

Contradictory Food Assistance Trends May Mean Eligible Persons Not Being Served

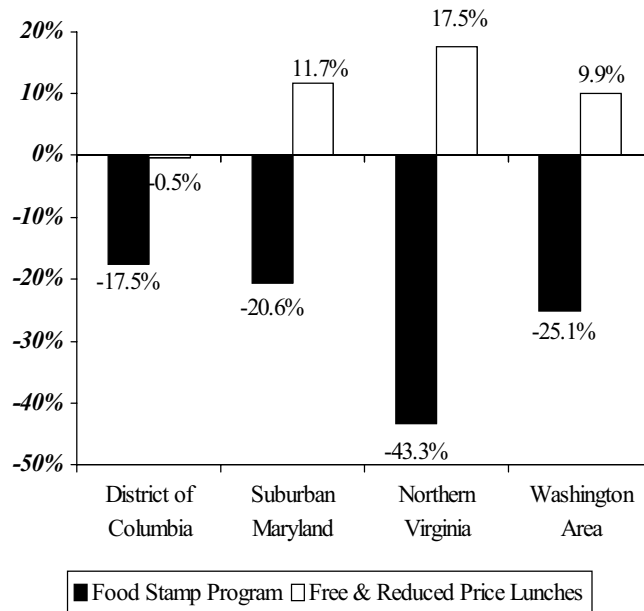
by Jane Wallace McNeil

Between October 1994 and October 1998 food stamp participation in the greater Washington area declined 25.1 percent overall with declines recorded in all jurisdictions. Given the generally strong economy and welfare reform, some, but not all, of the decrease in food stamp participation was expected and might be taken to reflect a decreasing need for food assistance in the area. In contrast, however, participation in the free and reduced price lunch component

of the National School Lunch Program increased 9.9 percent over the same period of time, suggesting increasing food needs among children from low-income families.

These contradictory participation trends are puzzling since both programs serve low-income families with food assistance needs. Differing eligibility criteria and welfare reform changes in the food stamp program account for part of

**Food Stamp and Free & Reduced Price School Lunches Participation
Oct. 1994 - Oct. 1998 Percent Change**



the participation differences, but it is surprising to have the participation trends move in opposite directions.

As discussed below, some of the factors involved in the participation changes are known, even though it is not clear exactly what is causing the contradictory trends. Nevertheless, based on what is known, the contradictory trends may imply that some persons in the greater Washington area are not receiving all the food assistance for which they are eligible. Therefore, a close look at possible causes of participation changes is appropriate.

Food Stamp Eligibility Standards

Eligibility for food stamp benefits is based on the following conditions.

- Gross family income must be 130 percent or less of the federal poverty line [\$21,710 / family of four / year] and net income must be 100 percent or less of the poverty line [i.e., 16,700 / family of four / year].
- Child care, shelter costs, and other expenses are allowed as deductions in the calculation of a family net income.
- Cash and other assets may not exceed \$2,000 for most families, with exemptions for a house and lot and the first \$4,650 in value of one car.
- Work requirements apply to many participants depending on their age, health status, and other factors.
- U. S. citizens and some legal aliens admitted for permanent residency are eligible.

Free & Reduced Price Lunch Eligibility Standards

Eligibility for free or reduced priced school meals is based on the following conditions.

- Gross family income must be at or below 130 percent of the federal poverty line [i.e., \$21,710 /family of four / year] for free lunch status or at or below 185 percent of the poverty line [i.e., \$30,895 / family of four / year] for reduced priced status.
- Children from households participating in food stamps are automatically eligible for free lunches regardless of their income level.
- There are no asset limitations, work requirements, or alien status conditions.

Eligibility Criteria Account for Some Differences

Although the Food Stamp Program and the National School Lunch Program both serve low-income families, the programs do not necessarily serve the same people. The obvious difference is that food stamps serves households with and without children while school lunch only serves children. In addition, the two programs have different eligibility standards and ways of calculating a household's income. For example, the food stamp asset limitation and alien status criteria will make some families with children ineligible for food stamp benefits even though their income level may qualify them for free lunches. Alternatively, a family may have a *gross* income at or below 130 percent of the federal poverty line (i.e., the free lunch standard); but, not have a *net* income at or below 100 per cent

of the poverty line which is necessary to be eligible for food stamps.

Welfare Reform Caused Some Food Stamp Participation Declines

Some of the food stamp participation decrease is related to welfare reform initiatives. For instance, the requirement that able-bodied adults with no dependents be subject to time limited participation and tightened work requirements has decreased program participation. Also, changes in the eligibility status of legal aliens accounts for some of the participation decline. In other cases, food stamp participation reductions may be indirectly related to welfare reform issues.

Several welfare reform studies report that persons leaving the Temporary Assistance for Needy Families (TANF) program because of expiring time limits or getting a job may no longer receive food stamp benefits, even though they are still eligible. A 1997 Urban Institute survey found that 45 percent of former welfare recipients with incomes below 50 percent of poverty were no longer receiving food stamps. Some non-participating households may be unaware that their food stamp eligibility was not automatically terminated with removal from the TANF program. In other cases, welfare reform implementation procedures may have discouraged persons from applying for food stamps after cash assistance termination. Also, states can opt to make entire families ineligible for food stamps as a part of a TANF work requirement sanction.

