guide for state administrators, non-profit organizations, religious institutions, and others interested in the restoration. It contains issues important both to states that operate state food assistance programs for immigrants and states that do not.

States that run state food assistance programs have important decisions to make about what they will do with state resources no longer needed to pay for food assistance for immigrants who become eligible for federal food stamps. And, how states implement the restoration in coming months will affect the degree to which

immigrants whose eligibility for federal benefits has been restored actually begin receiving federal food stamp benefits on November 1.

### **Issues for States with State-funded Food Assistance Programs**

The partial federal restoration creates risks as well as opportunities. The risks include the possibility that some states may eliminate or reduce their state-funded food assistance programs. In virtually all states that currently run state programs, there are some immigrants receiving state-funded food assistance who are not covered by the federal restoration. If these states end their state-funded programs, these individuals will have their food assistance cut off and be worse off than they are today.

For example, the restoration of federal food stamp eligibility for elderly immigrants is limited to immigrants who resided legally in the United States on August 22, 1996 and *were 65 years of age on that date*. When the restoration takes effect on November 1, 1998, its coverage of elderly immigrants thus will be limited to those who are at least 67 years of age. Virtually all state food assistance programs, by contrast, cover immigrants who are 60 and older or 65 and older.

More generally, if states simply replace state funds for food assistance for immigrants with federal funds, that will appreciably lessen the impact of the federal restoration and substantially reduce the degree to which the federal restoration eases hunger and hardship in immigrant communities. To the degree that this occurs, many immigrants now covered by state food assistance programs will simply be covered by the federal food stamp program instead. If states do not re-program the freed-up state funds to cover legal immigrants who remain ineligible for federal food stamps, the total number of immigrants eligible for food stamps (counting all those covered with either federal or state funds) will increase only modestly.

If there are risks, however, there also are important opportunities, particularly in states that have state-funded food assistance programs for legal immigrants. These states can reinvest the state funds freed up by the federal restoration to extend food stamp coverage to legal immigrants not covered by the federal restoration. For example, a state could use freed-up funds to expand coverage in its state food assistance program to include legal immigrant parents with children in their homes. States that already cover nearly all legal immigrants in their state-funded programs could reinvest the freed-up state funds to bolster the weakened safety net for poor legal immigrants in other ways. Such a state might use freed-up funds to provide cash or medical assistance to certain categories of legal immigrants ineligible for Supplemental Security Income (SSI), TANF-funded assistance, or Medicaid.

Several recent studies demonstrate the importance of extending food stamp coverage to groups of legal immigrants not covered by the federal restoration. These studies have found the prevalence of hunger among immigrant households in three states with a state-funded program similar to the federal restoration (i.e., a state program that covers only selected categories of legal immigrants such as children and the elderly and disabled) to be *seven to ten times* greater than the prevalence of hunger in the general population. The findings of these studies suggest that extending food stamps to more legal immigrants than just children and elderly and disabled people is important if greater progress is to be made in alleviating hunger in immigrant communities. The studies strongly suggest, for example, that progress in alleviating hunger among legal immigrant children (as well as citizen children living with legal immigrant parents) is likely to be limited unless food assistance benefits also are restored for parents; continuing to deny food assistance to the parents lessens the total resources available to the family to purchase food. Until such time as there is a fuller federal restoration, states will continue to have a very important role to play in filling gaps in coverage.

### **Implementation and Outreach Issues for All States**

This paper also analyzes and provides recommendations on several issues related to how states implement the federal benefit restoration. The food stamp program has not experienced an expansion in eligibility to this large a large class of individuals in twenty years. State food stamp agencies will need to take various steps in coming months if as many eligible immigrants as possible are to begin receiving federal benefits on November 1.

It will be important for state agencies and state and local non-profit organizations and service providers to work together to inform as many potentially eligible immigrants as possible about the federal restoration and the steps these immigrants need to take to secure the federal food stamps to which they will be entitled. States have important administrative mechanisms available that should enable them to identify and contact many of the individuals who will be eligible and, in some cases, to enroll these individuals without the individuals having to submit a new application. In addition to these administrative mechanisms, traditional outreach efforts will be necessary. State agencies will need to work on such efforts with non-profit service providers and other groups that have contact with legal immigrants.

Finally, a number of states are concerned about the financial effects of another provision of the new legislation — a change in procedures regarding federal reimbursement for state food stamp administrative costs. (This is the mechanism that Congress used to pay for the partial restoration of food stamps for legal immigrants as

**Estimate of Numbers of Legal Immigrants Whose Food Stamp Eligibility Will be Restored Under P.L. 105-185**

<b>14 States with Largest Population of Legal Immigrants Affected by Food Stamp Changes</b>	<b>Legal Immigrants Denied Food Stamps by the 1996 Welfare Law (FY 1999)</b>	<b>Legal Immigrants Restored (FY 1999)</b>
<b>Arizona</b>	14,400	3,500
<b>California</b>	262,000	56,700
<b>Connecticut</b>	5,200	2,500
<b>Florida</b>	80,800	30,900
<b>Hawaii</b>	3,800	2,400
<b>Illinois</b>	22,800	11,800
<b>Massachusetts</b>	15,500	5,100
<b>New Jersey</b>	18,000	8,400
<b>New Mexico</b>	7,200	1,500
<b>New York</b>	139,000	56,500
<b>Rhode Island</b>	3,100	1,100
<b>Texas</b>	122,300	29,700
<b>Washington</b>	20,600	4,700
<b>Wisconsin</b>	6,300	1,900

Based on 1996 Quality Control Food Stamp data. Because these estimates involve a number of assumptions and are based on small sample sizes for some states, they should be viewed as illustrative rather than precise. A number of states – particularly those that have implemented a state-funded food stamp program for legal immigrants – have state estimates of the number of legal immigrants impacted by the welfare law and the number likely to be restored under P.L. 105-185. If available, such data generated by your state should be relied upon for estimating the number of legal immigrants impacted by the welfare law and the subsequent restoration.

well as for expansions in several agricultural programs.) An appendix to this paper explains how the new administrative cost reimbursement procedure will work and

discusses various concerns some states may have with it. This is an important issue for those working on immigrant food stamp issues to understand, since some states may believe this change in reimbursement procedures has implications for state financing of state-funded food assistance programs for immigrants.



---

## II. Legal Immigrants Made Eligible By the Federal Restoration

---

Under the new law, an estimated 250,000 immigrants will become eligible for federal food stamp benefits on November 1.<sup>1</sup> To be eligible under the restoration, an immigrant must be in one of the six categories listed below and have a certain immigration status. (See the box on page 8 for a list of the qualifying immigration statuses.) Most legal immigrants do have a qualifying immigration status. The six newly eligible categories of immigrants are the following:

- **Children:** immigrants under 18 years old who were lawfully present in the United States on August 22, 1996;
- **Elderly:** immigrants who were at least 65 years old on August 22, 1996 and were lawfully present in the United States on that date;
- **Disabled:** immigrants who are currently disabled (as defined by the Food Stamp Act) or become disabled in the future, and were lawfully present in the United States on August 22, 1996;
- **Refugees, asylees, Cuban/Haitian entrants, Amerasians, and persons granted withholding of deportation in the United States:** food stamp eligibility is restored for these immigrants during their sixth and seventh

---

<sup>1</sup> USDA Table, Number of Legal Immigrants with Restored Benefits from the Agricultural Research Conference Report, March 26, 1996.

### Immigration Statuses Eligible for Food Stamps

Immigrants who are potentially eligible for food stamps because they are in one of the six restored groups must be in one of the following immigration statuses. They must be:<sup>1,2</sup>

- Legal permanent residents, including Amerasians;
- Refugees and asylees;
- Persons granted withholding of deportation;
- Persons paroled into the United States for at least one year; or
- Cuban/Haitian entrants.

---

<sup>1</sup> Pub. L. 104-193, § 431; Food Stamp Act of 1977, § 6(f); *Cumulative Questions and Answers on Certification and Work Issues in PRWORA*, USDA, April 24, 1998.

