

CALIFORNIA BUDGET PROJECT

SPECIAL REPORT

# FOOD WITHIN REACH

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STRATEGIES FOR INCREASING PARTICIPATION IN  
THE FOOD STAMP PROGRAM IN CALIFORNIA

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# California Budget Project

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# EXECUTIVE SUMMARY

The Food Stamp Program (FSP) is a critical component of the safety net for low-income Californians, providing modest nutritional aid that helps families living below or near the poverty line avert hunger. However, fewer than half of eligible Californians received food stamp benefits in federal fiscal year (FFY) 2007, nearly the lowest participation rate in the nation. This report recommends strategies that state and county policymakers can implement to reach more eligible Californians and boost participation in the FSP.

## An Overview of the Food Stamp Program

The FSP is the nation's largest and most important anti-hunger program. In September 2009, more than 37 million people – including more than 2.9 million in California – received food stamp benefits, which are entirely funded by the federal government and provided on electronic benefit transfer cards. In California, the FSP provided \$1.50 per person per meal in FFY 2009, a modest but important support for low-income households. The program is jointly administered by the federal and state governments – along with counties in California – and eligibility rules are complex.

Congress has made significant changes to the program since the 1990s, including providing options for states to simplify FSP eligibility rules and procedures. Most recently, the American Recovery and Reinvestment Act of 2009 (ARRA) included \$20 billion in additional federal funding for the FSP, most of which supports a 13.6 percent increase in maximum food stamp benefits that took effect in April 2009. The impact of food stamp benefits extends beyond the households that receive them. Increasing participation in the FSP not only helps low-income families avert hunger, but also boosts both economic activity and state revenues by freeing up income that low-income households would otherwise likely spend on food, thereby allowing families to increase their purchases of clothing and other necessities.

## A Profile of Households That Receive Food Stamp Benefits

Households that receive food stamp benefits in California differ in many respects from FSP households in the nation as a whole. The most recent data available show that California's FSP households:

- **Are more likely to have children.** Approximately three-quarters (76.1 percent) of California's FSP households had children in FFY 2007, compared to 51.3 percent of FSP households in the US as a whole.
- **Are more likely to include noncitizens.** Households with one or more noncitizens made up 12.5 percent of California's FSP households in FFY 2007, more than twice the share in the US as a whole (5.7 percent).
- **Are less likely to include people who are age 60 or older or who have disabilities.** Fewer than one out of 25 FSP households in California (3.9 percent) included individuals age 60 or older in FFY 2007, compared to 17.9 percent in the US as a whole. In addition, less than 1 percent of California's FSP households included individuals with disabilities, compared to 23.9 percent in the US as a whole.
- **Are more likely to live in poverty.** More than nine out of 10 California households that received food stamp benefits in FFY 2007 (93.4 percent) had incomes at or below the poverty line (\$16,600 for a family of three in FFY 2007), compared to 87.4 percent of FSP households in the US as a whole.

## Many Eligible Californians Do Not Receive Food Stamp Benefits

According to the US Department of Agriculture (USDA), fewer than half (48 percent) of eligible Californians – slightly more than 2 million – participated in the FSP in FFY 2007, the most recent year for which data are available. By this measure, California's FSP participation rate ranked second-to-last among the 50 states and the District of Columbia and was the lowest among the 10 most populous states. There is some debate about whether the USDA's methodology understates California's FSP participation rate. However, while modifying the methodology could increase California's *ranking* relative to those of other states, it would not alter the fact that nearly 2.2 million eligible Californians failed to receive food stamp benefits as recently as FFY 2007.

## Enrollment in the Food Stamp Program Has Increased Since Mid-2007

Although many eligible Californians have not received food stamp benefits in recent years, participation in the program has increased considerably since mid-2007 when California began losing jobs and sliding into recession. The number of Californians receiving food stamp benefits held steady at

approximately 2 million per month between mid-2004 and mid-2007. However, enrollment has increased significantly since then, exceeding 2.9 million in September 2009 – a 42.1 percent increase from September 2007, when fewer than 2.1 million Californians participated in the program. While FSP enrollment has risen substantially, it is unclear how this increase has affected the state’s FSP participation rate. Nonetheless, it remains likely that a significant number of eligible Californians currently do not receive food stamp benefits, at least partly due to policies that impede access to the program.

## Strategies To Increase Participation in the Food Stamp Program

Public policies can increase the number of eligible Californians who seek and retain food stamp benefits. This report recommends a number of steps that state and county policymakers could take to increase participation in the FSP.

### Strategies That the State Can Implement

In order to help boost participation in the FSP, state policymakers should:

- **Eliminate the fingerprint-imaging requirement.** California is one of only three states to require FSP applicants to provide a fingerprint image. This policy aims to detect “duplicate aid” fraud, which occurs when an individual seeks to receive benefits in more than one county. However, the California State Auditor has concluded that fingerprint imaging “may add an element of fear” to the application process and “thus may keep some eligible people from applying for needed benefits.” Similarly, the USDA has not found that fingerprint imaging reduces fraud and believes that it may reduce participation. Estimates suggest that eliminating fingerprint imaging could increase FSP enrollment in California by as much as 5 percent.
- **Reduce paperwork requirements.** The federal government allows states to reduce the amount of paperwork that FSP households must submit to program administrators in order to retain benefits. Under this option, known as “simplified reporting,” FSP households do not have to report changes in their circumstances during a six-month period so long as their income remains at or below 130 percent of the poverty line. California is one of only two states that do not use simplified reporting. Instead, California uses quarterly reporting, which increases “red tape” and reduces participation. California recently sought federal permission to continue its quarterly reporting system, but the request was denied. Instead, federal officials

approved a six-month waiver and required the state to submit a plan outlining how it will convert to simplified reporting. State policymakers should develop a proposal that expeditiously moves California toward simplified reporting based on 12-month certification periods and short reports at six-month intervals.

- **Eliminate the asset test for all households.** Federal rules generally prohibit households from receiving food stamp benefits if they have more than \$2,000 in countable assets, or \$3,000 if the household includes a senior or a person with disabilities. However, federal rules also allow states to set less restrictive asset limits, or even eliminate the asset test altogether, by applying “categorical eligibility” to a broader range of households. California adopted this federal option in AB 433 (Beall, Chapter 625 of 2008), which is currently being phased in. However, the Department of Social Services (DSS) extended categorical eligibility only to households in which children under age 18 live in the home, rather than to *all* households that meet FSP eligibility requirements except for the asset test. In order to help more low-income families qualify for nutritional benefits, the DSS should broaden the scope of categorical eligibility to include all households, as permitted by AB 433. In addition, the DSS should instruct counties not to collect information on assets from any household covered by the new categorical eligibility policy.
- **Modify the FSP application to make it easier for Californians to choose the “opt-out” alternative.** Some legal immigrants may wish to exclude themselves from the FSP application process and apply only for other members of their household, including their children. Legal immigrants, however, may not be aware of this “opt-out” alternative, in part because California’s FSP application does not clearly allow adults to exclude themselves from the process. Consequently, some eligible Californians in households headed by legal immigrants may not receive food stamp benefits. The state should consider modifying the FSP application to explicitly include the opt-out alternative, thereby making it easier for Californians to choose this option and apply for *selected* household members. Moreover, modifying the FSP application in this manner could boost participation among other eligible Californians, including foster children and residents of domestic violence shelters, homeless shelters, and residential drug and alcohol programs.
- **Increase state funding for county FSP outreach and administration.** In response to ongoing budget shortfalls, policymakers have made multiple cuts to state funding for county administration of human services programs,

including the FSP. Because of these reductions, counties lack adequate funding to conduct FSP outreach to eligible Californians and respond to the substantial rise in FSP applications. Policymakers should restore sufficient funding to help counties increase their FSP outreach efforts and quickly and accurately process applications. These changes would help ensure that a larger share of low-income Californians receive the nutritional benefits for which they qualify, which in turn would help boost local economies by bringing additional federal dollars into California during the current downturn.

