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CONFEREES AGREE TO \$6.4 BILLION FOR FARM BILL NUTRITION TITLE

Senate/House conference committee still debating specific Food Stamp Program provisions

Congressional House and Senate conferees on the 2001 Farm Bill (H.R. 2646) have set funding for the nutrition title at \$6.4 billion over the next 10 years. While lower than the \$8.9 billion proposed in the original Senate version of the bill, this is a definite victory for anti-hunger advocates, who fought to increase funding for the nutrition title from the \$3.6 billion allocated in the House bill. The fight is far from over, however, with conferees set to make final decisions over specific Food Stamp and other nutrition program provisions when they return from the Easter recess on April 8. (Policy Page #153 at <http://www.cppp.org/products/policypages/151-170/151-170html/PP153.htm> summarizes the key provisions). In the meantime, conference staff will be meeting throughout the recess to negotiate the details of the Farm Bill. Now is the perfect time for concerned organizations and individuals to weigh in with their Congressional delegation, local and state leaders, and the media to build support for this title. This Policy Page outlines steps readers can take between now and April 8 to support nutrition program improvements and includes specific messages about why the Food Stamp provisions are so important to Texas.

****Texas input critical to debate—see below for how to contact Members of Congress****

BACKGROUND

Congressional conferees will debate the differences in the House and Senate versions of the Farm Bill when they return from the Easter recess. Although the House bill contains some good Food Stamp provisions, the Senate's nutrition title goes much further in improving program access and increasing the value of benefits. In addition, the Senate bill restores benefits to most legal immigrants, a provision missing in the House bill.

ACTION NEEDED

Although the conferees will need to scale back from the original \$8.9 billion proposed in the Senate nutrition title, the \$6.4 billion funding level will make it possible to include most of the Senate priorities in the final package. However, it is still critical for local groups and state officials to weigh in with the Texas Congressional delegation. Most important are the two Texas members of the conference committee, Representatives Charlie Stenholm and Larry Combest. They need to hear why Food Stamp Program improvements are so important to your community. Many of the messages delivered to the conferees to date have been in support of including sufficient resources for the nutrition title with general support for some of the key provisions in the Senate bill. Groups may now want to consider messages that explain

how specific provisions within the bill would benefit Texas (see sample messages below).

Even if you don't live in Representative Stenholm's or Combest's districts, you can contact your Members of Congress and urge them to write a letter to the conferees about which specific policies in the Senate bill are most important for Texas. For example, Montana Senators Baucus and Burns wrote a letter to the conferees that supported the Senate nutrition title and focused on several provisions of particular importance to Montana. Texas members of the Congressional Hispanic Caucus have joined with their colleagues in writing a general letter of support to conferees. In addition, you can ask your state senator or representative to write a letter to conferees in support of a strong nutrition title.

Now is also the perfect time for local media to focus on some of the details within the nutrition title. Op-eds and editorials on the Senate bill and how its various provisions promote welfare reform, reduce hunger, and benefit your state or community would be extremely helpful.

Time is running out, so act now! While we do not know when final decisions on the nutrition title will be made, it is possible that the Farm Bill will be largely completed by the first week in April.

SAMPLE MESSAGES

You can use these messages in a personal visit to your Congressperson or other elected official, or to assist you in writing a letter to conferees.

Funding: Thank you for all of your support in achieving a strong nutrition title. The \$6.4 billion funding level for Food Stamps and The Emergency Food Assistance Program (TEFAP) is extremely important to Texas. This funding level will help to ensure that the key features of the Senate-passed nutrition title can be retained.