<sup>2</sup> Immigrants who are refugees, asylees, Cuban/Haitian entrants, Amerasians or persons granted withholding of deportation are eligible for their first seven years, regardless of their date of entry. After their seventh year only those who are children, elderly or disabled and who were in the country on August 22, 1996 continue to be eligible.

years after entering the United States or after they have been granted one of these immigration statuses (under the welfare law, these individuals already are eligible for federal food stamps during the first five years);

- **Hmong/Lao:** Members of the Hmong and other Highland Lao tribes and their spouses, widows and dependent children;<sup>2</sup>
- **Cross-Border Native Americans:** Native Americans with treaty rights to cross the U.S. borders with Canada and Mexico, regardless of whether they were born on the Canadian or Mexican side of the border.

---

<sup>2</sup> This category consists of anyone who "was a member of a Hmong or Highland Laotian tribe at the time that the tribe rendered assistance to United States personnel by taking part in a military or rescue operation during the Vietnam era (as defined in section 101 of title 38, United States Code)", or the spouse or unmarried dependent child of such an individual, or the unremarried surviving spouse of such an individual who is deceased. Section 508 of P.L. 105-185.

### **Some Legal Immigrants Were Eligible Prior to the Federal Restoration**

Some immigrants maintained eligibility for food stamp benefits under the welfare law. The following groups of immigrants remain eligible, in addition to those added by the federal restoration:

- Persons admitted as refugees, asylees, Cuban/Haitian entrants, Amerasians, and persons granted withholding of deportation, during their first five years after having entered the country or having been granted one of these immigration statuses. The new federal restoration expands the length of these immigrants' eligibility to seven years.
- Immigrants who can claim 40 quarters of work, either through their own employment or through adding that of their parents and/or spouses.
- Immigrants who are active-duty members or veterans of the U.S. Armed Forces or are the spouses or dependent children of service members or veterans.

### **Legal Immigrants Who Remain Ineligible for Federal Food Stamps**

Even with the restoration, more than two-thirds of the legal immigrants who would have qualified for federal food stamps under the rules in place before the welfare law's enactment remain ineligible for federal food stamps. Those still ineligible for federal benefits include immigrants in the following three groups:

- **Individuals between the ages of 60 and 67:** The federal Food Stamp Act defines "elderly" people as those aged 60 years or older. (Various provisions of the Act accord preferential treatment to the elderly or to the elderly and disabled.) The new legislation partially restoring federal food stamps for legal immigrants, however, departs from this definition; it limits its restoration of benefits for elderly immigrants to those *who were at least 65 years of age on August 22, 1996*. This limitation was imposed due to funding limitations, not because of a policy judgment that legal immigrants aged 60 to 65 are less in need of food assistance than U.S. citizens of the same age.

Since eligibility for elderly immigrants will be based on being 65 on August 22, 1996, fewer and fewer immigrants will be eligible for federal food stamps on the basis of being elderly as time goes by. When the restoration takes effect on November 1, 1998, only those at least 67 years and two months old will be able to qualify for food stamps because they are elderly. By August 2001, only those 70 or older will qualify.

- **Adults who are not disabled, elderly, Hmong, or in one of the "seven-year" groups (refugees, etc):** Most legal immigrant adults will continue to be ineligible for federal food stamp benefits. Most of these adults are parents with children — either citizen children or legal immigrant children — in their homes.
- **Immigrants who enter the country on or after August 22, 1996:** Most legal immigrants who enter the country on or after August 22, 1996 continue to be ineligible for federal food stamp benefits.<sup>3</sup> This bar will have a particular impact on children; children who enter the country after August 22, 1996 remain ineligible.

---

<sup>3</sup> Refugees, asylees, Cuban/Haitians entrants, Amerasians, and persons granted withholding of deportation are eligible for food stamps for their first seven years in the country or their first seven years after having been granted that status, regardless of their date of entry.

---

### III. Implications of the Federal Restoration for States with State-Funded Programs

---

About half of the 17 state food assistance programs for legal immigrants cover only limited categories of immigrants. Eight states provide food assistance to *all* legal immigrants ineligible for federal food stamps, (or, in some of these states, all immigrants who entered the country before August 22, 1996).

In most of the states with partial programs, the categories of immigrants covered are similar to the categories the federal restoration covers. If these states take the state funding that they now use to provide food assistance to these categories of immigrants and reprogram it for state-funded food assistance for immigrants not covered by the federal restoration, the overall number of immigrants covered will rise markedly.

The federal restoration will restore federal food stamp eligibility to an estimated 250,000 legal immigrants. If states with state-funded food assistance programs that do not cover all legal immigrants use the state money freed up by the federal restoration to cover additional immigrants, at least 170,000 more legal immigrants can be aided.<sup>4</sup>

---

<sup>4</sup> In the nine states with state-funded food assistance that do not cover all legal immigrants, approximately \$150 million a year is currently being used to provide food assistance to legal immigrants. A significant proportion of this — \$150 million minus the amount needed for the elderly not covered by the federal restoration — will now be available on an annual basis. USDA data show that the average food stamp benefit per person per month nationally is \$73.80. This means that at least 170,000 new individuals could be given food stamp benefits for a year with the freed up money. The funding needed for the states' share (50 percent) of administrative expenses is not included.

The \$73.80 figure probably overstates the average monthly benefit per person, and as a result, the 170,000 figure is likely to understate the number of additional immigrants who could be served with these funds. (The average monthly benefit for each additional immigrant covered is likely be less than \$73.80,

(continued...)

If all of these states reprogrammed their freed-up money to cover additional immigrants, this could bring the total number of legal immigrants eligible for food assistance (whether federal or state-funded) to almost 500,000. This number includes the 250,000 immigrants for whom federal eligibility is being restored, an undetermined number of legal immigrants who are not eligible for the federal restoration but are already receiving state-funded food assistance,<sup>5</sup> and the additional 175,000 legal immigrants who could be covered with freed-up state food assistance funds. If this were to occur, food stamp assistance would be restored to more than half of the 820,000 legal immigrants for whom the original 1996 welfare law would have eliminated eligibility for federal food stamps in 1999.

If states do not help fill the gaps that will remain after the federal restoration, substantial hunger problems are likely to persist in low-income immigrant communities. Two recent studies have examined the prevalence of hunger among households with immigrants who lost food stamp benefits as a result of the welfare law. The studies found the prevalence of hunger to be seven to ten times greater among these households than among the general population.<sup>6</sup> A substantial portion of the immigrant households examined in the study were households in which some members, usually children, were receiving state-funded or federal food stamps but in which other family members had been cut off.

---

<sup>4</sup> (...continued)

because many of these immigrants would live in households where some household members already receive food stamps. In these households, the increase in the household's benefit caused by making more immigrant household members eligible for food stamps would likely be less than \$73.80, on average, for each immigrant added.) For more information on the cost of state-funded food stamp programs, see *State-Funded Food Stamps for Legal Immigrants*, Chart, Center on Budget and Policy Priorities, June 19, 1998.

<sup>5</sup> States have reported to USDA that for the first several months of 1998, an average of 215,700 legal immigrants were served monthly by the state food assistance programs. *State-funded Programs for Legal Immigrants*, USDA, May 1998. The number of legal immigrants that will be served by newly established state-funded food stamp programs in Maine, Missouri and Wisconsin is not included in USDA's report; adding the number of legal immigrants expected to be covered by the state programs being established in these states brings the total to slightly over 230,000. A substantial majority of these 230,000 legal immigrants will be covered by the federal restoration.

<sup>6</sup> See *Impact of Legal Immigrant Food Stamp Cuts in Los Angeles and San Francisco*, Preliminary Summary, California Food Security Monitoring Project, California Food Policy Advocates, May 1998 and *Medical Group Finds High Prevalence of Food Insecurity and Hunger Among United States Legal Immigrant Populations*, Press release with preliminary results, Physicians for Human Rights, May 7, 1998. The California Food Policy Advocates study compared the sampled households to the general population in California. The Physicians for Human Rights study compared the sampled households in California, Massachusetts and Texas to the general population in the United States.