## Strategies That Counties Can Implement

Counties also can adopt strategies to help boost participation in the FSP. Specifically, county policymakers should:

- **Eliminate in-person interviews.** Federal rules require states to conduct in-person interviews with FSP applicants and recipients at least once every 12 months. This requirement can be burdensome, particularly for households in which individuals must miss work to complete the interview. In recent years, the USDA has gradually loosened this requirement, and it now allows states to waive in-person interviews for *all* households – including both FSP applicants and recipients – and conduct telephone interviews instead. Subsequently, the USDA approved California’s request to waive in-person interviews for all households through May 31, 2013. However, this new waiver does not apply statewide; rather, each county will decide whether to implement it. All 58 counties should take this opportunity to conduct telephone interviews in lieu of in-person interviews and thereby increase low-income Californians’ access to food stamp benefits.
- **Implement convenient ways to apply for food stamp benefits and evaluate the effectiveness of those strategies.** Individuals incur costs, such as lost wages due to missing work, when they must visit a county social service office to apply for food stamp benefits. Those costs can be avoided or minimized if counties implement or increase the use of more convenient ways to apply for benefits, including by putting applications online and

placing county eligibility workers in convenient locations (“out-stationing”). To the extent that counties provide alternative ways to apply for food stamp benefits, they should evaluate the effectiveness of those strategies, including by tracking how many FSP applicants use each one, assessing which strategies boost participation, and reporting the results. Systematic evaluation would allow program administrators to assess how well underserved populations are being reached and help guide counties toward the most successful and cost-effective strategies.

- **Promote the opt-out alternative.** As noted above, legal immigrants may not be aware that they can apply for food stamp benefits for eligible members of their household, including their children, while not applying for themselves. Counties can increase awareness of the opt-out alternative by actively promoting it. For example, at least three counties have designed supplemental materials that explain the opt-out process and allow adults to exclude themselves from the FSP eligibility review while applying for benefits on behalf of other members of their household. Similar county efforts to incorporate greater transparency and flexibility into the FSP application process could increase enrollment of other eligible Californians as well, including foster children and residents of domestic violence shelters, homeless shelters, and residential drug and alcohol programs.
- **Increase and improve outreach efforts.** Most counties conduct some FSP outreach activities, although, as noted above, many counties have curtailed outreach in response to recent state budget cuts. Additional state funding for FSP administration would help counties increase their outreach efforts and thereby boost participation in the FSP. Even in the absence of increased funding, however, counties can improve FSP outreach by collaborating with community organizations and targeting outreach efforts toward underrepresented groups, such as eligible noncitizens and low-income working families. In addition, counties can explore and implement methods to efficiently identify households that are eligible for, but not enrolled in, the FSP.



# AN OVERVIEW OF THE FOOD STAMP PROGRAM

The Food Stamp Program (FSP) is the nation’s largest and most important anti-hunger program.<sup>1</sup> Each year, the FSP helps millions of low-income families access nutritionally adequate food using benefits provided on electronic benefit transfer (EBT) cards.<sup>2</sup> More than 37 million people – including more than 2.9 million in California – received food stamp benefits in September 2009.<sup>3</sup> Research finds that approximately half (50.8 percent) of Americans will receive food stamp benefits at some point between the ages of 20 and 65.<sup>4</sup>

## Food Stamp Benefits Are Modest

Food stamp benefit levels are based on household size and income as well as on the cost of the “Thrifty Food Plan” – a low-cost diet established by the US Department of Agriculture (USDA). In federal fiscal year (FFY) 2009, the FSP provided \$1.50 per person per meal in California, a modest but important support for low-income households.<sup>5</sup> In FFY 2007, for example, FSP households in California with earned income received an average of \$261 per month in food stamp benefits to supplement their average monthly income of \$1,016 (Table 1).<sup>6</sup> As a result, food stamp benefits boosted the average income of working families who received them by approximately one-quarter (25.7 percent). In other words, up to one-quarter of working families’ income that otherwise would have been spent on food could be used for other necessities, such as shelter and clothing, thereby boosting low-income households’ purchasing power.

Table 1: Food Stamp Benefits Substantially Boost the Incomes of Working Families, FFY 2007

Average Monthly:	California	US
Food Stamp Benefit	\$261	\$253
Income*	\$1,016	\$1,079
Food Stamp Benefit as a Share of Income	25.7%	23.5%

\* Includes both earned and unearned income, but excludes the value of food stamp benefits.

Note: Data reflect an average month in FFY 2007. Working families are households with earnings from work.

Source: CBP analysis of US Department of Agriculture data

## The FSP Is Administered by States and the Federal Government

States – along with counties in California – jointly administer the FSP with the USDA. The federal government funds 100 percent of food stamp benefits and half of the cost of administering the program. In California, the state pays 35 percent of total FSP administrative costs, and counties pay 15 percent. However, administrative costs make up a small share of total FSP spending. Nationally, food stamp benefits accounted for more than 90 percent of total federal FSP expenditures in FFY 2008.<sup>7</sup>

## FSP Eligibility Rules Are Complex

Food stamp benefits are issued to households, which are defined as a group of individuals who purchase food and cook meals together. Households must meet two income tests. A household’s gross income cannot exceed 130 percent of the federal poverty line (\$23,803 for a family of three in FFY 2010).<sup>8</sup> In addition, net income, which reflects certain deductions from a household’s gross income, cannot exceed 100 percent of the poverty line (\$18,310 for a family of three in FFY 2010).<sup>9</sup> Households also cannot have more than \$2,000 in countable assets, or \$3,000 if a senior or a person with disabilities resides in the household.<sup>10</sup>

Households in which all members receive California Work Opportunity and Responsibility to Kids (CalWORKs) grants are “categorically eligible” for food stamp benefits and do not have to provide income, asset, or other information.<sup>11</sup> However, low-income seniors and people with disabilities in California who receive Supplemental Security Income/State Supplementary Payment (SSI/SSP) grants do not receive food stamp benefits – the state rendered them ineligible for the FSP by providing a \$10 supplement to SSI/SSP grants in the 1970s (known as the “cash-out” policy).<sup>12</sup> Undocumented immigrants and some legal immigrants also are ineligible for food stamps.<sup>13</sup> Finally, able-bodied adults ages 18 to 49 without dependents are limited to three months of food stamp benefits in a 36-month period unless they meet work requirements.<sup>14</sup>