- The Senate bill contains critically needed improvements that will strengthen the nutrition safety net for the 3 million poor people in Texas. These provisions would benefit low-income working families, streamline and simplify the program, and promote welfare reform goals.
- About 1.5 million Texans participate in the Food Stamp Program each month (less than half of those estimated to be eligible). About one in seven participants are elderly or disabled; 57 percent of the participants are children.
- Unlike many other programs, Food Stamps do not require states to bear part of the cost of the benefits issued. The Food Stamp program thus is particularly helpful when a recession puts state budgets into crisis.
- From 1996 to 2001, the state has lost \$3.9 billion in Food Stamp benefit revenue as a result of the decline in participation. These losses have placed a huge strain on local resources and private charities, in particular emergency food providers, which are struggling to keep up with the demand for their services.
- Texas has the second highest rate of hunger in the country and the third highest rate of food insecurity. This is a situation that will only get worse, unless Food Stamps are made more accessible.

Restorations for Legal Immigrants: A specific benefit that must be included in the final package is the restoration of eligibility to legal immigrants currently ineligible for Food Stamps. We strongly urge you to adopt President Bush's proposal to restore benefits to legal immigrants who have been in the country for five years, in addition to the Senate's other legal immigrant restorations. Many Republicans and Democrats agree that the immigrant eligibility restrictions were one of the provisions of the 1996 welfare law that went too far. The immigrant, religious, and anti-hunger communities, as well as the states (on a bi-partisan basis), have called for immigrant restorations.

- Over 120,000 immigrants in Texas were cut off from Food Stamps in 1996. Many studies have documented that these cuts have led to increased hardship and hunger among immigrant families in Texas. In a

recent study conducted by the Urban Institute, researchers found that nearly half of all children of immigrants in Texas live in families struggling to keep food on the table. This compares to 37 percent nationally and to 33 percent of U.S-citizen-headed families in Texas.

- In addition to the impact on immigrants themselves, the cuts have significantly increased demands on local service providers. Communities along the Texas-Mexico Border that have large immigrant populations have been particularly hard hit. Unfortunately, these same communities are among the state's poorest, with limited local resources to make up for lost federal and state assistance.
- Many more Texans are affected by policies limiting immigrant access to Food Stamps, because so many immigrants live in families that include citizens. The U.S. Census shows that 29 percent of Texas' low-income children (below 200 percent of the poverty income), or 794,000, live in a "mixed family." From 1996 to 1997, Food Stamp enrollment nationwide among citizen children with legal immigrant parents dropped by 37 percent. In contrast, enrollment by children in families that did not include legal immigrant parents dropped by only 15 percent. Experts attribute much of the decline to the mistaken belief among immigrants that the use of these benefits may jeopardize the immigration status of a family member.

We strongly urge you to include in the final Farm Bill benefit restorations for legal immigrants that are simple for states to administer, so that states are not burdened with a complex set of new immigration-related determinations.

Restorations for Unemployed Childless Adults: We strongly encourage you to support the Senate provision that would change the three-month time limit on Food Stamps for unemployed childless adults. The Senate bill would allow unemployed workers to receive Food Stamps for up to six months within any 24-month period instead of three months out of 36. This provision is particularly important during a period of climbing unemployment, because it gives unemployed workers six months to get back on their feet. The provision is also an important simplification. Individuals subject to the time limit are among the poorest and most disadvantaged in the country. In most states they qualify for no other benefits. The roughly \$130 a month they would receive in Food Stamps may be the only safety net they have.

Benefit Improvements: The nutrition titles of both the House and Senate Farm Bills both improve the Food Stamp benefit and strengthen Food Stamps as a work support in several respects, but the Senate bill contains additional critical improvements. We encourage you to

support the Senate position on these important benefit improvements:

