



Stamp Out Hunger

Invest in Food Stamps, Invest in
Montana's Families and Economy

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Executive summary

The Food Stamp Program is one of the most cost-effective public assistance programs available to states because the federal government covers the entire cost of the food stamp benefits, and states must pay for only half of the administrative costs. This infusion of federal dollars benefits Montana by providing food assistance to people in need of help.

Yet Montana's rates of hunger and food insecurity are still staggering. Not only does hunger cause many problems of immediate concern, but it can also lead to more problems later on, such as increased illness and reduced educational attainment due to poor nutrition.

Strengthening the Food Stamp Program is especially important during Montana's current budget crisis. During this time, Montana is not providing all of the social services its residents need. By increasing food stamp allocations, Montana could ensure that people have sufficient food. In turn, such an increase would benefit local economies when recipients spend their food stamps in local grocery stores. In Montana, the Food Stamp Program brings in \$55 million per year to local businesses, and increased participation in the program would bring in even more funds.¹

All states must follow the federal regulations for the Food Stamp Program, but these regulations give states considerable flexibility. There are many policy options that state governments can adopt to expand access to the Food Stamp Program and increase food stamp allocations to hungry families. In the past, Montana has taken advantage of many of these options.

Now, with the passage of the Farm Bill in 2002, the federal government has given states an even wider array of options for improving access to food stamps and the adequacy of food stamp allotments. Montana's state government need only adopt them. These Farm Bill and other options include:

- 1. Extending six-month reporting and continuous eligibility to more families — including homeless and farmworker families.**
- 2. Excluding a second vehicle from resource consideration.**
- 3. Maximizing financial eligibility options for the Food Stamp Program.**

- 4. Eliminating educational income, bank account interest, and other forms of income and resources from eligibility consideration.**
- 5. Counting child support payments as an income exclusion rather than an income deduction.**
- 6. Extending five months of transitional food stamps to families leaving TANF.**
- 7. Allowing families without permanent shelter a flat-rate deduction of \$143 to count their housing expenses.**
- 8. Applying for and matching federal outreach funds.**
- 9. Immediately posting food stamp applications online in multiple languages.**

The Farm Bill also restores food stamp eligibility for many immigrants who lost eligibility under the immigration and welfare reform of the 1990s. Montana should take steps to ensure that newly eligible immigrants have access to the Food Stamp Program by April 1, 2003, when the new rules begin to go into effect. For those immigrants who are not eligible for federal food stamps, Montana should provide state food assistance.

Implementing the Farm Bill's optional policies and ensuring immigrant access will help Montana's families and the economy during these difficult times. Distributing more food stamps to families in need would go a long way toward ensuring that children not go to bed hungry and that parents not have to choose between necessities such as food and housing.

To further benefit hungry families, Montana should also lobby the federal government to implement changes to the Food Stamp Program to assist those most in need:

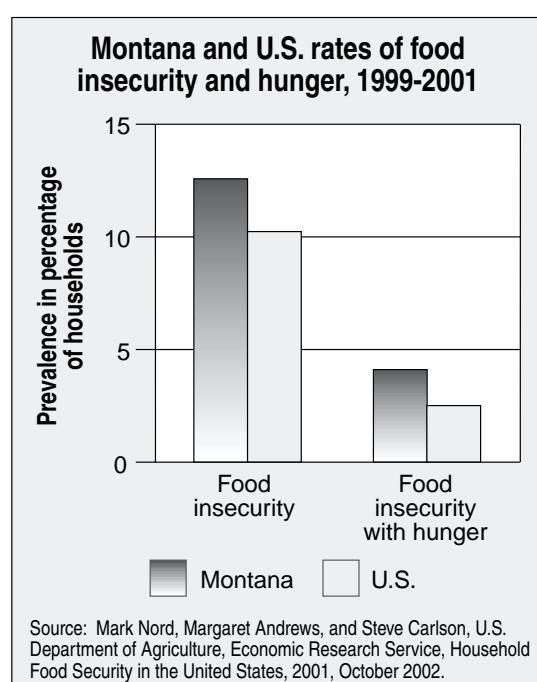
- The federal government should increase the minimum food stamp allotment to \$25.**
- The federal government should increase the maximum child deduction to \$250 per child.**

Introduction

Food stamps help Montana's economy and hungry families

Social services help low-income people survive by making basic necessities such as housing and food affordable. Cuts in social services put families at risk of hunger and homelessness. The state of Montana is facing a budget crisis, and social services are increasingly vulnerable to cuts. However, the Food Stamp Program is primarily federally funded, and increased participation in the program actually brings more federal dollars into the state.