At the federal level, those who support restoration of federal food stamp benefits for legal immigrants plan to continue working for a complete restoration. Further federal action to restore benefits, however, is not likely in the foreseeable future. Until such time as federal benefits are fully restored, there will be a need for states to maintain and expand state-funded food assistance programs to ensure that legal immigrants receive adequate nutrition enabling them to work to their full potential and be fully productive members of society.

## **Questions for States with State-funded Food Stamp Programs**

Seventeen states have state-funded food stamp programs or similar food assistance for some or all legal immigrants in their states.<sup>7</sup> As noted, the federal restoration will free up state money in these states that could be used to extend food assistance to other groups of legal immigrants or to provide other benefits or services for immigrants.

These 17 states face several key issues in considering what to do with their state-funded programs in light of the federal restoration.

**1. Should these states continue their state food assistance programs for immigrants?** Some states may assume that the federal restoration is a full replacement for their state food assistance program and that they can terminate their state program without causing harm to immigrants. In every one of these 17 states, however, such an assumption would be incorrect. Differences between state food assistance programs and the rules governing the federal restoration mean that state food assistance programs will continue to be needed even if the state's goal is simply to make sure that immigrants currently covered by state programs continue to receive food stamp benefits.

Three groups of legal immigrants remain ineligible for federal food stamp benefits: some elderly persons (initially those aged 60-67); adults who do not qualify as elderly or disabled, including parents in families with children; and most immigrants who entered the United States on or after August 22, 1996. *All of the 17 state food assistance programs cover at least some of these immigrants.*

---

<sup>7</sup> The 17 states are California, Connecticut, Florida, Illinois, Maine, Maryland, Massachusetts, Minnesota, Missouri, Nebraska, New Jersey, New York, Ohio, Rhode Island, Texas, Washington and Wisconsin. For more information about the state option to operate a state-funded food assistance program for low-income immigrants, see Stacy Dean and Kelly Carmody, *States Now Have the Option to Purchase Food Stamps to Provide Food Assistance to Legal Immigrants*, Center on Budget and Policy Priorities, revised December 4, 1997.

- Nine state food assistance programs cover immigrants who are elderly as that term is defined in the federal Food Stamp Act — that is, aged 60 or over.<sup>8</sup> The federal restoration, however, is limited to immigrants who were 65 on August 22, 1996. These 10 states need to maintain state food stamp benefits for immigrants who now are 60 or over but were not 65 on August 22, 1996.
- Eight state programs provide benefits to all adult immigrants—parents and childless adults—who otherwise are eligible.<sup>9</sup> In addition, Missouri provides food assistance to parents on TANF, and New Jersey provides state-funded food stamps to parents and guardians of children. The federal restoration generally does not provide federal benefits to adults unless they are elderly or disabled. These states need to maintain state food benefits for adults.
- Finally, nine state food assistance programs provide benefits to all or certain categories of immigrants who entered the United States on or after August 22, 1996.<sup>10</sup> The federal restoration is largely limited to those who were in the United States before August 22, 1996. These 10 states need to maintain eligibility for state food benefits for immigrants arriving on or after that date.

Also of note, the federal food stamp restoration does not take effect until November 1, 1998. States with state food assistance programs need to ensure that immigrants covered by their programs who also are covered by the federal restoration continue to receive state food benefits until the federal benefits are reinstated. A later section of this paper discusses how states can make this a seamless transition.

---

<sup>8</sup> The nine states are Connecticut, Maine, Massachusetts, Minnesota, Nebraska, New York, Rhode Island, Washington, and Wisconsin.

<sup>9</sup> The eight states are Connecticut, Maine, Massachusetts, Minnesota, Nebraska, Rhode Island, Washington and Wisconsin. Coverage of parents is under consideration by the California legislature.

<sup>10</sup> The nine states are Connecticut, Florida, Maine, Maryland, Massachusetts, Minnesota, Nebraska, Washington and Wisconsin.

**2. Should states re-invest freed-up funding to extend food stamp assistance to more groups, including individuals aged 60 to 67 and parents?** Money that the federal restoration frees up in state food assistance programs can be used to remedy an unintentional problem that limits the coverage of elderly legal immigrants in five states with state programs. In addition, in eight states, freed-up funds can be used to extend benefits to parents so children do not receive inadequate nutrition because their family lacks the ability to purchase sufficient food.

The state food assistance programs in five states — California, Florida, Illinois, New Jersey and Texas — cover only those elderly immigrants who are 65 years of age or older. In most or all of these states, the setting of the age for elderly immigrant

### **Concerns States May Have with Funding for the Federal Restoration**

#### **Food Stamp Administrative Costs**

To pay for the cost of the food stamp restoration for legal immigrants, as well as for increases in funding for several agricultural programs, Congress reduced the amount of money that many states will receive from the federal government to help defray their costs in administering the federal food stamp program. The reduction in the federal reimbursement for state food stamp administrative costs is expected to save the federal government \$1.7 billion over the next five years. Some states may be concerned about the potential impact of this reduction in their state and might even consider using funds currently earmarked for providing state-funded food stamps to legal immigrants as a source of money to make up for this administrative "shortfall."

Before shifting funds from low-income immigrants to state administrative operations, however, states should carefully assess the impact of the change in food stamp administrative cost procedures on their state. Many states project that the new law will *not* result in any reduction in federal administrative funds for them. In addition, some states may have unexpected funds available within their TANF budgets as a result of the change in food stamp administrative cost reimbursement procedures; some expenses that states have been covering with TANF funds must now be covered with food stamp funds instead. States could use these funds to provide state-funded food stamps to immigrant parents who are TANF recipients. An Appendix to this paper provides detailed information on the change in food stamp administrative cost procedures and its potential implications for state funding of state food assistance programs for immigrants.

#### **Food Stamp Employment and Training Monies Reduced**

The new law also reduces the amount of federal food stamp employment and training funds made available to states to create workfare slots for single adults on food stamps. Most states were not planning to use all of these food stamp workfare funds, however, and this change should have little effect on food stamp operations in most states.

eligibility at 65 did *not* reflect an intentional act to depart from the Food Stamp Act's normal use of age 60 for defining elderly people. Rather, the setting of the age at 65 appears to have resulted from the state legislature being unaware that age 60 is the definition of elderly under the Food Stamp Act. (Most likely, state legislators focused on the fact that age 65 is used to define elderly people in the Supplemental Security Income program.) The freeing up of state funds gives these four states the opportunity to extend coverage to those who are between the ages of 60 and 65. Such a change would not only enable more poor legal immigrants to receive food assistance in these states but also would make program administration easier for caseworkers. Instead of having to handle two conflicting sets of rules under which elderly is defined as age 60 for some aspects of the food stamp program and age 65 for other aspects, caseworkers would have one consistent set of rules regarding age. Elderly people age 60 years or older who meet the program's income and asset limits would be eligible for food stamps, regardless of whether they are citizens or qualified legal immigrants.

The eight states that have state-funded programs that cover some, but not all, legal immigrants could use freed-up state money to cover immigrant parents. Unless food assistance is restored for legal immigrant parents, their children may continue to suffer from hunger, which would defeat the purpose of the federal restoration for children.

The findings of a recent study conducted in California indicate the importance of covering parents. California has a state-funded food stamp program covering legal immigrant children and some elderly legal immigrants. The state program started at the same time that these children and elderly immigrants lost their federal food stamp benefits, so there should have been no time that these immigrant children and elderly individuals were not receiving food stamp benefits. In addition to comparing hunger prevalence between the general California population and immigrants affected by the cuts in food stamp eligibility, the study – conducted in Los Angeles County and San Francisco County – compared the prevalence of hunger among immigrant families in which at least one household member had lost food stamps to the prevalence of hunger among low-income immigrant households that did not have a household member who lost food stamps. Most of the sampled households in Los Angeles County were families with children. The children in these sampled households were likely to be receiving either federal or state-funded food stamps.