## Congress Has Made Significant Changes to the FSP Since the 1990s

Congress has made significant changes to the FSP since the 1990s. The Personal Responsibility and Work Opportunity Reconciliation Act of 1996 (PRWORA), which enacted federal welfare reform, included several major revisions to the FSP, such as limiting benefits for certain able-bodied adults without dependents, reducing maximum food stamp allotments, and



eliminating eligibility for most legal immigrants.<sup>15</sup> Subsequent federal legislation, including the 2002 Farm Bill, restored FSP eligibility for many legal immigrants.<sup>16</sup> The 2002 Farm Bill also increased and indexed for inflation the standard deduction for larger households – thereby helping to maintain the purchasing power of food stamp benefits – and included several options for states to simplify FSP eligibility rules and procedures.<sup>17</sup> The 2008 Farm Bill, enacted over President George W. Bush’s veto, made numerous improvements to the FSP, including increasing and indexing for inflation the standard deduction for smaller households, excluding from the asset limit all retirement accounts with federal tax-preferred status, and further simplifying program administration.<sup>18</sup>

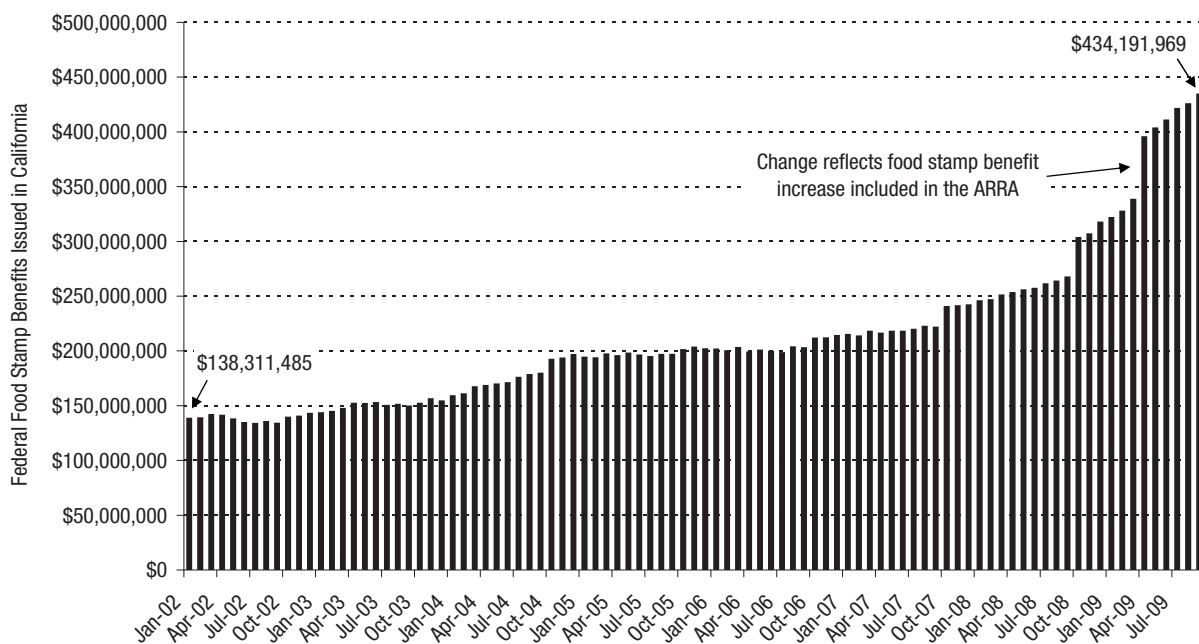
## The American Recovery and Reinvestment Act Increased Federal Funding for the FSP

The American Recovery and Reinvestment Act of 2009 (ARRA), signed into law in February 2009, included \$20 billion in additional federal funding for the FSP, most of which supports a 13.6 percent increase in maximum food stamp benefits that took effect in April 2009 (Figure 1).<sup>19</sup> Due to this substantial funding increase, Californians received an additional \$480 million in food stamp benefits between April 1, 2009 and November 20, 2009 – a gain of roughly \$60 million per month.<sup>20</sup>

### Food Stamp Benefits Boost the Economy

The impact of food stamp benefits extends beyond the households that receive them. Food stamp benefits free up income that low-income households would otherwise likely spend on food, thereby allowing families to increase their purchases of clothing and other necessities, which in turn boosts economic activity. Economists, in fact, estimate that every dollar spent on food stamp benefits increases economic activity by \$1.73 – a significant “bang for the buck.”<sup>21</sup> Increased economic activity, in turn, boosts state sales tax revenues because many purchases that food stamp households make are subject to the sales tax.<sup>22</sup> In short, increasing the number of eligible Californians who receive food stamp benefits not only helps low-income families avert hunger, but also boosts both economic activity and state revenues.

Figure 1: The ARRA Has Substantially Increased Californians' Food Stamp Benefits



Note: Maximum food stamp allotments are adjusted by the US Department of Agriculture on October 1 each year to account for changes in the cost of the Thrifty Food Plan.  
Source: Department of Social Services

# A PROFILE OF HOUSEHOLDS THAT RECEIVE FOOD STAMP BENEFITS

Households that receive food stamp benefits in California differ in many respects from FSP households in the nation as a whole (Table 2).<sup>23</sup> The most recent data available show that California's FSP households:

- **Are more likely to have children.** Approximately three-quarters (76.1 percent) of California's FSP households had children in FFY 2007, compared to 51.3 percent of FSP households in the US as a whole.
- **Are more likely to include noncitizens.** Households with one or more noncitizens made up 12.5 percent of California's FSP households in FFY 2007, more than twice the share in the US as a whole (5.7 percent). This substantial gap reflects California's large immigrant population – noncitizens comprise 14.9 percent of California's population, compared to 7.1 percent in the US as a whole.<sup>24</sup>
- **Are less likely to include people who are age 60 or older or who have disabilities.** Fewer than one out of 25 FSP households in California (3.9 percent) included individuals

age 60 or older in FFY 2007, compared to 17.9 percent in the US as a whole. In addition, less than 1 percent of California's FSP households included individuals with disabilities, compared to 23.9 percent in the US as a whole. A key reason for these wide disparities is that nearly 1.3 million low-income Californians who are older and/or have disabilities receive SSI/SSP grants, and SSI/SSP recipients do not receive food stamp benefits in California.<sup>25</sup>

- **Are more likely to live in poverty.** More than nine out of 10 California households that received food stamp benefits in FFY 2007 (93.4 percent) had incomes at or below the poverty line (\$16,600 for a family of three in FFY 2007), compared to 87.4 percent of FSP households in the US as a whole (Figure 2).<sup>26</sup> FSP households living in deep poverty – those with incomes at or below *half* the poverty line (\$8,300 for a family of three in FFY 2007) – were much more prevalent in California than in the US. More than half (55.1 percent) of FSP households in California had incomes at or below half of the poverty line, compared to fewer than four out of 10 FSP households (38.9 percent) in the nation as a whole. In contrast, just 6.6 percent of California's FSP households had incomes *above* the poverty line, compared to 12.6 percent in the US as a whole.