People living in poverty struggle to afford basic necessities. Food stamps provide relief by supplementing a poor family's insufficient income and giving them the means to purchase nutritious food. Because food stamps can be spent only on food, the state economy benefits from increasing food stamp allotments. More food stamps mean that more cash flows to local grocery stores, providing these stores with additional revenue during difficult times.



Montana is now part of a "hunger belt" running up and down the Western United States.

Hunger hurts families

Montana is now part of a "hunger belt" running up and down the Western United States,² and in recent years hunger and food insecurity have only grown worse in Montana. Montana now has the seventh highest hunger rate in the nation — an average of 4 percent of families experienced hunger between 1999 and 2001.³ And from 1998 to 2000, 13 percent of Montanans experienced food insecurity, meaning they did not know where their next meal would come from.⁴ Montana is also one of few states where hunger worsened during the 1998-2000 period,⁵ and food insecurity increased between the 1996-1998 and 1999-2001 periods.⁶

Families in Montana are struggling to make ends meet. Montana's 2000-2001 per capita personal income was only \$23,963, lower than the national median by over \$6,500.⁷ The lower income indicates a lack of living wage jobs; families with working parents still face poverty. More than 10 percent of all families in Montana were living in poverty in 1999.⁸ And Montana's average 14.4 percent poverty rate in 1999-2001 was well above the national average of 11.6 percent.⁹ Many Montana families do not know where their next meal is coming from, and food stamps help those families maintain an adequate food supply.

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Hunger hurts children

More than one in four Montana children live in poverty.¹⁰ Poverty among children is higher than poverty among adults.¹¹ The majority of food aid within Montana benefits the children who live in poverty and cannot care for themselves. The rate of child poverty indicates that in order to meet basic needs, many families need assistance.

Hunger has many adverse effects on children who are still growing. Children need a nutritious diet, and children from food-insecure homes have worse overall health than children who receive adequate nutrition. Hungry children are more likely to be sick, suffer from iron deficiency anemia, get ear infections, and be hospitalized than are children with enough food to eat.¹² Lack of nutrition results in children who are less prepared to learn and who fall behind in school.¹³ Children who go hungry are also more likely to suffer from mental illnesses than are children who have enough food.¹⁴ Food stamps can dramatically improve children's lives.

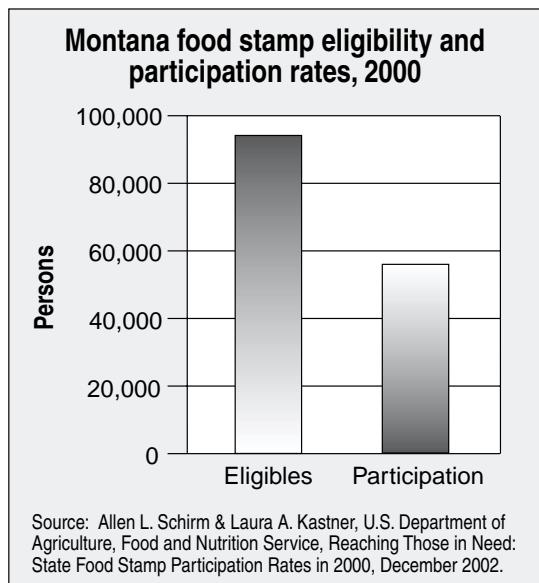
Hunger disproportionately affects women

Women are also at risk for hunger; single-parent households headed by women are almost three times as likely to be poor as other families in the U.S.¹⁵ Since women who are single parents are also a vulnerable population, increasing food stamp benefits would help ensure that they and their children have enough to eat.