The study found a significantly greater prevalence of hunger among families with children in which adult members had lost food stamp assistance but the children continued to receive aid than among families that suffered no loss of food assistance.

Moreover, the increased prevalence of hunger was found among children in these immigrant families as well as among their parents.<sup>11</sup>

The findings of the study underscore the importance of providing state-funded food assistance to parents in families with children. In the eight states with state food assistance programs that do not currently cover parents, freed-up state funds can be used for this purpose.

There is an additional reason these states may wish to consider using freed-up funds to provide state-funded food stamp assistance to parents. Such an expense counts towards a state's "maintenance-of-effort" (MOE) requirement under the Temporary Assistance for Needy Families (TANF) block grant.<sup>12</sup>

**3. Should states re-invest freed-up funding in other needed services for immigrants?** The eight states that already cover all categories of legal immigrants under their state-funded programs can use funds freed up by the federal restoration to strengthen the safety net for vulnerable legal immigrants in other ways. The safety net for poor immigrants is much weaker than it used to be. Restrictions or terminations of legal immigrants' eligibility for various federal benefits accounted for more than 40 percent of the \$54 billion in six-year net federal savings that the Congressional Budget Office estimated, at the time of the welfare law's enactment, would result from that law. Although the Balanced Budget Act and the new federal food stamp legislation have restored federal benefits for some immigrants, substantial numbers of legal immigrants — especially those arriving on or after August 22, 1996 — remain ineligible for such supports as TANF-funded assistance, Medicaid, and Supplemental Security Income (SSI), in addition to federal food stamps.

Some states have begun to provide state-funded cash and/or medical assistance to many legal immigrants who are not eligible for federal cash or medical benefits because of the welfare law. If a state's food assistance program already covers all legal immigrants who remain ineligible for federal food stamps, the state has several other

---

<sup>11</sup> *Impact of Legal Immigrant Food Stamp Cuts in Los Angeles and San Francisco*, Preliminary Summary, California Food Security Monitoring Project, California Food Policy Advocates, May 1998.

<sup>12</sup> Note that a state also can use TANF funds to provide food assistance to parents with children in the home. The consequences of using TANF funds for this assistance should be looked at closely, however, because federal time limits on TANF assistance, as well as other requirements, would apply. Using TANF funds to provide food assistance to immigrant parents in families who are receiving TANF cash assistance, however, has no additional consequences since they are subject to TANF requirements already. For more information about using TANF or MOE funds to provide food assistance to parents, see *Reinvesting Welfare Savings: Aiding Needy Families and Strengthening State Welfare Reforms*, Center on Budget and Policy Priorities, March 1998.

significant options concerning how to use the freed-up state funds to provide low-income legal immigrants with more adequate assistance.<sup>13</sup> These options include the following:

- **Medical assistance for new entrants and PRUCOLs:** Many legal immigrants are no longer eligible for Medicaid either because they entered the United States on or after August 22, 1996 or because they have an immigration status known as PRUCOL that, while legal, is not classified as "qualified" under federal law.<sup>14</sup> Eleven states provide full state-funded medical assistance to one or both of these categories of immigrants. At least five additional states provide coverage to limited groups of immigrants in these categories, such as children who entered the country on or after August 22, 1996.
- **Cash assistance for families with children:** Many legal immigrants also are not eligible for assistance financed with federal TANF funds for the same reasons — they entered the country on or after August 22, 1996 or they have a PRUCOL status. Twenty states provide state-funded cash assistance to families with children in one or both of these categories.
- **Cash assistance for elderly and disabled immigrants, including PRUCOLs:** Four categories of elderly and disabled immigrants are no longer eligible for SSI. They are: 1) elderly individuals who were not on SSI as of August 22, 1996 (including those who were residing in the United States on that date but were not on SSI then because they were not poor at that time); 2) immigrants who were not elderly on August 22, 1996 but have become elderly since then; 3) immigrants who entered the country on or after August 22, 1996 and have subsequently become disabled and unable to work; and 4) PRUCOLs who are elderly or disabled. (SSI recipients who have a PRUCOL status may continue to receive federal SSI benefits until September 30, 1998, but these benefits will be terminated on that date.) Immigrants in these four categories are elderly or disabled and in need of cash assistance if they are impoverished. Some states provide cash general assistance benefits to

---

<sup>13</sup> For more information on these options and general information about immigrant eligibility for state and federal benefits, see Kelly Carmody, *State Options to Assist Legal Immigrants Ineligible for Federal Benefits*, Center on Budget and Policy Priorities, February 25, 1998.

<sup>14</sup> For a description of "qualified" and PRUCOL, see Kelly Carmody, *State Options to Assist Legal Immigrants Ineligible for Federal Benefits*, Center on Budget and Policy Priorities, February 25, 1998.

some or all of these individuals or have begun new cash assistance programs for them.

<b>Immigrants Who are Covered by State Food Assistance Programs But Not Covered by the Federal Restoration<sup>15</sup></b>	
California	Elderly persons 65 and 66 years of age who are not SSI recipients and were in the U.S. before 8/22/96
Connecticut	All legal immigrants ineligible for federal food stamps. There is a six-month state residency requirement for those who enter the U.S. after 4/1/98.
Florida	Elderly persons 65 and 66 years of age who were Florida residents before 2/1/97.
Illinois	Elderly persons 65 and 66 years of age who were in the U.S. before 8/22/96.
Maine	All legal immigrants ineligible for federal food stamps.
Maryland	Children under the age of 18 who entered the U.S. on or after 8/22/96.
Massachusetts	All legal immigrants ineligible for federal food stamps who have been in the state 60 days prior to application.
Minnesota	All legal immigrants ineligible for federal food stamps.
Missouri	Individuals who were on TANF on 8/22/96 and are on TANF when applying for food assistance.
Nebraska	All legal immigrants ineligible for federal food stamps.
New Jersey	Elderly persons 60-67 years of age, parents and guardians of children.
New York	Elderly persons 60-67 years of age who live in the same county (or in New York City) in which they resided on 8/22/96.
Ohio	Elderly persons 65 and 66 who are eligible for SSI, have been U.S. residents for five years prior to application and were Ohio residents as of 8/22/96.
Rhode Island	All legal immigrants ineligible for federal food stamps who were residents of Rhode Island before 8/22/96.
Texas	Elderly persons 65 and 66 who received SSI during their last month of federal food stamp eligibility.
Washington	All legal immigrants ineligible for federal food stamps.
Wisconsin	All legal immigrants ineligible for federal food stamps.

---

<sup>15</sup> Some states also have other requirements not noted in this table, such as a requirement that, where appropriate, immigrants receiving state food stamp assistance be in the process of naturalizing.

- **Naturalization assistance:** Many immigrants are attempting to naturalize and will be eligible for federal benefits when they attain citizenship. The naturalization process, however, can be long and difficult, especially with the current backlogs at the Immigration and Naturalization Service. Some states are funding services such as assistance to help immigrants prepare for the English and civics exam that is part of the naturalization process.

Other states pay naturalization fees for low-income immigrants. These services are generally cost-effective for states since immigrants who naturalize can be eligible for federal benefits and will no longer need state-funded benefits that fill gaps left by denial of federal benefits to non-citizens.

- **Outreach efforts:** A subsequent section of this paper discusses outreach efforts that states should consider undertaking to ensure that immigrants made eligible for food stamps under the federal restoration are aware they may now apply for food stamp assistance. As part of these efforts, a state may wish to contract with community groups in immigrant areas to conduct some of these outreach activities. Such activities generally are eligible for 50 percent federal matching funds as they are allowable food stamp administrative expenditures.

The foregoing list of options and approaches reflects some of the ways that states can use freed-up state funds to provide their low-income legal immigrants with a more adequate safety net.