Table 2: A Profile of Households Participating in the FSP, FFY 2007

	California	US
Households With at Least One Child Under 18 Years Old	76.1%	51.3%
Households With One or More Noncitizens	12.5%	5.7%
Households With One or More Individuals Age 60 or Older	3.9%	17.9%
Households With One or More Individuals With Disabilities	0.7%	23.9%
Households Headed by a Single Woman With Children	33.1%	31.1%
Average Monthly Food Stamp Benefit	\$257	\$212
Average Monthly Total Income	\$632	\$691
Average Number of People in the Household Certified To Receive Food Stamp Benefits	2.5	2.2
Total Number of Households Participating in the FSP	817,000	11,563,000

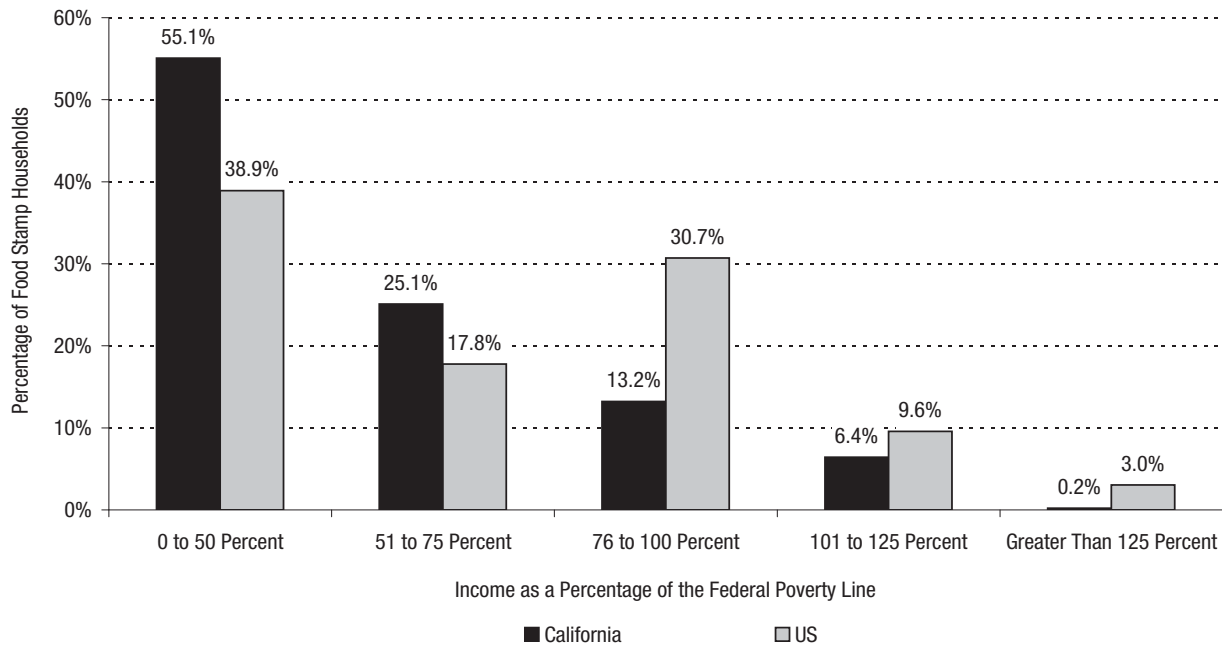
Note: Data reflect an average month in FFY 2007. Differences between California and US data are statistically significant at the .01 level except for the percentage of households headed by a single woman with children; that difference is not statistically significant.

Source: CBP analysis of US Department of Agriculture data

# MANY ELIGIBLE CALIFORNIANS DO NOT RECEIVE FOOD STAMP BENEFITS

Estimating the share of eligible Californians who receive food stamp benefits is challenging due to the complexity of eligibility criteria, data limitations, and California-specific characteristics. According to the USDA, fewer than half (48 percent) of eligible Californians – slightly more than 2 million – participated in the FSP in FFY 2007, the most recent year for which data are available.<sup>27</sup> By this measure, California's FSP participation rate ranked second-to-last among the 50 states and the District of Columbia and was the lowest among the 10 most populous states (Table 3).<sup>28</sup> California's participation rate was higher in the mid-1990s, reaching 67 percent in September 1995.<sup>29</sup> Subsequently, California's FSP participation rate slid downward, dropping to 45 percent in FFY 2003 before settling at roughly 50 percent. Researchers note that many factors "contributed to the decline in food stamp participation rates" across the nation in the late 1990s, including "changes in food stamp eligibility rules and confusion about those changes."<sup>30</sup>

**Figure 2: More Than 90 Percent of California's Food Stamp Households Had Incomes At or Below the Poverty Line, FFY 2007**



Source: CBP analysis of US Department of Agriculture data

There is some debate about whether the USDA's methodology understates California's FSP participation rate. Some researchers, for example, argue that the USDA's methodology does not appropriately account for the fact that SSI/SSP recipients are not eligible for food stamp benefits in California; these researchers contend that the state's participation rate would be substantially higher if the USDA adopted a different method.<sup>31</sup> However, while modifying the USDA's methodology

to change how SSI/SSP recipients are accounted for could increase California's *ranking* relative to those of other states, it would not alter the fact that nearly 2.2 million eligible Californians failed to receive food stamp benefits as recently as FFY 2007.<sup>32</sup>

**Table 3: California's FSP Participation Rate Is the Lowest Among the 10 Most Populous States, FFY 2007**

	Estimated Number of Eligible People	Participation Rate
Michigan	1,259,000	89%
Illinois	1,482,000	83%
Pennsylvania	1,462,000	76%
Ohio	1,500,000	69%
North Carolina	1,384,000	63%
Georgia	1,438,000	63%
New York	2,885,000	61%
Florida	2,114,000	57%
Texas	4,140,000	55%
California	4,215,000	48%

Source: US Census Bureau and US Department of Agriculture

## ENROLLMENT IN THE FOOD STAMP PROGRAM HAS INCREASED SINCE MID-2007

Although many eligible Californians have not received food stamp benefits in recent years, participation in the program has increased considerably since mid-2007, when California began losing jobs and sliding into recession.<sup>33</sup> The number of Californians receiving food stamp benefits held steady at approximately 2 million per month between mid-2004 and mid-2007. However, enrollment has increased significantly since then, exceeding 2.9 million in September 2009 – a 42.1 percent increase from September 2007, when fewer than 2.1 million Californians participated in the program (Figure 3). California's FSP caseload has increased at a faster rate than

that of the rest of the US since FFY 2007, a marked change from the previous four years and a clear indicator of the depth and breadth of the recession in California (Table 4).

While FSP enrollment has risen substantially, it is unclear how this increase has affected the state's FSP participation rate. For example, some Californians who have enrolled recently in the FSP may have been among the nearly 2.2 million who were eligible, but not enrolled, in FFY 2007, a change that would tend to boost the state's participation rate. In addition,

many Californians likely became eligible for food stamp benefits as the recession deepened in 2008 and early 2009. The state's FSP participation rate may have increased if a relatively large share of these newly eligible Californians enrolled in the program. On the other hand, the state's participation rate may have decreased if a relatively small share of newly eligible Californians enrolled in the program. Although the impact of the recent caseload increase on the state's FSP participation rate is unclear, it remains likely that a significant number of eligible Californians currently do not receive food stamp benefits, at least partly due to policies that impede access to the program.