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Montanans are not receiving the food stamps they need

Participation in the Food Stamp Program in Montana fell by over 7,000 people between 1997 and 2000,¹⁶ and has not yet fully rebounded.¹⁷ At the same time, the number of impoverished families in Montana has remained high, indicating that the decrease in participation in the Food Stamp Program is not due to reduced need.¹⁸ Only an estimated 59 percent of those eligible for food stamps in 2000 actually participated in the program.¹⁹



The increase in hunger, combined with dramatic poverty rates and low Food Stamp Program participation, suggests that many families in Montana are not receiving the aid they are eligible for and need. These figures also indicate that current food stamp eligibility guidelines are too restrictive, preventing many of those who need assistance from receiving it. All those who are — or should be — eligible for the Food Stamp Program should receive these benefits.

Food stamps help Montana's economy

Current projections show a Montana general fund deficit of nearly \$250 million for the 2004-2005 budget,²⁰ and Governor Martz's proposed budget includes deep cuts, a \$93 million transfer from the

permanent coal trust, and no tax increases.²¹ These cuts come shortly after a previous round of overall budget cuts, including almost \$70 million in cuts to Department of Public Health and Human Services programs alone since April 2002.²² And the state is seeking a waiver that will allow it to make deeper cuts to the Medicaid program in the future.

During these difficult times, strengthening the primarily federally funded Food Stamp Program is a smart investment in the economy and Montana's families. To increase low-income families' access to adequate nutrition, the state of Montana should take steps to improve food stamp enrollment and allotments.

Current food stamp options help hungry people

Montana has implemented some good policies but could do more

The federal government regulates the Food Stamp Program by establishing basic standards, but it provides states with numerous policy options that allow states to expand access to the program and increase allotments. The Farm Bill provides a number of new options that became available to states in October 2002. These options allow states to expand the Food Stamp Program without a risk of federal penalties. When the state implements policies that strengthen the Food Stamp Program, food stamp recipients benefit along with local and state economies. However, when the state chooses options that limit the Food Stamp Program, it also limits the dollars from food stamp assistance that can flow into local communities. Currently, the state of Montana takes advantage of many of the federal options, but there are still numerous beneficial options that Montana has not yet adopted.

Montana can take steps to bring more food stamp help to more families in need by making sure the state does not count too much income or consider too many resources when determining eligibility. Additionally, by reducing paperwork burdens and other requirements that often make the program difficult for both families and Department staff, Montana can move toward greater efficiency and better assistance for families in need.

A summary table and discussion of the policies Montana should implement follows.

Montana should	Benefit to state and to families
Extend six-month reporting and continuous eligibility to more families, including homeless and farmworker families	<ul style="list-style-type: none">• Reduces paperwork burdens on families and staff• Protects families from sudden reduction in food stamps resulting from income fluctuations
Eliminate a second vehicle from resource consideration	<ul style="list-style-type: none">• Helps rural households receive food stamps and keep their needed vehicles• Saves staff time and reduces error by simplifying calculation of applicant resources
Maximize financial eligibility options for the Food Stamp Program	<ul style="list-style-type: none">• Brings food stamps to more families in need• Makes efficient use of federal dollars
Eliminate educational income, bank account interest, and other forms of income and resources from eligibility consideration	<ul style="list-style-type: none">• Gives increased opportunities to low-income individuals and encourages education• Increases funding and a skilled workforce for Montana• Helps seniors maintain a safety net cushion