---

#### IV. Administrative Options to Move Newly Eligible Immigrants on to the Food Stamp Program

---

The federal restoration takes effect November 1, 1998. There is no provision for "retroactive benefits" for an eligible immigrant who applies *after* November 1. An immigrant who applies on November 16 will lose half of the November benefits to which the immigrant otherwise would be entitled. An immigrant applying on December 1 will lose all benefits for November.

It is important to move newly eligible immigrants on to the program, or to enable them to apply for the program, in sufficient time for the immigrants to begin receiving benefits on November 1. This should be feasible for a substantial majority of the immigrants gaining federal food stamp eligibility. Large numbers of the immigrants whose federal food stamp eligibility is being restored fall into one of several categories that states should be able to reach through relatively simple, straightforward administrative mechanisms.

- **Immigrants who were participating in the federal food stamp program at the time of the immigrant cut-off.** Many individuals who will be eligible to receive federal food stamps were participating in the food stamp program up until the time their state cut off immigrants as a result of the welfare law. Since many states sent these individuals termination notices, the individuals may be relatively easy to identify via state computer systems and to contact<sup>16</sup>. Elderly and disabled immigrants who were removed from the program are particularly likely still to be eligible,

---

<sup>16</sup> States must keep these records for at least 3 years. 7 S.C.F.R. 272.1(e) and (f).

since the incomes and household circumstances of low-income elderly and disabled people generally do not fluctuate much. Elderly and disabled immigrants who had sufficiently low incomes and assets to meet the food stamp eligibility criteria before the cut-off are likely still to do so. Furthermore, households in which all members are elderly or disabled immigrants receiving Supplemental Security Income benefits will automatically be eligible for food stamps without having to meet other income and assets tests.<sup>17</sup>

- **Immigrants who currently participate in a state-funded food assistance program.** A substantial number of the newly eligible immigrants currently participate in a state-funded *food stamp* program that operates under federal food stamp rules with USDA approval. These states simply need to shift these immigrants to the federal food stamp program. No new application by the immigrants should be necessary<sup>18</sup>. In those states that provide non-food stamp assistance, the newly eligible immigrants must apply for federal food stamps. States can easily inform them of their potential eligibility and can assist these immigrants with applications.
- **Immigrants who live in a household in which other members have continued to receive federal food stamps.** Approximately two-thirds of immigrants who lost their benefits under the welfare law live in a household with one or more individuals who remained eligible for federal food stamps. It should be possible to identify the newly eligible people in such households by looking at these households' computer files or case records.
- **Immigrants who live in a household in which other members receive state-funded food stamps.** In some states with state-funded food stamp programs, some of the immigrants whose eligibility for federal food stamps is being restored may not receive state-funded benefits themselves but may live in households with one or more immigrants who do receive such benefits. For example, in Maryland an elderly immigrant regaining eligibility for federal food stamps may live in a household with a child

---

<sup>17</sup> This is true in all states except California. 7§ C.F.R. 273.2(j)(2)(I)

<sup>18</sup> USDA's August 7, 1997 "Guidance on State Option Food Stamp Programs" states that states have the option to adopt Food Stamp certification procedures for their state-funded food stamp program. Many states have chose to do so for administrative ease. In such states, these households have met all the certification criteria required by the Act. With their eligibility restored to them on November 1, the state need only to stop billing the federal government for the household's food stamps.

immigrant who currently receives state-funded food stamps. (Maryland's state-funded program covers child immigrants but does not cover elderly immigrants.) It should be possible for states with such state programs to identify newly eligible people in this category.

In short, many of the individuals regaining federal food stamp eligibility are people who formerly received federal food stamp assistance, currently receive state-funded food assistance or live with people who currently receive either federal or state-funded food stamp assistance. States generally have been in recent contact with, or continue to be in contact with, such individuals or their households. This gives states excellent opportunities to contact and inform these immigrants about the federal food stamp restoration. In many cases, the state should be able to bring immigrants on to the federal food stamp program without requiring a new application from them.

States can use any or all of the administrative options described below to inform newly eligible immigrants about the change and to enroll them in the federal program.

- **Send notices to immigrants whose federal food stamp benefits were terminated due to the welfare-law restrictions on immigrants.** These notices would inform immigrants of the new restoration, explain that they may be eligible if they fall into a covered category, and let them know what they need to do to reapply.

Many of the elderly and disabled who are newly eligible for food stamps continue to receive Supplemental Security Income. Both states and the Social Security Administration should contact these potentially eligible immigrants and inform them of the federal food stamp restoration.

- **Convert immigrants receiving state-funded food stamps to the federal program.** State-funded food stamp programs generally follow all federal food stamp rules and guidelines. Immigrants in these programs essentially are already receiving federal food stamp benefits, except that the state reimburses the federal government for the expense. In many cases, these immigrants may not know they are receiving a benefit funded by their state rather than by the federal government. These states can simply stop reimbursing the federal government for these individuals while continuing to provide them food stamps without interruption. No new application should be required.

Other states that are providing food assistance to immigrants via a cash payment or some other mechanism that does not follow the federal food stamp program will be able to contact immigrants receiving these state

benefits who may be newly eligible for the federal program. These immigrants will need to apply for the federal food stamp program.

- **Notify mixed households with newly eligible immigrant members and, where possible, automatically increase the benefits these households receive to reflect the restoration of eligibility for the additional household members.** Food stamp program data indicate that approximately two-thirds of those food stamp households that contained legal permanent residents in 1996 also contained persons who would remain eligible under the welfare law.<sup>19</sup> In such cases, states are often must collect detailed information concerning the entire household, including ineligible members<sup>20</sup>. As a result, states may have ready access to casefile information, whether on computer or in a paper file, on a large pool of individuals who will be eligible to participate under the federal restoration. This also is true of state-funded programs that cover some but not all of the categories of legal immigrants whose federal benefits will be restored; some of the household members ineligible for these state-funded benefits may now be regaining federal eligibility.

At a minimum, states should notify households that currently receive federal food stamps but have ineligible immigrant household members that these households may be eligible for additional food stamps. States should provide information to these households about the federal restoration and the steps these households will need to take to apply for benefits.

Some may view automatically increasing a household's food stamp benefits to reflect a newly eligible member as unorthodox. In fact, it is not. Food stamp regulations actually require it for states that have the necessary information. The restoration of eligibility for immigrant members of these households is a "mass change" under food stamp program rules. Like other mass changes in eligibility, the states should

---

<sup>19</sup> A large share of these households are households that include both citizen children who remained eligible for federal benefits and immigrant children or adults who became ineligible. Households consisting *solely* of citizen children and ineligible immigrant parents generally will not be affected by the federal restoration. The children in these households are already eligible for federal benefits, while the parents remain ineligible.

<sup>20</sup> Only states that have opted to count the income of ineligible immigrant household members must collect and maintain this information. Virtually all states are pro-rating the income of ineligible members at the time of publication of this paper.

automatically process the benefit increase for newly eligible immigrants who are members of a food stamp household<sup>21</sup>.

When a change is made in food stamp benefit levels or income eligibility levels that affects all or a significant portion of the food stamp caseload, such as the annual increase in basic food stamp allotment levels to reflect increases in food costs or the increase scheduled for October 1, 1998 in the ceiling on the food stamp shelter deduction most states calculate the change in benefits automatically for affected households. States use the information in food stamp case records to process these changes and provide the new food stamp benefit levels to households without any need for action by households. Such actions by states are known as "mass changes."

States will be able to use the "mass change" procedure to add some newly eligible immigrants who live in "mixed households." Federal food stamp regulations require states to maintain information on ineligible household members when the state is counting the income of those ineligible members. In mixed households in which some members participate in the federal food stamp program (or in a state-funded food stamp program) while other household members do not, states must document the reasons ineligible household members are not eligible and how the benefit level of the eligible members was determined.<sup>22</sup> States consequently should have information about the age, income, relationship to eligible household members and alien status of ineligible immigrants living in mixed households.<sup>23</sup> Using this information, states may be able to bring many newly eligible immigrants in mixed households on to the food stamp program on November 1 without these immigrants having to submit a program application. Since households are required to report to the food stamp agency any changes that would affect their benefit levels, such as changes in income or household composition, state agencies should have current information about the household on which to base the new benefit levels.