Table 4: California's Food Stamp Caseload Has Grown At a Faster Rate Than That of the Rest of the US Since FFY 2007

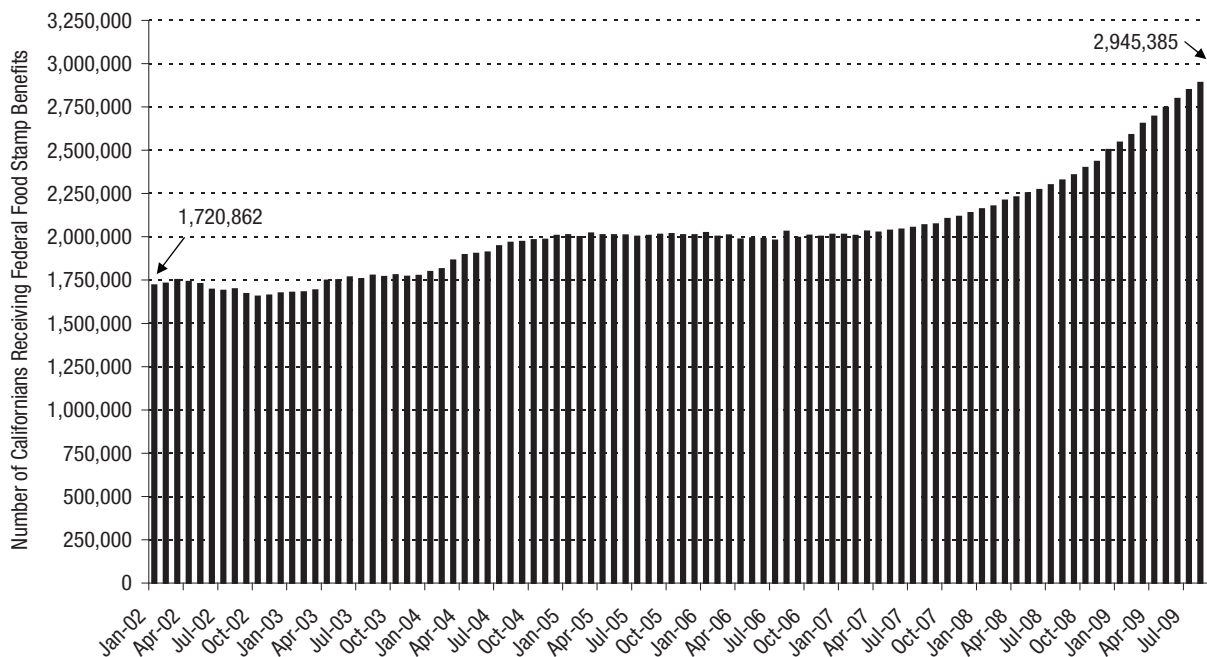
Federal Fiscal Year	Percent Change in Average Annual Caseload	
	California	Rest of US
2003	0.5%	12.4%
2004	8.7%	12.5%
2005	7.4%	7.8%
2006	0.0%	4.0%
2007	1.4%	-0.9%
2008	9.3%	7.2%
2009	20.3%	18.6%

Source: Department of Social Services and US Department of Agriculture

## STRATEGIES TO INCREASE PARTICIPATION IN THE FOOD STAMP PROGRAM

To some extent, California's comparatively low FSP participation rate reflects the composition of the state's *eligible* population, since some eligible individuals are more likely to seek food stamp benefits than others are.<sup>34</sup> California, for example, is home to a disproportionate share (25.3 percent) of all noncitizens living in the US, and eligible noncitizens

Figure 3: The Number of Californians Receiving Food Stamp Benefits Began To Rise Steeply in Mid-2007



Source: Department of Social Services

are much less likely than other groups to receive food stamp benefits.<sup>35</sup> Public policies, however, also can influence the extent to which eligible Californians seek and retain food stamp benefits.<sup>36</sup> This section recommends a number of steps that state and county policymakers could take to increase participation in the FSP.<sup>37</sup>

## Strategies That the State Can Implement

FSP eligibility rules are complex, and efforts to simplify them can increase participation rates. In recent years, many states have taken advantage of federal options to simplify FSP rules and procedures. While California has made significant progress in this regard, the state has lagged behind other states in several key policy areas. Specifically, California should:

### Eliminate the Fingerprint-Imaging Requirement

California is one of only three states to require FSP applicants to provide a fingerprint image.<sup>38</sup> This policy aims to detect “duplicate aid” fraud, which occurs when an individual seeks to receive benefits in more than one county.<sup>39</sup> However, the California State Auditor surveyed counties and found that “the data did not suggest that duplicate-aid fraud was a serious problem in the majority of counties” prior to implementing fingerprint imaging in California.<sup>40</sup> The Auditor concluded that fingerprint imaging “may add an element of fear” to the application process and “thus may keep some eligible people from applying for needed benefits.”<sup>41</sup> Similarly, the USDA has not found that fingerprint imaging reduces fraud and believes that it may reduce participation.<sup>42</sup> In fact, an analysis of national data found strong evidence that fingerprint imaging reduces the number of eligible individuals who receive food stamp benefits.<sup>43</sup> Federal regulations do not require states to use fingerprint imaging to detect fraud. Most states “use computer matching against existing databases to verify applicants’ information.”<sup>44</sup> Estimates suggest that eliminating fingerprint imaging could increase FSP enrollment in California by as much as 5 percent.<sup>45</sup>

### Reduce Paperwork Requirements

Since 2001, the federal government has allowed states to reduce the amount of paperwork that FSP households must submit to program administrators in order to retain benefits. Under this option, known as “simplified reporting,” FSP households do not have to report changes in their circumstances during a six-month period so long as their income remains at or below 130 percent of the poverty line – the FSP’s gross income limit. “After six months, the state must recertify the household or, if it uses 12-month certification periods, require the household to submit a short report.”<sup>46</sup>

California is one of only two states that do not use simplified reporting.<sup>47</sup> California uses quarterly reporting, which requires FSP households to turn in paperwork every three months for assessment of their continued eligibility and the amount of benefits they should receive. Quarterly reporting increases “red tape” and reduces participation by causing eligible families to fall off the program due to significant paperwork requirements. California recently sought federal permission to continue its quarterly reporting system for four more years, but the USDA denied the request. Instead, federal officials approved a six-month waiver and required the state to submit a plan by February 15, 2010 outlining how it will convert to simplified reporting.<sup>48</sup> Policymakers should use this opportunity to develop a proposal that expeditiously moves the state toward simplified reporting based on 12-month certification periods and short reports at six-month intervals.

### Eliminate the Asset Test for All Households

Federal rules generally prohibit households from receiving food stamp benefits if they have more than \$2,000 in countable assets, or \$3,000 if the household includes a senior or a person with disabilities. This limit can prevent low-income working families, who may have saved modest amounts for emergencies or retirement, from enrolling in the FSP when they experience a substantial drop in income, such as during a period of unemployment. These families either must forego food assistance or spend down their savings to qualify for food stamp benefits.