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Montana should	Benefit to state and to families
<p><i>continued from previous page</i></p>	
<p>Count child support payments as an income exclusion rather than an income deduction</p>	<ul style="list-style-type: none"> • Helps parents become eligible for food stamps • Assists parents who are meeting child support obligations
<p>Grant five months of transitional food stamps to families leaving TANF</p>	<ul style="list-style-type: none"> • Helps families make the transition from welfare to work
<p>Allow families without permanent housing a flat-rate income deduction of \$143</p>	<ul style="list-style-type: none"> • Helps homeless families obtain food • Reduces administrative costs of calculating housing expenses for homeless families
<p>Apply for and match federal outreach funds</p>	<ul style="list-style-type: none"> • Helps get benefits to some of the estimated 41 percent of people who are eligible but not on food stamps • Increases the flow of federal food stamp dollars into the state
<p>Immediately post applications online in multiple languages</p>	<ul style="list-style-type: none"> • Helps those not fluent in English understand the rules of the Food Stamp Program and apply for benefits
<p>Implement procedures to provide food stamps to immigrants who become eligible in April 2003</p>	<ul style="list-style-type: none"> • Benefits families that are often the most in need

Reporting requirements

Good practice: Families with earned income benefit from six-month reporting and continuous eligibility

Montana has taken advantage of an important federal option that allows states to reduce paperwork burdens for families and staff. Under this option, families with earnings file reports every six months and must report income changes only if the changes put them above the eligibility level. This option freezes benefit levels for six-month periods, which protects families from a sudden loss of food stamp benefits when they experience an increase in income. Furthermore, families are presumed to remain eligible unless they are shown not to be — they are not required to undergo an onerous recertification process. Additionally, the state also benefits by reducing the paperwork burdens on staff.

Work in progress: Extend six-month reporting and continuous eligibility to more families — including homeless and farmworker families

Under the Farm Bill, Montana now has the option of extending semi-annual reporting to even more families, and the state is planning on doing so. But Montana could and should also apply for a waiver to extend this benefit to homeless and seasonal farmworker families, who often find the extra paperwork most burdensome. Using this option would provide Montana with administrative savings

and the benefit of extending more food stamp help to families. Additionally, since semi-annual reporting can help keep error rates lower, Montana can take advantage of this option without any risk of federal penalties for providing more assistance.²³ If Montana adopted semi-annual reporting, the paperwork burdens on families would be drastically reduced, lower error rates would be achieved, and more federal food stamp dollars would flow into the state.

Vehicle exemption

Good practice: Montana excludes one vehicle from resource consideration

Montana has gone beyond the minimum federal requirements and allows families to have one vehicle that is not considered when household resources are counted. The vehicle allowance benefits households who need a vehicle to get to work, as well as families seeking employment and in need of transportation to interviews. Montana's exclusion of one vehicle is good, but to help rural families Montana could go further and exclude two vehicles.

Montana can do better: Exclude two vehicles

Many food stamp recipients live in rural areas where getting around can be difficult. If adult members of the household are left without transportation, they can have difficulty getting to work or transporting their children. In rural areas, having access to reliable transportation can also become a safety issue. Montana should eliminate a second vehicle from resource considerations and allow families to have reliable transportation. Excluding two vehicles would also make it easier for staff to process applications by eliminating much unnecessary confusion about the methodology for counting the value of vehicles toward the resource test.



Everett and Debby Mann

We stopped getting food stamps since we didn't qualify because of our cars. In order to keep our jobs, we need more than one car. But in order to keep our cars and our jobs, we had to stop getting food stamps. If we were in charge of food stamps we would change the vehicle limits.

Our cars aren't reliable. We have three drivers in our family -- a car for each of us. After we lost our food stamps, one of our cars broke down. It's seven miles to get into town from our home. This means

that when I go to work, Everett has to stay here. He can't look for work, because I need the car.

When we don't have money we only shop every three or four months. It gets really hard on the budget. Without food stamps, we eat much less healthy food. We try to get canned food. We eat a lot of Top Ramen, and we eat pasta because it's cheap. Now paying bills is really hard. Sometimes we have to choose between paying bills and eating.

It would be nice to be able to get food stamps again. They really helped us. Every family that needs food stamps should get them.

Montana benefits in two ways from the exclusion of educational income:

first, it encourages a more educated workforce and, second, it receives more federal food stamp dollars.