Some states may not be able to add currently ineligible household members in mixed households to the program entirely through

---

<sup>21</sup> 7 § C.F.R. 273.12(e).

<sup>22</sup> 7 § C.F.R. 273.2(f)(6).

<sup>23</sup> 7 § C.F.R. 273.11(d), 7 C.F.R. 273.1(a) and (b).

automated systems. Adding these individuals without requiring a new application may require these states to conduct manual reviews of individual cases. Even so, in food stamp offices that serve neighborhoods with large immigrant populations, caseworkers may find this approach less burdensome than taking new applications from large numbers of households. Taking applications from these households would entail large numbers of face-to-face interviews and would require caseworkers to put in extensive staff time verifying information on the large numbers of new applications.

In short, the whereabouts and household circumstances of a substantial number of the newly eligible immigrants are known to states, creating outreach opportunities. States should be able to reach many potentially eligible immigrants through their existing program records. In addition, states have several options to bring immigrants on to the food stamp program without requiring new applications.

### **More Traditional Outreach Efforts are Essential to Reaching this Population**

Despite the administrative options that states have to reach out to immigrants made newly eligible for federal food stamps, additional outreach efforts will be needed. If states send notices to immigrants the state has identified through state computer records as being potentially eligible for food stamps, some portion of these immigrants will not understand the notices and will fail to apply for the new federal benefit. Many of the newly eligible immigrants, especially those with limited English proficiency, face significant barriers to understanding that they may now be eligible to receive food stamps. Others will not have been participating in the food stamp program in 1996. Outreach efforts targeted at immigrant groups potentially eligible for food stamps are needed to supplement the steps described above.

For example, elderly and disabled individuals often live alone and may be isolated from the community. They may not have the same access to information about program eligibility as others do. In addition, they may be confused by the new rules, such as the rule regarding how old an immigrant must be to qualify as elderly. Similarly, disabled immigrants not on SSI may mistakenly believe that because they are not SSI recipients, they do not qualify for food stamps. Even if they become aware of the food stamp restoration rules, it is not clear they will understand how to apply or be able to do so on their own.

Immigrant children whose food stamp eligibility is being restored also could miss out. Many of the children who will become eligible for federal food stamp benefits have working parents and may not be in contact with social service agencies that

administer benefit programs. Special efforts will be needed to reach some of these children. This is particularly likely to be true for groups such as children of migrant and seasonal workers. Those workers often have little contact with local welfare and social services agencies and frequently are not in an area long enough to establish ties to the community. In the absence of targeted outreach efforts, they may not learn their children are eligible for food stamps.

Reaching refugees and asylees who have been in the United States for more than five years but less than seven years also may not be easy. These individuals may prove difficult to identify. This is especially true for adult refugees and asylees who are not elderly or disabled. They are not likely to be receiving other forms of assistance and could be missed by food stamp outreach efforts that other programs conduct.

For these reasons, multi-lingual outreach efforts targeted at immigrant communities will be essential to ensuring that as many eligible low-income immigrants as possible learn of and understand the federal restoration. These efforts need to be aimed at all low-income immigrants, not just those with a current association to federal or state food stamp programs. For outreach efforts to be most effective, states will need to enlist the help of other assistance programs and service agencies — both public and private — that are in contact with immigrants to educate the immigrant community about the new food stamp rules. Programs, agencies, and organizations that states should seek to enlist in this effort include the following.

- **Other Benefit Programs:** States, localities, non-profit organizations and the federal government administer other programs for which immigrants continue to be eligible. Some of these programs include: Supplemental Security Income, TANF, Medicaid, WIC, general assistance, Social Security Disability Insurance, Head Start, child care programs, school food programs, food pantries and soup kitchens, congregate and home-delivered meal services, and child care programs. Service providers operating these programs have a unique opportunity to inform low-income immigrants about the federal restoration and encourage them to apply.

### **SSI Recipients Living in California Cannot Receive Food Stamps**

Since its inception, SSI recipients in California have been ineligible to receive food stamps. Instead, they receive larger SSI checks, which are supposed to cover the value of food stamps. (This is called SSI "cash-out.") As a result, immigrants in California who receive SSI are not eligible for food stamps, although other members of their households can receive food stamps if they are otherwise eligible. If immigrants in California who receive SSI benefits move to another state, they will be eligible to receive food stamps there. (They also are likely to receive a lower SSI benefit in other states.)

For example, many of the elderly or disabled immigrants who will now be eligible to receive food stamps are SSI recipients. States should work with the Social Security Administration (SSA) to have SSA send a notice to all of these individuals informing them of the federal food stamp restoration. Similarly, various programs in low-income immigrant communities can send notices to families with children and elderly and disabled people they serve, as well as provide information about the restoration to immigrants who come to their offices.

Many emergency food providers have noted an increase in demand for food since the immigrant cut-off from food stamps. Food banks and related organizations could provide bi-lingual information about the restoration with their food packages.

In addition, schools have unparalleled access to immigrant children and their parents. Schools in immigrant communities can send information about the restorations home with schoolchildren. (See box on page 35.)

- **Community Groups:** Religious and non-profit service providers and advocacy groups are uniquely situated to conduct outreach efforts to low-income immigrants who may be eligible for food stamps. Many of these organizations are trusted by and considered a part of the immigrant community. It is vital that state agencies work cooperatively with these groups to gain their expertise about, and access to, immigrant communities.

It also is important that state agencies provide these groups, as well as other government programs and agencies, with clear information about the new federal rules and what steps eligible immigrants need to take. That will enable community service providers, religious institutions, and other community activists to provide sound advice to immigrants seeking their assistance.

- **State Food Stamp Agencies.** Many immigrants may call state food stamp agencies prior to November 1<sup>st</sup> to inquire about the food stamp restoration. It will be important for state agencies to quickly train their workers about the restoration. Workers can inform immigrants that while

## Reaching Out to Immigrants and Their Families

Other programs such as the Earned Income Tax Credit and Medicaid have made a concerted effort to find ways of communicating information to non-English speaking groups about program eligibility and how to apply. States and community groups working on food stamp outreach to newly eligible immigrants could use similar channels to inform and educate potentially eligible immigrants about the federal restoration.

- **Non-English media.** Many non-English speaking communities have their own radio and television programming (including talk shows), as well as magazines and newspapers. State agencies and nonprofit organizations can encourage news coverage, write articles, and develop public service announcements on the food stamp restoration. For more information on involving Spanish-language media, contact the Office of Public Information, National Council of La Raza at (202) 776-1786.
- **Religious Groups.** Mistrust of government and welfare agencies runs high in some immigrant communities. Outreach through religious groups and activities can help people feel more comfortable about applying for food stamps.
- **Schools.** Schools can provide bi-lingual take-home notices. Schools already send school lunch meal applications and other notices to parents in September; schools in immigrant communities can add a food stamp restoration notice. Schools also can provide information with school registration and at "Back to School Events."
- **Grocers Located in Immigrant Communities.** Grocers and food retailers located in immigrant communities report having lost significant revenue when legal immigrants were removed from the food stamp program. They have a stake in ensuring that immigrants both know about the restoration and apply for assistance. Stores could post fliers or stuff them in shopping bags and could host community group activities to educate immigrants about the restoration. Other small community businesses also may help spread the word.
- **Events Targeted at Working Families.** Working families will be among those hardest to inform about the federal restoration because many of them do not participate in other public assistance programs. There are, however, other means of reaching this population. Information about the restoration can be provided through employers, job training programs or job fairs and child care providers.
- **Bilingual Food Stamp Agency Staff.** The food stamp program has a strong tradition of bilingual staffing and materials (7 C.F.R. 272.4 (b) and 272.5). Bilingual staff knowledgeable about the restoration could be invited to community events, provide information and materials, and even take applications.

