



Food Stamp Reauthorization Proposal

Food Stamps Work! The Food Stamp Program is the nation's best defense against hunger. The program provides vital support to low-income people transitioning from welfare, and vital nutrition assistance to other vulnerable populations, namely the elderly and disabled. In times of economic downturn, the food Stamp Program brings vital food dollars to struggling communities.

The Food Stamp Program Can Work Much Better! The program is up for "reauthorization" this year, meaning that Congress is reviewing the program to decide if and how it will continue.

The Western Region Anti-Hunger Consortium (WRAHC) sees reauthorization as a tremendous opportunity to improve the program for working families.

- While there are many benefits to the Food Stamp Program, perhaps the most important is its ability to help low-wage workers put food on the table – without it, work would not be rewarded and hard working families would go hungry.
- But while the Food Stamp Program is a vital support for working families, components of the program are still incompatible with work. Provisions designed for a largely fixed-income population have not been changed even though a growing number of recipients are working poor families with fluctuating, low-wage income.
- At the same time, the Food Stamp Program is a health and nutrition program, yet components of the program are still inconsistent with health policy and practice.
- WRAHC believes that reauthorization provides the opportunity to address these incompatibilities and inconsistencies and ensure that the program continues to provide nutrition support to hungry people throughout the country.

In the summer of 2000, WRAHC released a discussion paper on Food Stamp Reauthorization. This paper prompted considerable discourse among advocates and state administrators, all with the common goal of improving the Food Stamp Program. Based on the discussions, research, and the experience of low-income people throughout the region, WRAHC offers the following statement:

- **Whereas** a good economy has created low-wage jobs and reduced welfare rolls,
- **Whereas** families who are leaving welfare for low-wage work have less disposable income than before welfare reform,
- **Whereas** these families are experiencing hunger and are not accessing a critical support for working families: the Food Stamp Program,
- **Whereas** steps have been taken by Federal, state and local government to make health care programs more accessible to the working poor,
- **Whereas** food stamps are a health and nutritional support,
- **We ask that** Congress and the President take action at reauthorization to ensure that the Food Stamp Program continues to provide valuable nutritional benefits to hungry Americans, and that they take steps to firmly establish the Food Stamp Program as a work support by making the program more accessible to working families.

**The Western Region Anti-Hunger Consortium's
DRAFT -- Recommendations for Food Stamp Reauthorization -- DRAFT**

1. **Reward states for taking steps to improve access to the Food Stamp Program for working families.** The current system to measure performance in the Food Stamp Program has negative consequences for states and working families. The sole measure of a state's performance is payment accuracy (whether too little or too many food stamps are given). This system creates two major problems:
 - First, it sets states up for failure, since all of the states whose error rate is above the median face significant financial penalties.
 - Second, because of the sole emphasis on payment accuracy and the fact that states are set-up for failure, states are often forced to take action *which limits access to the Food Stamp Program for working families*. In fact, since working families have earned income which makes food stamp calculations more complex and thus more subject to error there is an incentive for states to **not** make the program more accessible to these families.

WRAHC recommends that the current performance measure system be overhauled by not penalizing half of the states and by creating additional measures of Food Stamp Program performance. States could be measured and rewarded for increases in Food Stamp participation, timely issuance of benefits and steps taken to increase accessibility of the program for working families.

2. **Make the Food Stamp Program less sensitive to fluctuating budgets of working families and more realistic in how shelter costs, assets and vehicle values are viewed in determining eligibility and benefit amounts.** Low-income families often see slight changes in their income if the number of hours they work increases or decreases. The Food Stamp Program is hyper-sensitive to these changes and puts a tremendous burden on recipients to report changes. In addition, limits on shelter cost deductions, assets and vehicle values set in the program more than twenty years ago no longer reflect the real costs in 2001.

To address these problems, WRAHC proposes freezing recipients benefits for longer periods of time and during this period, removing reporting and verification burdens on recipients and state agencies. This is particularly important for families leaving cash assistance for work. Second, to more easily calculate food stamp benefits while not harming recipients, WRAHC recommends that program streamlining take place, balanced by continuing to factor in key expenses such as shelter and utility costs. Options include:

- Moving to a review system like Medicaid instead of a recertification system, reducing the paperwork burden on low-income families
 - Raising the food stamp standard deduction and indexing it to inflation
 - Mandating use of standard utility deductions
 - Eliminating all other deductions
 - Simplifying the definition of income for consistency with TANF and Medicaid
 - Exempting one vehicle for each working person, evaluating others via the equity value
 - Increasing the asset limit to at least \$5,000 while retaining current state options to set the limit through categorical eligibility with the TANF program
3. **Restore Food Stamp benefits to legal immigrants cut from the program in 1996, and end the time-limit on receipt of benefits by unemployed adults without dependents.**
 4. **Improve the health and nutritional value of the Food Stamp Program by increasing the amount of food stamps available to eligible families and seniors through:**
 - Changing the basis for Food Stamp Program benefits from the nutritionally unsound USDA Thrifty Food Plan to the USDA Low-Cost Food Plan
 - Increasing the minimum benefit from \$10 to at least \$25