However, federal rules also allow states to set less restrictive asset limits, or even eliminate the asset test altogether, by applying “categorical eligibility” to a broader range of households.<sup>49</sup> As recently as 2008, 15 states – but not California – were using this option to set less restrictive asset limits in the FSP, and 12 of those states eliminated the asset test entirely. California subsequently adopted this federal option in AB 433 (Beall, Chapter 625 of 2008), which is being phased in between July 1, 2009 and January 1, 2010.<sup>50</sup> “This change is expected to increase participation in the FSP” and may reduce administrative costs, according to the DSS.<sup>51</sup> However, the DSS extended categorical eligibility only to households in which children under age 18 live in the home, rather than to *all* households that meet FSP eligibility requirements except for the asset test.<sup>52</sup> In order to help more low-income families qualify for nutritional benefits, the DSS should broaden the scope of categorical eligibility to include all households, as permitted by AB 433. In addition, the DSS should instruct counties not to collect information on assets from any household covered by the new categorical eligibility policy.<sup>53</sup>



## Modify the FSP Application To Make It Easier for Californians To Choose the “Opt-Out” Alternative

Some legal immigrants must report their sponsor’s income when applying for food stamp benefits for themselves and their families.<sup>54</sup> Some of these immigrants may not have access to this information or may be hesitant to provide it to FSP administrators.<sup>55</sup> In addition, legal immigrants who are *not* required to report their sponsor’s income or do not have a sponsor may be reluctant to apply for food stamp benefits because they want to avoid having a history of public benefit receipt.<sup>56</sup> In these cases, immigrants may “opt out of the case and have benefits calculated as if [they] were ineligible” for the FSP.<sup>57</sup> In other words, legal immigrants may choose to apply for food stamp benefits for eligible members of their household, including their children, while not applying for themselves. Legal immigrants, however, may not be aware of this “opt-out” alternative, in part because California’s FSP application does not clearly allow adults to opt out and apply only for other members of their household.<sup>58</sup>

Due to these factors, some Californians in households headed by legal immigrants may not receive food stamp benefits for which they are eligible. Consequently, the state should consider modifying the FSP application to explicitly include the opt-out alternative, thereby making it easier for Californians to choose this option and apply for *selected* household members.<sup>59</sup> Moreover, modifying the FSP application in this manner could boost participation among other eligible Californians, including foster children and residents of domestic violence shelters, homeless shelters, and residential drug and alcohol programs.<sup>60</sup>

## Increase State Funding for County FSP Outreach and Administration

In response to ongoing budget shortfalls, policymakers have made multiple cuts to state funding for county administration of human services programs, including the FSP.<sup>61</sup> By 2007-08, state policymakers had reduced “base” funding for county FSP administration by \$27.5 million, a cut that totals \$65.6 million when forgone federal matching funds are included.<sup>62</sup> In addition, policymakers have not provided counties with annual funding – known as “cost-of-doing-business” increases – to cover their actual costs of operating the FSP since 2000-01. These adjustments, when provided, allow counties to pay for rising costs, such as rent, utilities, and fuel, while maintaining core services. While state funding for county administration has been adjusted to reflect increased FSP enrollment, this funding has lost ground to inflation and does not reflect counties’ actual cost of administering the program. The state’s failure to provide annual operating-cost increases means that counties received \$49.0 million less to administer the FSP in 2008-09 than they

would have if inflation adjustments had been provided each year since 2000-01.<sup>63</sup>

Because of these reductions, counties lack adequate funding to conduct FSP outreach to eligible Californians to boost participation.<sup>64</sup> Outreach is critical because some individuals do not know they can receive food stamp benefits or do not understand the application process. One study, for example, found that nearly two out of five women (39.0 percent) who were potentially eligible for food stamp benefits in California had not applied because they did not think they were eligible or did not know how to apply.<sup>65</sup> However, many counties have not been able to conduct adequate outreach or have had to suspend their outreach efforts.<sup>66</sup> Los Angeles County, for example, reports that “we have not been able to do the level of [outreach] needed given the size of the eligible population not currently enrolled in Food Stamps. The lack of cost-of-doing-business [increases] in Food Stamps administration over the last several years has meant that even our current level of outreach may not be sustainable in the future.”<sup>67</sup>

Counties also lack adequate funding to respond to the substantial rise in FSP applications.<sup>68</sup> For example, applications rose by one-third (33.0 percent) between September 2007 and September 2008 as the economic downturn deepened in California (Figure 4). Meanwhile, the share of applications that counties took more than 30 days to process jumped substantially (Figure 5). Delays in processing FSP applications, combined with long lines in county social service offices, could deter some eligible Californians from following through with the enrollment process or from seeking food stamp benefits in the first place.<sup>69</sup>

California faces continued deficits.<sup>70</sup> Nonetheless, policymakers should restore sufficient funding to help counties increase their FSP outreach efforts and quickly and accurately process applications. These changes would help ensure that a larger share of low-income Californians receive the nutritional benefits for which they qualify, which in turn would boost local economies by bringing additional federal dollars into California in the current downturn.

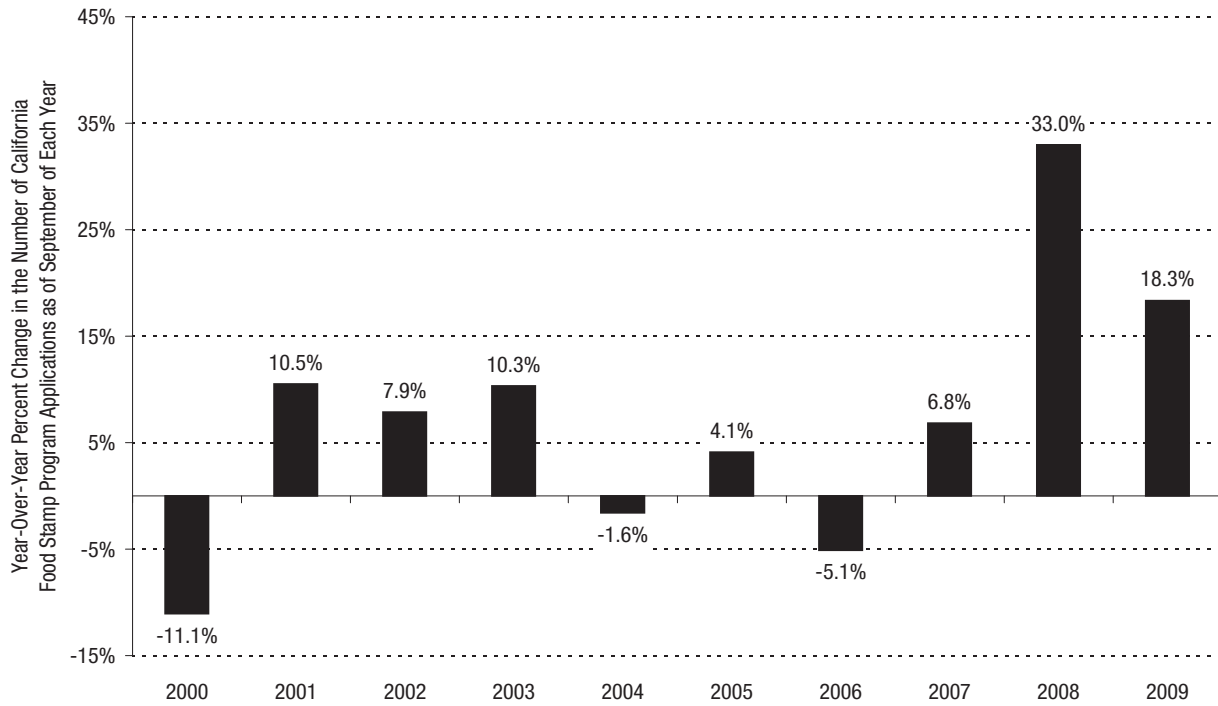
## Strategies That Counties Can Implement