Whatever methods are used, the information should let potentially eligible immigrants know where they need to go to apply, what materials to bring, and who in their community can assist them in filling out an application if they need help.

they are not eligible to receive food stamps now, they may be eligible on November 1<sup>st</sup> and that the immigrant should return to apply closer to that date. Also, states should use such contact as an opportunity to provide written bi-lingual materials to immigrants.

In undertaking such efforts, states can take advantage of the food stamp program's open-ended 50 percent federal matching rate for food stamp outreach activities, under which the federal government reimburses states for half of the costs they incur in conducting such activities. Currently, only a small number of states undertake food stamp outreach activities with these federal matching funds. (In federal fiscal year 1997, eight states—Arizona, Kentucky, Massachusetts, New York, Tennessee, Vermont Washington, and Wisconsin—drew down \$1.7 million in federal funds for outreach activities.) States may use federal matching funds to work cooperatively with, or even to contract-out outreach efforts to, private non-profit groups or other public agencies.

### **States Can Accept New Applications Prior to November 1, 1998**

Typically, households have their eligibility determined for food stamps in the month they apply. This could cause problems for states under the federal restoration. If most newly eligible immigrants attempt to apply for food stamps on or close to November 1, 1998, the date they become eligible for the federal food stamp program, many state food stamp agencies will be flooded with new applications, especially in states and localities with large immigrant populations. That could cause significant workload problems for public assistance offices, some of which are already overburdened.

As noted above, states have options available to convert substantial numbers of eligible immigrants to the federal food stamp program automatically. But there are likely to be large numbers of other newly eligible immigrants who are not converted automatically and who will seek to apply for benefits.

Fortunately, federal food stamp regulations provide states the authority to take applications *before November 1* and to use these applications to determine immigrants' eligibility. In fact, states are required to do so.

Some may mistakenly believe that immigrants who apply for benefits before November 1 will have their applications denied because the federal restoration is not yet in effect, requiring the immigrants to reapply on or after November 1. Under federal food stamp regulations, however, states must accept food stamp applications that potentially eligible immigrants submit in October and must use these applications as the basis for determining immigrants' eligibility for November.

The regulations state: "...a household may be ineligible for the month of application, but eligible in the subsequent month due to anticipated changes in circumstances. Even though denied for the month of application, the household does not have to reapply in the subsequent month. The same application shall be used for the denial and the determination of eligibility for subsequent months within the timeliness standards in 7 §C.F.R. 273.2."<sup>24</sup> This means that an eligible immigrant who applies in October must be approved for benefits starting in November. An expansion of eligibility required by federal law clearly is an "anticipated change."

This should assist states substantially in spreading the workload of processing these new cases over a more adequate period of time. In addition, if newly eligible immigrants apply before November 1, that will ensure them a food stamp benefit that covers the entire month of November, as compared to a partial November benefit that will be provided to those applying after the first of the month. (Under the Food Stamp Act, benefits for a household's initial month on the program are pro-rated to cover only the portion of the month that remains from the date of application. Thus, a household applying on November 16 would receive only half of the November monthly benefit to which the household otherwise would be entitled<sup>25</sup>.) States should make clear in the information they distribute to immigrants and other agencies and organizations that potentially eligible immigrants may apply before November 1.

### **States Can Elect to Base November Benefits on Applications Taken in September**

In some states or localities with large immigrant populations, accepting applications in October may not be sufficient to avoid a workload crunch and possible delays in restoring food stamps on a timely basis. Such states have the option of beginning to accept and process applications from potentially eligible immigrants in September if they wish to do so.

As noted above, a state may deny an application for one month but use the same application to provide benefits in a subsequent month, as long as the state stays within the processing standards the food stamp regulations prescribe. The normal processing standard — the time that may elapse between the date an application is filed and the date the state must take action in response to it — is 30 days. States do, however, have the option to extend the processing period to 60 days under certain circumstances.

---

<sup>24</sup> 7 §C.F.R. 273.10(a)(3).

<sup>25</sup> 7 §C.F.R. 273.10(a)(1)(iii). Benefits will not be prorated to newly eligible immigrants who apply prior to November 1st.

**An Example of How a State Can Accept Applications in September**

A low-income elderly immigrant who is 75 years of age and who will become eligible to receive food stamps on November 1 applies for food stamps on September 2. The state agency holds the application for 30 days and responds to the immigrant on October 2 stating that it is holding the application pending for 30 more days. The state agency eventually can inform the individual that while it must deny his application for the months of September and October, it is approving his application for months starting in November. On November 1, the state issues the immigrant a full month's worth of benefits.

When responding to an applicant household 30 days after the household has filed an application, a state's response need not simply be approval or denial of the household's application. In certain circumstances, states may respond to the applicant with a Notice of Pending Status.<sup>26</sup> States typically use this notice to inform households that their eligibility for food stamps cannot be completed without some additional information or action by the household.<sup>27</sup> When an application is "pended" in this manner, states may hold the application an additional 30 days while waiting for the needed information to be supplied.

Using this authority, states could permit potentially eligible immigrants to apply for food stamps as early as September. Some

30 days later, in October, the state would act to pend the application for up to 30 more days. The state could subsequently approve the application for November. This would enable a state to begin accepting and processing applications in September to spread the added workload over a longer period of time.

---

<sup>26</sup> 7 §C.F.R. 273.10(g)(1)(iii).

<sup>27</sup> 7 §C.F.R. 273.2 (h).

---

## **APPENDIX**

### **The Funding for the Federal Restoration: The Change in Reimbursement for Food Stamp Administrative Costs**

---

Prior to enactment of the welfare law in 1996, the federal government shared administrative costs with the states on a 50 percent matching basis in the AFDC, food stamp and Medicaid programs. Many low-income families are eligible for all three programs, and federal law and rules encouraged states to determine families' eligibility for these programs through a joint application process. States, therefore, needed to develop a system to account for how much of their administrative costs were attributable to each of these three programs when they jointly processed a household's application for more than one program at one time.

The method states used to allocate administrative expenses among these three programs — i.e., their cost allocation system — had no effect on federal or state budgets because the federal government paid half of the administrative expense regardless of which of the three programs was charged with the cost. The cost allocation system the federal government and the states adopted designated AFDC as the "primary" program. This resulted in most of the administrative costs shared among the three programs being charged to AFDC.

Under this cost allocation system, states charge any shared administrative costs to the AFDC program (now the TANF program). The food stamp and Medicaid programs were charged only with those administrative costs that were specific to those programs. Thus, the costs associated with collecting and verifying an applicant's name, address, income and other basic information needed by all three programs were charged to AFDC. Food stamps and Medicaid only paid for administrative expenses incurred due to the specific needs of those programs. For example, because the food

stamp program needs certain information regarding an applicant's housing costs, the food stamp program paid the administrative costs associated with collecting and verifying that information.

When AFDC was replaced with the TANF block grant, however, the allocation of administrative costs among the three programs began for the first time to have federal and state budgetary ramifications. Under TANF, states do *not* receive a federal match for the administrative expenses they incur. Instead, they may spend up to 15 percent of their federal TANF block grant funds on administrative expenses. In addition, up to 15 percent of *state* funds that count toward the TANF "maintenance-of-effort" (MOE) requirement may be spent on administrative expenses.

Federal policymakers became concerned last year that some states were interested in shifting administrative costs that traditionally had been charged to AFDC on to the food stamp and Medicaid programs instead. Doing so would have increased the federal reimbursement dollars flowing into a state. This concern led Congress to consider proposals to preclude this increase in federal costs and ultimately resulted in the food stamp cost allocation provision contained in Public Law 105-185. (No such proposal has been enacted for Medicaid at this time, although similar proposals are assumed in both the Senate and House budget resolutions for fiscal year 1999.)