Households where all members receive a benefit funded primarily through the Temporary Assistance to Needy Families (TANF) Program are “categorically eligible” for food stamps. Categorical eligibility means that these families do not need to meet the gross income and resource tests for both programs. As long as they meet these tests for the TANF benefit program, they often will be eligible for food stamps. The TANF benefit does not need to be cash assistance — it can be in-kind help or another form of assistance funded through TANF. Such benefits can include payments for child care, transportation, or education and outreach to families. These services or payments will confer categorical eligibility to the entire household, as long as all members are considered to benefit from them.²⁴ Montana can maximize the effectiveness of its TANF program by targeting a small portion of its TANF funds to ensuring improved access to food stamps.

Montana can do better: Eliminate educational income, bank account interest income, and other forms of income and resources from eligibility consideration

Under the Farm Bill, Montana can now exclude more forms of income and resources from the eligibility consideration. In the spring, Montana will begin to exclude bank account interest income, which is a very positive step. But Montana can do even better, and exempt educational income, including educational loans, grants, scholarships, fellowships, veterans’ educational benefits, and other similar assistance.²⁵ Montana benefits in two ways from the exclusion of educational income: first, it encourages a more educated workforce and, second, it receives more federal food stamp dollars. With the help of the Farm Bill, Montana can eliminate many of the hoops that applicants and staff now have to jump through in the application process. Montana should take full advantage of this option and eliminate all income and resources not required under federal law.²⁶

Children

Good practice: Montana allows child-related deductions

The amount of food stamps that a family receives is calculated according to its income. Since not all a family’s income is available for food, the Food Stamp Program provides a number of income deductions — some income must also be used for other expenses. To further assist hungry families with children, the Food Stamp Program provides households a dependent deduction of \$175 or \$200 a month, depending on the age of the child. This amount is subtracted from a family’s gross income, resulting in a higher food stamp allotment than if no child-related deduction were available.



Crystal Palmer

I had my son Brian when I was a teen, and now he's four. I owned my own business for two years, but then I started losing money on it and began using food stamps. They are a big help, but we need more.

My expenses for Brian are over \$200 a month. His growing body needs three meals a day -- he eats as much as a pregnant woman! I haven't eaten breakfast since I was 14 and I can go without lunch. I normally get by eating just once a day. However, I was pregnant and just had my baby on New Year's

Eve, so I have had to eat three times a day. That's a lot more food. The program should let me deduct what I actually spend on Brian so we can receive more assistance.

I am going to start school in the fall, but they told me that when I enroll they'll count my financial aid as income. So, I will probably not be eligible for food stamps. That will make it really hard. I don't think my financial aid should be counted, since it's going directly to my education, which I am getting so I can support my family.

Therefore, the child-related deduction reduces makes the family eligible for additional food stamps. But compared to the cost of raising a child, the deduction is rather small. Clearly feeding, clothing, and housing a child in a safe and healthy manner cost more than \$200 per month. The federal government, however, does not allow the child deduction to exceed \$200, and thus Montana is doing what it legally can for families with dependent children.

Montana can do better: Petition the federal government for an increase to the child deduction

Since raising children is expensive, Montana should ask the federal government to increase the \$200 limit. A higher deduction amount would mean families would be eligible for more food stamp assistance. Food stamps allow children to be children and not worry about empty stomachs.

Good practice: Montana allows parents to deduct child support payments from their income, resulting in more adequate benefit levels

Currently, as required under federal law, Montana considers child support payments when deciding the level of food stamps to provide to parents. A parent who sends money to a child in another

household is compensated with a higher food stamp benefit. This provides support to parents who are fulfilling their obligations and creates an incentive for them to continue doing so. Yet parents must still meet the gross income test (have income not above 130 percent of the federal poverty level before deductions) in order to be eligible for food stamps. This means there may be some parents who make high child support payments that leave them with very limited funds, but who aren't eligible for food stamps because those child support payments aren't considered for the gross income test.