California’s 58 counties have some discretion to set their own FSP policies. Consequently, counties can take steps to boost the share of eligible Californians who receive food stamp benefits. Specifically, counties should:

### Eliminate In-Person Interviews

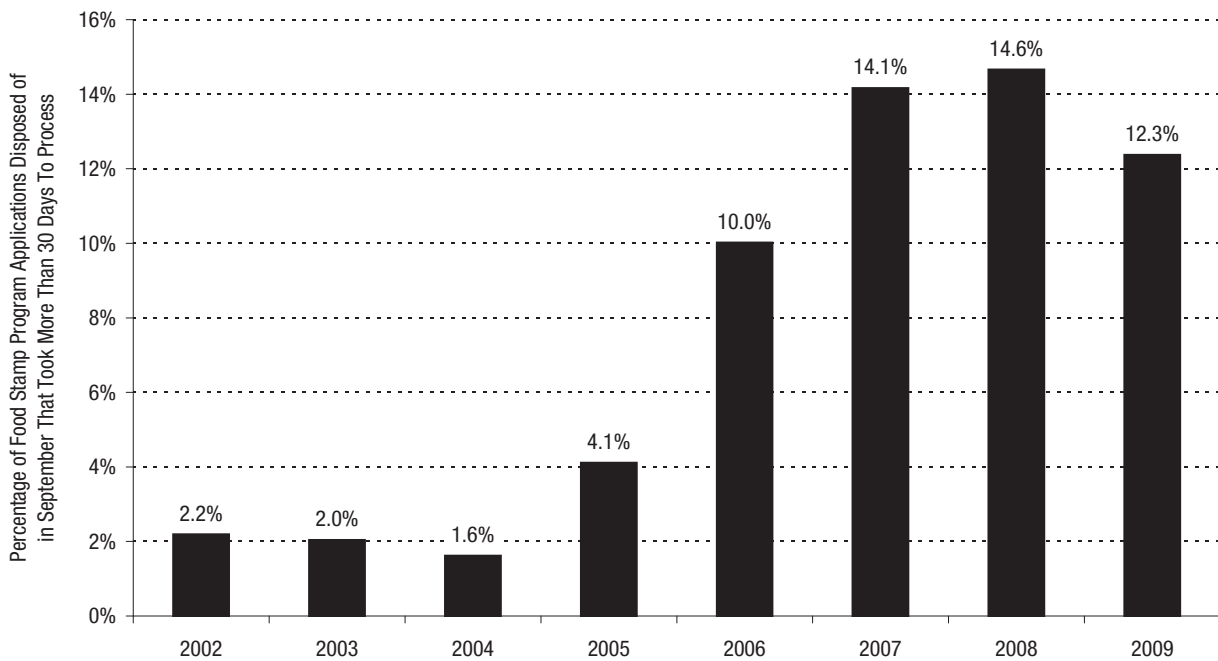
Federal rules require states to conduct in-person interviews with FSP applicants and recipients at least once every 12 months.<sup>71</sup> This requirement can be burdensome, particularly for

Figure 4: Food Stamp Program Applications Have Jumped Substantially in Recent Years



Source: Department of Social Services

Figure 5: The Share of Food Stamp Program Applications Taking More Than 30 Days To Process Has Increased Substantially in Recent Years



Source: Department of Social Services

households in which individuals must miss work to complete the interview. In recent years, the USDA has gradually loosened this requirement by allowing states to conduct telephone interviews with certain households, including those in which all members are elderly or have disabilities.<sup>72</sup> In 2008, the USDA expanded this option to allow states to waive in-person interviews for *all* households, including both FSP applicants and recipients, and conduct telephone interviews instead.<sup>73</sup> Subsequently, the USDA approved California's request to waive in-person interviews for all households through May 31, 2013.<sup>74</sup> The DSS states that this federal waiver "will reduce the application process burden for the household, increase timeliness, increase program access, decrease the volume of activity in the local offices, and remove barriers that prevent households from completing an interview."<sup>75</sup> However, this new waiver does not apply statewide; rather, each county will decide whether to implement it.<sup>76</sup> All 58 counties should take this opportunity to conduct telephone interviews in lieu of in-person interviews and thereby increase low-income Californians' access to food stamp benefits.

## Implement Convenient Ways To Apply for Food Stamp Benefits and Evaluate the Effectiveness of Those Strategies

Individuals incur costs, such as lost wages due to missing work, when they must visit a county social service office to apply for food stamp benefits. Those costs can be avoided or minimized if counties implement or increase the use of more convenient ways to apply for benefits, including by putting applications online and placing county eligibility workers in convenient locations ("out-stationing").<sup>77</sup> Online applications, in particular, may increase participation of households with Internet access, although such applications may not be appropriate for all households. In addition, FSP administrators should avoid using technology-based approaches alone to address low participation rates.<sup>78</sup> To the extent that counties provide alternative ways of applying for benefits, they should evaluate the effectiveness of those strategies, including by tracking how many FSP applicants use each one, assessing which strategies boost participation, and reporting the results. Systematic evaluation would allow program administrators to assess how well underserved populations are being reached and help guide counties toward the most successful and cost-effective strategies.

## Promote the Opt-Out Alternative

Legal immigrants, as noted above, may not be aware that they can apply for food stamp benefits for eligible members of their household, including their children, while not applying for

themselves.<sup>79</sup> Counties can increase awareness of the opt-out alternative by actively promoting it. For example, at least three counties have designed supplemental materials that explain the opt-out process and allow adults to exclude themselves from the FSP eligibility review while applying for benefits on behalf of other members of their household.<sup>80</sup> Similar county efforts to incorporate greater transparency and flexibility into the FSP application process could increase enrollment of other eligible Californians as well, including foster children and residents of domestic violence shelters, homeless shelters, and residential drug and alcohol programs.<sup>81</sup>

## Increase and Improve Outreach Efforts

Most counties conduct some FSP outreach activities, although, as noted above, many counties have curtailed outreach in response to recent state budget cuts.<sup>82</sup> Additional state funding for FSP administration would help counties increase their outreach efforts and thereby boost participation in the FSP. Even in the absence of increased funding, however, counties can improve FSP outreach by collaborating with community organizations and targeting outreach efforts toward underrepresented groups, such as eligible noncitizens and low-income working families.<sup>83</sup> In addition, counties can explore and implement methods to efficiently identify households that are eligible for, but not enrolled in, the FSP.<sup>84</sup>

## CONCLUSION

The FSP is a critical component of the safety net for low-income Californians, providing modest nutritional aid that helps families living below or near the poverty line avert hunger. Food stamp benefits also increase the purchasing power of low-income households, thereby boosting both economic activity and state revenues. However, just 48 percent of eligible Californians – slightly more than 2 million – received food stamp benefits as recently as FFY 2007, the second-lowest participation rate in the nation. This low participation rate partly reflects policies that impede eligible Californians' access to the program. The state and counties can take a number of steps to help boost the number of Californians who participate in the FSP. State policymakers, for example, can eliminate the fingerprint-imaging requirement, reduce paperwork requirements, eliminate the asset test for all households, and increase funding for county FSP outreach. County policymakers also can adopt strategies to boost FSP enrollment, including eliminating in-person interviews and implementing online applications as well as other convenient ways to apply for food stamp benefits.