### **How the New Cost Allocation Provision Works**

For years, states have been required to have a plan approved by HHS that details how they allocate common or shared administrative costs among various assistance programs.<sup>28</sup> According to HHS, all states have been using the "primary program" cost allocation method, which essentially resulted in the AFDC program paying for the food stamp and Medicaid share of common administrative costs. Under the new law, states will now be required to file new cost allocation plans with HHS that do *not* charge all shared or common administrative costs to TANF.<sup>29</sup> Instead the food stamp and Medicaid portions of the common costs will be charged to those programs respectively. In effect, states will have to shift certain administrative costs traditionally charged to TANF to food stamps and Medicaid. (States will be prohibited from continuing to charge these costs to TANF.)

---

<sup>28</sup> These plans include how shared administrative costs are allocated not only among TANF, food stamps and Medicaid, but also among all other programs administered by state welfare agencies, such as, job training programs and refugee cash assistance. None of these other programs is affected by the change in P.L. 105-185.

<sup>29</sup> The new statute does not explicitly require states to change their cost allocation schemes, but in implementing the new law, HHS is expected to issue guidance to states requiring such a change.

At the same time that states shift these administrative costs to food stamps and Medicaid, the new law requires that USDA withhold a certain amount from the federal reimbursement for state food stamp administrative costs. The withheld amount is intended to capture the amount of administrative costs shifted to food stamps because of the new cost allocation requirements. (The concept here is that since federal TANF block grant funding is based in part on the federal matching funds a state received for AFDC in fiscal years 1994 or 1995, the state is already receiving federal funds to cover the shifted costs through the TANF block grant.) HHS is charged with using each state's cost allocation plan to determine the amount to be withheld. HHS will base this calculation on the following information:

- **Common Administrative Costs in the Base Year.** The amount of federal reimbursement the state received for AFDC administrative costs in the TANF base year<sup>30</sup> that was attributable to costs common to determining the eligibility of individuals, families, and/or households applying for any combination of AFDC, food stamps and/or Medicaid.
- **Each Program's Share of the Common Administrative Costs in the Base Year.** The amount that each state would have received in federal reimbursement for administrative costs under AFDC, Medicaid and food stamps if the state had been required to allocate common or shared administrative costs *equally* across all three programs during the state's TANF base year

USDA is required to withhold from each state's federal reimbursement for food stamp administrative costs an amount determined to be the food stamp share of the federal AFDC funding the state received for common administrative costs in the TANF base year. This amount is fixed and will not change in future years.

**Example:** A state received \$100 million in *federal* funds for its AFDC administrative expenses in federal fiscal year 1994, its TANF base year. Of that amount, HHS determines that \$60 million was spent on common AFDC-Medicaid-food stamp administrative costs. If the state had allocated the common administrative cost equally across the three programs, the federal reimbursement to food stamps for common administrative costs would have been \$20 million.

---

<sup>30</sup> A state's TANF base year is the year for which the state's AFDC expenditure levels are used to determine the amount of federal TANF block grant funding the state receives. Most states use fiscal year 1994, although some use 1995 or the average of fiscal years 1992 through 1994.

USDA will now withhold \$20 million each year from the state's federal reimbursement for food stamp administrative costs.<sup>31</sup>

It is unclear how many states will be affected financially by this change and to what degree. That will depend upon how many food stamp administrative costs were considered common administrative costs and charged to AFDC in the state's TANF base year. It will also depend on HHS's ability to make an accurate determination of those common costs based on the state's cost allocation plan. *It is possible that some states will go relatively unscathed by this change.* Some states claim to have moved most or all of their food stamp costs out of AFDC by 1994.<sup>32</sup> For those states, HHS should determine that few or no common costs were charged to AFDC. USDA would apply little or no reduction to federal reimbursement for food stamp administrative costs in these states. Without information on a state's cost allocation plan, it is not possible for us to estimate the impact of this change in policy on each state.<sup>33</sup>

Under the new law, HHS (working with USDA) must report to each state by the end of December 1998<sup>34</sup> the amount that USDA is to withhold from the state in federal matching funds for food stamp administrative costs beginning in federal fiscal year 1999. The withholding will be retroactive to October 1, 1998. The state has a limited appeal right, but USDA must withhold the federal funds pending appeal.

### **States Cannot Use TANF Monies to "Fill the Hole"**

As a result of this policy change, some states will have to come up with state funds to cover the food stamp portion of common administrative costs that formerly was charged to TANF but now will be charged to the food stamp program. The logical thing for a state to attempt to do in this situation would seem to be to use federal TANF funds or state that count toward the TANF maintenance-of-effort requirements to cover these increased food stamp administrative costs. The new law prohibits states, however, from using either federal TANF funds or state MOE funds to replace the lost federal food stamp administrative reimbursement. The state must use state other funds to make up the shortfall in reimbursement.

---

<sup>31</sup> This example is purely illustrative. No comparisons should be drawn to actual state budgets.

<sup>32</sup> Most states use 1994 as the TANF base year.

<sup>33</sup> A state's budget office should have a copy of a state's cost allocation plan.

<sup>34</sup> HHS is required to determine the figure for each state by 180 days after the date of enactment. The legislation was enacted June 23, 1998. Each state must be notified within five days of the Secretary's determination.

## **States May be Tempted to Use Newly Available State Food Assistance Monies to Replace Lost Administrative Funds**

A state that experiences a reduction in the federal reimbursement it receives for the costs incurred in operating the food stamp program (note again, that some states believe they will face little or no loss in federal funding) will have several options. First, it could provide new state funds to offset the reduction in federal funding for administrative costs. Second, it could reduce the overall size of its food stamp administrative budget to compensate for the reduction. Or, third, if the state has a state food assistance program for immigrants, it could consider using the funds that were being used to provide food assistance to the elderly, disabled and child immigrants to replace the lost federal funds for food stamp administrative costs.

In an era of unprecedented state surpluses, it should be possible and would be preferable for a state to provide the needed administrative funds to make up for the reduction in federal food stamp administrative funds. For the reasons explained in this report, it is important that states continue to provide assistance to low-income legal immigrants who lost access to many vital federal assistance programs under the welfare law. In addition, reducing the overall administrative budget for the food stamp program could compromise program operations and service levels.

## **Don't Forget that TANF and MOE Funds Have Been Freed-Up**

Under the new law, HHS will bar states, starting October 1, 1998, from spending federal TANF or state maintenance-of-effort funds on the food stamp program's share of common administrative costs. Since states will now have to fund the food stamp administrative costs traditionally paid out of AFDC and TANF from the food stamp program instead, they may find they have newly available federal TANF and/or state MOE funds within their state's total TANF-related budget.

**Example:** As required under the new cost allocation plans, a state shifts all common administrative costs attributable to the food stamp program from TANF to food stamps. This results in a \$20 million increase in administrative costs charged to the food stamp program. At the same time, \$20 million is freed up within the state's overall TANF program budget because the state can no longer charge these expenses to the TANF administrative budget.

States could always choose to maintain or to reduce the amount of federal TANF monies funds they spend. TANF law requires, however, that they maintain state maintenance-of-effort spending at levels no less than 75 percent of their state expenditures for AFDC and related programs in the TANF base year (usually fiscal year

1994). Given these constraints, the food stamp administrative cost shift may actually free-up monies within the TANF system to be used for other purposes.

- Many states have already set their TANF budgets, including federal and state spending levels, for the coming fiscal year. Governors may be authorized to reprogram freed up federal or state MOE funds for another purpose.
- If a state has already reduced its state's MOE level to 75 percent and was using some MOE funds to pay for administrative expenses being shifted to the food stamp program, the state has to spend state MOE money on some other activity to keep its spending level high enough to meet the MOE requirement.

States may want to use these unexpected monies within the TANF budget as an opportunity to provide new or additional funding for programs targeted at immigrant populations or other state priorities. For example, states could provide state-funded food assistance to immigrant parents who are receiving TANF cash assistance. This is an acceptable use of TANF monies and since these families are already subject to TANF requirements, food assistance would not engender any additional consequences to the family such as child support assignment, or time limits, or exacerbate the state's administrative burden by changing the calculation of work participation rates by requiring more data collection.