



Under Secretary Summary of State Options

July 3, 2002

Mr. Vincent P. Meconi
Secretary
Department of Health and Social Services
1901 North Dupont Highway
New Castle, Delaware 19720-1115

Dear Mr. Meconi:

I am writing you today to urge full consideration of food stamp policy options which can improve customer service and streamline program administration. Such choices promote program access and more efficient management.

Enclosed is a brief summary of two sets of options. The first set is from the fiscal year (FY) 2002 Farm Bill. The second set existed before enactment of the Farm Bill. I am bringing these options to your attention now, not only because they allow State agencies to administer with more flexibility and promote access for participants, but also because they can help State agencies address the budget difficulties many are experiencing. I believe you will find that these options, individually or in combination, can improve efficiency and reduce pressure on State agency staff.

Additionally, the Food and Nutrition Service has developed a report on the choices States have made among the various policy options through April 4, 2002. A copy is enclosed. The report is also available on the [Food, Nutrition, and Consumer Services website](#). I hope you will find the report useful as you consider policy options.

While most of the Farm Bill creates new choices for States, there are several mandatory features of the bill and I would like to draw your attention to one in particular. Food stamp eligibility has been restored to most legal immigrants including the following groups: 1) those receiving disability benefits, regardless of entry date (effective FY 2003); 2) those under 18, regardless of entry date (effective FY 2004); and 3) those who have lived in the United States continuously for 5 years as a qualified alien beginning on their date of entry (effective April 2003). I am asking States that use their own funds to provide a food stamp benefit to legal immigrants to give careful consideration to the continuity of benefits as they implement the immigrant provisions of the Farm Bill. Please contact us if you have any doubt as to eligible populations, effective dates, or other matters.

As always, I invite you to call upon me or my staff for any additional information we can provide to support you in your work.

Eric M. Bost
Under Secretary
Food, Nutrition, and Consumer Services

Enclosure: Summary of State Options

Food Stamp Program Summary of State Options

The Farm Bill gives State agencies the option to:

Treat legally obligated child support payments to a non-household member as income exclusions rather than as income deductions. This will help more households pass the gross income test.

Simplify income policy by:

- Excluding certain income sources.
- Conforming program income definitions by excluding cash and Temporary Assistance to Needy Families (TANF) cash assistance provision, too, will help more households pass the gross income test.

The contents of this guidance document do not have the force and effect of law and are not meant to bind the public in any way. This document is intended only to provide clarity to the public regarding existing requirements under the law or agency policies.

The types of income a State may exclude under this option are:

- Educational assistance not counted under Medicaid.
- State complementary assistance not counted under section 1931 of Medicaid.
- Any type of income not counted under section 1931 of Medicaid or TANF except for: wages or salaries; benefits from major assistance programs; regular payments from a government source (such as unemployment benefits or general assistance); worker's compensation, child support payments; or other types as determined by the United States Department of Agriculture (USDA) through regulations that are essential to fair determinations of food stamp eligibility and benefit amounts.

Facilitate the use of a mandatory Standard Utility Allowance (SUA) (rather than actual utility costs) for all households. For these States, it eliminates the current requirement to prorate the SUA when households share living quarters and it allows the use of the SUA for households in public housing with shared meters that are only charged for excess utility costs.

Use a standard deduction from income of \$143 per month for homeless households with some shelter expenses.

Disregard reported changes in deductions during certification periods except for changes associated with a new residence or earned income until the next recertification.

Exclude certain types of resources that the State does not count for TANF or section 1931 Medicaid. Under this option, States may not exclude cash, licensed vehicles, amounts in financial institutions that are readily available, or other resources as determined by USDA through regulations that are essential to fair determinations of food stamp eligibility and benefit amounts.

Streamline household reporting by extending semi-annual reporting of changes to all households not exempt from periodic reporting. Under current regulations, this option is limited to households with earnings. For States choosing the option, households required to report less often than every 3 months would only have to report when income exceeds the gross income limits.

Support families as they move off TANF cash assistance by extending from the current 3 months up to 5 months the period of time households may receive transitional food stamp benefits when they lose TANF cash assistance. Benefits would be equal to the amount received by the household prior to the termination of TANF with adjustments in income for the loss of TANF and, at State option, information from another program in which the household participates. A household would not be eligible for the extension if it was losing TANF cash assistance because of a sanction, was disqualified from the Food Stamp Program, or is in a category of households designated by the State as ineligible for transitional benefits. Households may apply for re-certification during the transitional period with benefits to be determined according to current circumstances. The provision also extends through the end of the transitional period the length of time households can be certified for benefits (currently limited to 12 months for most households).

State agencies also have the option to:

Support working families by substituting the vehicle rules they use in their TANF-funded or TANF/MOE-funded assistance programs for the food stamp vehicle rules when doing so results in a lower attribution of resources to households.

Base utility allowances on actual utility expenses or establish standard utility allowances. Further, States have the option of making their standard utility allowances mandatory, or allowing households to select either the actual expenses or the standard utility allowance.

Expand categorical eligibility so that households receiving TANF services other than cash assistance become categorically eligible for food stamps.

Streamline reporting requirements in ways that encourage participation and simplify administration.

Implement an approved outreach plan, which provides new opportunities to secure matching funds and gives States a way to showcase their accomplishments and their novel ideas for increasing participation.

Finally, program regulations call for waiving the face-to-face interview requirement in favor of a telephone interview when a household would face a hardship by attending an in-office interview.