- **Indexing of the Standard Deduction.** We strongly urge you to adopt the Administration and Senate approach to raising the standard deduction. Both bills improve the value of Food Stamp benefits by adjusting the standard deduction according to family size. Like the tax code, this change would allow larger families a greater deduction from their income to account for certain unavoidable expenses before food benefits are calculated. The Senate approach (like the Bush Administration's proposal) is a big improvement over the House approach because it indexes the deduction to keep pace with inflation, which ensures that the value of the standard deduction does not continue to erode over time.
- **Higher Shelter Deduction:** Please include the provision in the Senate bill that allows families to deduct more of their housing costs from their income in order to receive a higher Food Stamp benefit. Under current law, households can deduct up to \$340 in "excess" monthly shelter cost, which is a household's rent/mortgage payment minus 50 percent of its adjusted gross income. The Senate provision would raise the cap to \$390 in 2003 and then index this amount for inflation each year through 2009. This is a particularly important change in Texas, where housing costs in some cities are so high that low-income families are often forced to cut back on their food budget in order to pay their rent. Allowing families to deduct more of their housing costs when calculating their Food Stamp benefits will help offset some of this cost.

Transitional Food Stamp Benefits Must Not Make Families Worse Off: Both bills would help families moving from welfare to work by allowing states to provide six months of transitional Food Stamps for families leaving TANF cash assistance without requiring additional paperwork from the household. The Senate's approach to Transitional Food Stamps is preferable, because households that leave TANF have their transitional benefit adjusted for loss of TANF benefits, which ensures at least as much in Food Stamp benefits as they would receive under current law. Under the House bill, many recipients would see their Food Stamp benefits cut when compared to current law.

Simplification: The final bill should include ALL of the program simplifications that are included in the Senate bill. The Food Stamp program's complex rules have contributed to the fall in participation among eligible families since 1996. According to USDA's most recent study, only 51 percent of eligible low-income people in Texas participated in the Food Stamp program in 1998. This is down from 72 percent in 1994. We urge you to

support the specific provisions in the Senate bill that allow more flexibility in the frequency of required office visits (semi-annual reporting) and simpler income documentation procedures. These changes should have the biggest impact on working families who can ill afford the four to five hours it takes to apply for Food Stamps.

Reform of the Quality Control System: Please support the House bill provision that reforms the Quality Control (QC) system—how states are measured for Food Stamp Program performance—while adding the Senate language that allows for adjustments for states with large legal immigrant communities or particularly large numbers of working families with children. The current system imposes financial sanctions on about half the states because of unrealistic reporting requirements. Food Stamp recipients are most often the victims of these rules. In Texas, the pressure on states to reduce their error rates has resulted in a program that focuses too little on ensuring that all eligible families receive benefits. The House and Senate bills would maintain program integrity but reform the system by focusing penalties only on states with persistently poor performance. It is vital that the final bill stick with these QC reforms. Both our Food Stamp agency (the Texas Department of Human Services) and Food Stamp recipients would benefit from them.

Keep Current Flexibility in the Use of "Categorical Eligibility" to Qualify Families for Food Stamps: We are very concerned about the President's proposal to limit "categorical eligibility" in the Food Stamp Program to families receiving cash assistance. Recent flexibility granted by USDA allows states to confer categorical—i.e., automatic—eligibility for Food Stamps to any family that qualifies for TANF-funded *non-cash* services, without subjecting these families to the Food Stamp Program's strict resource rules. Texas has taken advantage of this option to expand categorical eligibility in order to increase the resource limit in the Food Stamp program. This change, mandated by the Texas legislature in 2001, means that poor families no longer have to forego having some prudent savings in the bank in order to get Food Stamps in times of need or crisis. This also means that those families recently unemployed are able to get back on their feet quicker. The proposal to restrict categorical eligibility would not result in these households facing only modest benefit reductions; to the contrary, it would terminate the Food Stamp benefits for all of these low-income families, cutting them off the Food Stamp program entirely, primarily because they would no longer meet the severe Food Stamp asset limits. We urge conferees to reject the President's proposal and maintain this flexibility in the use of categorical eligibility.

The Emergency Food Assistance Program: Please include in the final bill the added funding for The Emergency Food Assistance Program. Food banks, food shelves and food pantries facing growing requests will be better able to meet the need with this extra funding.

CONTACT INFORMATION FOR CONGRESS:

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