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Montana can do better: Count child support payments as an income exclusion

Under the Farm Bill, states can now count child support payments as an “income exclusion.” This means that those payments are not counted in the income that is considered for the initial gross income test. Counting child support payments this way will result in increased access to food stamps for responsible parents — they won’t be penalized for meeting their obligations. Instead, Montana will take their payments into account when determining whether their income meets the gross income test. This way, additional families would become eligible for food stamps.²⁷ To protect families currently using the deduction, all the state has to do is base the earned income deduction on the household’s total earnings, instead of basing it on earnings after excluding the child support payments. This is allowable under current federal guidelines.²⁸

Minimum food stamp allotment

Montana can do better: Encourage the federal government to increase the minimum food stamp allotment to help those in need

Thousands of Montanans recently experienced drastic reductions in their food stamp allotments. This occurred when the federal government withdrew Montana’s waiver to grant the Standard Utility Allowance (SUA) to individuals who do not directly pay utility bills but have the cost of their utilities included in their rent. The SUA waiver allowed many food stamp participants to take advantage of this income deduction and receive a more adequate food stamp allotment. Seniors and people with disabilities were especially impacted by the loss of the SUA waiver. The loss of the SUA waiver showed that the baseline food stamp allotments are just not enough to meet people’s needs.

To ensure that low-income people with disabilities and seniors have proper nutrition, the state should lobby the federal government for a change to Food Stamp Program regulations to set the minimum food stamp allotment at \$25 rather than \$10. The small change in food stamp allotment would help people with disabilities and seniors by providing additional resources for a healthy, nutritious diet.

Able-bodied adults without dependents (ABAWDs)

Good practice: Montana has received an extension of its statewide waiver of the three-month limit for ABAWDs

For many unemployed adults, the Food Stamp Program serves as a necessary safety net protecting them against the hunger that can accompany joblessness. Yet federal rules severely limit many adults’ access to food stamps. Able-bodied adults without dependents (ABAWDs) can receive only three months of food stamp aid in a three-year period, unless they meet certain work requirements. But in times of increasing joblessness, work requirements often mean that the people who most need food stamps cannot get them.

Montana has been approved for extension of the statewide waiver of jobless ABAWDs’ three-month limit on food stamps. Life with no food stamps and no employment can be very difficult for an individual. Montana has chosen to pursue a beneficial policy in obtaining this statewide waiver.



Melody Gilbert

I had been receiving \$68 in food stamps and it went down to \$11 when Montana's standard utility waiver was taken away. Water and heating are included in my rent, so since I couldn't deduct them from my income, my food stamps were reduced.

I had to set aside the extra money for groceries because of this change -- and this is money I really need for things like pills, doctor's appointments, doing laundry, and personal items like toilet paper and laundry soap.

The last week of the month is especially hard. I have to have \$20 set aside for my most important pill. This pill is a seizure medication that helps keep me from having grand mal seizures. I tried to get a generic brand of the pill, but there isn't one, so I couldn't get the medication for any less money.

They just kind of dropped the change on us all at once, so there was no time to plan. Getting \$11 just isn't enough, and makes so it's almost not worth the work. Some people are even getting less, but we should all get at least \$25.

Families leaving TANF

Montana can do better: Give transitional food stamp benefits to families leaving TANF

Families leaving TANF are in a vulnerable adjustment period and many do not realize that they are likely still eligible for food stamps even though they will no longer be receiving cash assistance. One of the best ways to help hungry families in Montana would be to extend food stamp benefits for a transitional period for families leaving TANF. The Farm Bill allows states to grant food stamp allotments to families for up to five months after leaving TANF. Taking advantage of this transitional food stamp benefit would help families leaving welfare to establish a secure footing. An extension would also bring in federal dollars to the state for every family that qualified for this extension.

Using semi-annual reporting and continuous eligibility can often function as a transitional benefit for families coming off TANF. But a state can and should take advantage of both options. Using the transitional benefit option may result in a higher food stamp allotment for families,²⁹ and therefore it provides needed support for transitioning families and maximizes federal dollars flowing into the state.

Homeless Families

Montana can do better: Allow homeless families to use a standard deduction to count their housing expenses

Homelessness is also a persistent problem in Montana. A recent survey of the homeless in Montana counted 2,229 individuals without permanent housing, and the state's Department of Public Health and Human Services (DPHHS) has said there may be several thousand more homeless people in Montana. Most of the homeless are members of families with children, and many are employed and have been long-time local residents.³⁰

People without permanent housing have a particular need for food stamps, but documenting their housing costs is often impossible since their expenses often fluctuate.³¹ If families without permanent housing cannot show all their expenses, they receive lower food stamp levels. By requiring homeless households to provide documentation of housing expenses, Montana places an undue burden on people lacking permanent housing.