In addition, the restrictions on the food stamp eligibility of legal aliens has caused con-

fusion among program administrators and immigrant families. After much publicity about provisions making legal aliens ineligible for food stamps, subsequent legislation restored eligibility for legal aliens meeting certain conditions. Many immigrant families, however, may be unaware of the restoration policy. Also, many immigrant families may be unaware that their U.S. born children can be eligible for food stamp benefits even if the parents are not eligible due to their alien status.

School Lunch Increases

While the increasing number of children in area schools explains some of the growing participation in school lunches, there seem to be factors other than mere growth affecting the trend in free and reduced priced meal participation. When approvals for free and reduced priced lunches rise at a rate faster than school enrollment increases, the percentage of low-income families in the area may be growing. Such a situation, though, should affect both food stamp participation and free and reduced priced lunches.

Some of the school lunch increase also may be related indirectly to welfare reform. Families no longer receiving cash assistance or food stamps may be seeking help from sources not previously used such as the school lunch program. In other cases, some families, particularly those that have left TANF due to employment, may apply for free and reduced price lunches even when they do not apply for food stamp assistance. If a working family is only eligible for minimum food stamp benefits, they may not make an effort to apply for the program. On the other hand, the school lunch application pro-

cess is easier and less intimidating than the food stamp application process. It is handled through the school system with applications mailed to families or sent home with the children in a packet of school related materials.

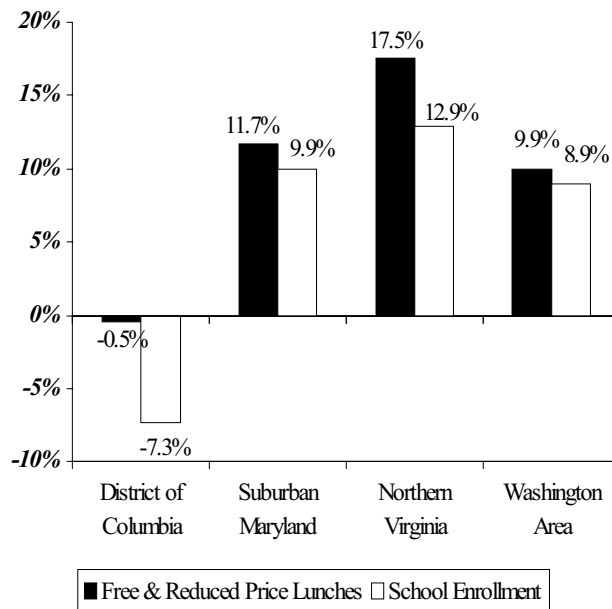
Finally, a number of education grant programs base funding allocations on free and reduced priced meal participation numbers, so school officials often have an extra incentive to assure all eligible families are approved for free and reduced priced meals. In addition, school officials have been encouraged to work with food stamp offices to directly certify children from families eligible for food stamps for free lunch participation.

Conclusions

While there are good reasons to expect some participation differences between the two food assistance programs as a result of policy variances, the magnitude of the differences suggests that some families, and especially children, may not be receiving all the food stamp assistance to which they are entitled. To assure that this is not occurring, several actions should be taken.

- First, families of children approved for free or reduced priced lunches but not participating in the Food Stamp Program should be encouraged to apply for food stamps. Since information regarding food stamp participation is indicated on school

**Free & Reduced Price Lunch Participation and School Enrollment
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lunch applications, such a notification system should not be difficult for schools to implement. Perhaps the existing procedures for sharing food stamp information with schools could be modified to facilitate the sharing of free and reduced priced meal data with food stamp offices.

- Second, employers and other groups in contact with low-income working families should provide the families with food stamp program information and encourage applications. Helping families make ends meet during the transition from welfare to work, should improve job retention rates and enhance job performances.
- Third, persons working with immigrant families should assure that the families are aware of the conditions under which they may be eligible for food stamps. In particular, families with U.S. born children should be encouraged to apply for food stamp benefits on behalf of their children.

- Fourth, consideration should be given to changing federal law so that children eligible for free school meals are automatically eligible for food stamp assistance. Although differences in income and asset limitations, especially the household's ownership of a vehicle valued more than \$4,650, may be preventing some free meal eligible children from receiving food stamps, consideration could be given to waiving such policy distinctions for the children.

To make the greater Washington region a healthier and more productive area for all residents, the goal should be to have all children and adults in low-income families receive the food assistance for which they are eligible.

Source: Information presented in this report is based on data gathered from DC, Maryland and Virginia state offices administering the Food Stamp Program and the National School Lunch Program.

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Note: for additional information on the food stamp and free and reduced price lunch participation for each jurisdiction of the Washington area consult the Greater Washington Research Center's web site at www.gwrc.org under 1999 publications.