The Farm Bill now allows states to use a \$143 flat rate shelter deduction for homeless families rather than the excess shelter deduction. This option will allow families that are hungry and lacking permanent housing to receive more food stamp help. By providing this option, Montana would bring more food to homeless families, reduce documentation hassles, reduce administrative costs, and increase the amount of federal dollars in local economies.

Outreach

Work in progress: Apply for and match federal outreach funds

The Food Stamp Program is underutilized nationwide. In Montana, according to conservative estimates, over 40 percent of people in need of food stamps in 2000 were not receiving them.³² Informing people about the availability of food stamps is key to improving access. Section 4116 of the Farm Bill creates a \$5 million pool of funding for improving access to the Food Stamp Program.

Montana should take full advantage of this opportunity by using state funds to draw down as many of these federal dollars as possible. These funds could be used for an outreach campaign using public education and flyers, posters, hotlines, and public service announcements. States can use these new federal funds to target areas where low-income people are likely to be found, such as unemployment compensation offices, employment agencies, food banks, and school lunch programs.

Montana's matching and using federal outreach funds is a smart investment for increasing food security and maximizing the flow of federal funds into the state.

Website applications

Montana can do better: Immediately post applications online in multiple languages

The Farm Bill requires states that have websites to post the food stamp application in the same languages used in the print application that can be picked up from the food stamp office. The availability of information and application materials is essential to accessing the Food Stamp Program. Therefore, Montana should immediately post online applications for food stamps in languages in which the print application is available.

Immigrants and food stamps

Congress' 1996 immigration and welfare reform legislation was disastrous for immigrants. This legislation took away the right to food stamps for thousands of immigrants, even many who had been in the U.S. lawfully for years.

Immigrants have a great need for food assistance. Nationwide, thirty-seven percent of all children of immigrants live in households that are concerned about or have encountered difficulties affording food.³³ Though some steps were taken to restore food stamps to those most in need, most immigrants below the poverty level continue to live without the help they need. In 1998 legislation, only very limited categories of immigrants had their food stamps restored — primarily certain children, seniors, and people with disabilities who were lawfully residing the U.S. on or before August 22, 1996.³⁴ This legislation left out the vast majority of immigrants. The 2002 Farm Bill is a step in the right direction toward restoration of the crucial food supports that were taken away in 1996.

Implementing the Farm Bill's partial restoration

The Farm Bill partially restores food stamps for immigrants and will improve food access for many immigrants. Nationally, an estimated 363,000 immigrants will become eligible for food stamps due to the passage of the Farm Bill.³⁵ Immigrants who have had qualified status for five years, qualified immigrant children regardless of date of entry, and qualified immigrants with disabilities will all be made eligible for food stamps by the Farm Bill.³⁶ (“Qualified status” comprises a range of different immigration statuses that include lawful permanent residents, asylees, refugees, certain petitioners and applicants under the Violence Against Women Act, and others.)

Properly implementing restoration of food stamp benefits to immigrants is vital, as immigrants are more likely than non-immigrants to face hunger and food insecurity. Montana should take steps to ensure that eligible non-citizens have access to food stamps once the new eligibility rules begin to go into effect on April 1, 2003. This includes seeking a waiver to begin accepting applications from immigrants as soon as possible, well in advance of the new changes going into effect. The Department of Public Health and Human Services should also immediately begin training staff on the new eligibility rules, notify all households of the changes, conduct case record reviews to identify households that may be affected, and prescreen recertifying households and inform members of their potential eligibility, among other steps.

Reducing affidavit of support barriers

An additional barrier for non-citizens who need food stamp assistance is the affidavit of support, which is signed by an immigrant's sponsor. The affidavit of support is an agreement under which the sponsor promises to maintain the sponsored immigrant at 125 percent of the federal poverty level. In some cases, federal law requires that the sponsor's income and resources be counted as if

they were available to the non-citizen — even though in many cases the non-citizen does not receive any financial support from the sponsor at all. Counting sponsor income and resources (sponsor deem) shuts many immigrants out of assistance that they need.

Under the Farm Bill, sponsor deem will no longer apply to children. There are also many other exceptions to sponsor deem, such as those for families facing hunger and homelessness and for victims of domestic violence. Montana should ensure that staff is properly trained on all exceptions to sponsor deem to make sure that it is not shutting immigrants out of the Food Stamp Program.

Providing necessary food assistance to non-citizens

Montana has not taken steps to ensure that those immigrants still denied food stamps are receiving an adequate supply of good nutrition through other sources of food aid. For those immigrants still denied food aid, Montana should make food stamps available through state funds. Montana can also provide non-food stamp aid in the form of support to local food banks. By failing to provide non-food stamp aid to immigrants, Montana is leaving the vast majority of immigrants without recourse when they cannot afford sufficient food. Though the funds for these forms of assistance would come from the state, leaving people to suffer hunger is inexcusable.

Conclusion

Montana's budgetary woes should not obscure the fact that food stamps benefit the state's economy and the well-being of Montanans. Since the federal government covers the entire cost of food stamp benefits, the state can only benefit from increasing food stamp allotments. The benefits of food stamps to the state are far-reaching; not only do local economies benefit from the increased business, but people in need are assured the nutrition necessary for maintaining a healthy life.

To ensure that all Montanans are receiving the nutritious food they need, the state of Montana should take steps to adopt optional federal regulations, which would increase food stamp allotments to Montanans in need. Among these options are:

- Extending six-month reporting and continuous eligibility to more families — including homeless and farmworker families.
- Excluding a second vehicle from resource consideration.
- Maximizing financial eligibility options for the Food Stamp Program.
- Eliminating educational income, bank account interest, and other forms of income and resources from eligibility consideration.
- Counting child support payments as an income exclusion rather than an income deduction.
- Extending transitional food stamps to families leaving TANF.
- Allowing families without permanent shelter a flat-rate deduction of \$143 to count their housing expenses.
- Applying for and matching federal outreach funds.
- Immediately posting food stamp applications on the internet in multiple languages.

In addition to adopting these optional policies, the state of Montana should encourage the federal government to increase child-related income deduction and raise the minimum food stamp allotment from \$10 to \$25. The increase in the minimum benefit would greatly aid seniors and people with disabilities who often live in subsidized housing and pay their utilities in their rent, but who spend a great deal of their income on health care. If the federal government changed the ground rules of the Food Stamp Program to include an increase in the minimum allotment, the quality of life of the thousands of people now living below the poverty level in Montana would dramatically improve.

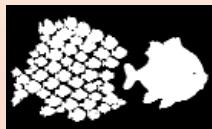
Finally, Montana should take steps to ensure that newly eligible immigrants have access to the Food Stamp Program by April 1, 2003, when the new rules begin to go into effect. For those immigrants who are not eligible for federal food stamps, Montana should provide state food assistance. Stamping out hunger in Montana is a smart investment in Montana's families and Montana's future.

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About the organizations releasing this report



Founded in 1982, **Montana People's Action** (MPA) is a statewide economic justice organization with over 6,000 member families in Billings, Bozeman, and Missoula. For over two decades MPA has been the primary voice for low- and working-income Montanans around the issues of housing, access to credit and banking services, access to health care, economic development policy, and income security.



Northwest Federation of Community Organizations (NWFCO) is a regional federation of four statewide, community-based social and economic justice organizations located in the states of Idaho, Montana, Oregon, and Washington: Idaho Community Action Network (ICAN), Montana People's Action (MPA), Oregon Action (OA), and Washington Citizen Action (WCA). Collectively, these organizations engage in community organizing and coalition building in 14 rural and major metropolitan areas, including the Northwest's largest cities (Seattle and Portland) and the largest cities in Montana and Oregon.

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