## TECHNICAL NOTES

The CBP analyzed the characteristics of households participating in the FSP using the 2007 Food Stamp Program Quality Control (FSPQC) database, compiled by the USDA's Food and Nutrition Service. The FSPQC database includes demographic, financial, and FSP eligibility information for a sample of approximately 47,000 households that participated in the FSP in FFY 2007. The data include households in each of the 50 states, the District of Columbia, Guam, and the US Virgin Islands. Data for each household are compiled from monthly "quality control" case reviews conducted by state FSP agencies. Quality control reviews are used to assess whether agencies correctly determined households' eligibility and food stamp benefit amounts. Participating households are those in which some, but not necessarily all, individuals living in the household receive food stamp benefits.

All demographic and financial data reported for FSP households are for the average household participating in the FSP in an average month in FFY 2007. The average household size is the average number of people in the household who have been certified to receive FSP benefits. "Working families" are households with earnings from work, which includes wages, salaries, and self-employment earnings. Income from other sources includes income from government assistance programs such as SSI, TANF, general assistance, and energy assistance, as well as income from other sources, such as child support payments, educational grants and scholarships, Social Security, veterans benefits, the Earned Income Tax Credit, unemployment insurance benefits, and worker's compensation benefits. Income as a percentage of the federal poverty line is equal to total household income in FFY 2007 divided by the poverty guideline for each household size, as reported by the US Department of Health and Human Services.



# ENDNOTES

- <sup>1</sup> The 2008 Farm Bill (The Food, Conservation, and Energy Act of 2008, Public Law 110-246) renamed the program the Supplemental Nutrition Assistance Program (SNAP) at the federal level effective October 1, 2008. However, this report uses the name “Food Stamp Program” because California continues to use it. For an overview of the FSP at the national level, see US Department of Agriculture, *A Short History of SNAP* (Updated April 30, 2009).
- <sup>2</sup> Center on Budget and Policy Priorities, *Policy Basics: Introduction to the Food Stamp Program* (Updated September 21, 2009), p. 1. Although “food stamps” have been replaced by EBT cards, this report uses the phrase “food stamp benefits” because it remains in common usage.
- <sup>3</sup> US Department of Agriculture data. September 2009 was the most recent month that both US and state data were available at the time this report was prepared.
- <sup>4</sup> Mark R. Rank and Thomas A. Hirschl, “Likelihood of Using Food Stamps During the Adulthood Years,” *Journal of Nutrition Education and Behavior* 37 (May 2005), pp. 137-146.
- <sup>5</sup> CBP analysis of US Department of Agriculture data. According to the USDA, the average monthly benefit per person in California was \$136.82 in FFY 2009, which equals \$1.50 per person per meal assuming an average of 91.25 meals per month (365 days per year \* 3 meals per day / 12 months).
- <sup>6</sup> These data are based on a CBP analysis of FFY 2007 data from the Food Stamp Program Quality Control database (see Technical Notes for more information).
- <sup>7</sup> US Department of Agriculture data. In FFY 2008, 91.9 percent of total federal FSP spending was attributable to food stamp benefits; the remainder (8.1 percent) was attributable to the federal share of FSP administrative expenses and other federal costs.
- <sup>8</sup> As used in this report, the “poverty line” refers to the federal poverty guidelines issued each year by the US Department of Health and Human Services (DHHS). Poverty guidelines are generally used by the federal and state governments to determine eligibility for certain programs. In the FSP, the poverty guidelines for calendar year 2009 are used to establish households’ income eligibility in FFY 2010. Households with an elderly person or a person who receives certain types of disability payments do not have to meet the gross income test, but do have to meet the net income test. See US Department of Agriculture, *Eligibility* (Updated September 22, 2009), downloaded from [http://www.fns.usda.gov/snap/applicant\\_recipients/eligibility.htm](http://www.fns.usda.gov/snap/applicant_recipients/eligibility.htm) on November 20, 2009.
- <sup>9</sup> California allows a number of deductions, including up to 20 percent of earned income, a standard deduction that increases with household size, and a dependent care deduction for the care of a child or other dependent. See Department of Social Services, *Eligibility and Issuance Requirements* (n.d.), downloaded from <http://www.dss.cahwnet.gov/foodstamps/PG841.htm> on November 6, 2009.
- <sup>10</sup> Stacy Dean, Colleen Pawling, and Dorothy Rosenbaum, *Implementing New Changes to the Food Stamp Program: A Provision by Provision Analysis of the 2008 Farm Bill* (Center on Budget and Policy Priorities: Revised July 2008), p. 62. Federal law excludes certain assets, such as a home from the asset test.
- <sup>11</sup> Stacy Dean, Colleen Pawling, and Dorothy Rosenbaum, *Implementing New Changes to the Food Stamp Program: A Provision by Provision Analysis of the 2008 Farm Bill* (Center on Budget and Policy Priorities: Revised July 2008), p. 62.
- <sup>12</sup> California is the only state in the nation in which SSI recipients are ineligible for food stamp benefits. According to one analysis, “California’s cash-out policy started in 1974 when the federal government began the combined federal-state [SSI/SSP] program. At that time, states were allowed to increase their state supplementary payment instead of administering food stamps to SSI/SSP recipients. California opted for this ‘cash-out’ policy and increased its monthly SSP grant by \$10.” See Autumn Arnold and Amy Marinacci, *Cash-Out in California: A History of Help and Harm – An Analysis of California’s Food Stamp “Cash-Out” Policy for Recipients of SSI/SSP* (California Food Policy Advocates: August 2003), p. 7 and Appendix C.
- <sup>13</sup> See California Immigrant Policy Center, *Major Benefit Programs Available to Immigrants in California* (October 2008), p. 2. In California, legal immigrants who do not qualify for federal food stamp benefits solely due to their immigration status may receive state-funded nutritional benefits through the California Food Assistance Program.
- <sup>14</sup> Department of Social Services, *Eligibility and Issuance Requirements* (n.d.), downloaded from <http://www.dss.cahwnet.gov/foodstamps/PG841.htm> on November 6, 2009. However, the American Recovery and Reinvestment Act of 2009 eliminated the time limit for able-bodied adults without dependents from April 1, 2009 to September 30, 2010, unless a state chooses to offer a qualifying work activity.
- <sup>15</sup> The PRWORA was enacted as Public Law 104-193. For a summary of the PRWORA’s changes to the FSP, see US Department of Agriculture, *A Short History of SNAP* (Updated April 30, 2009).
- <sup>16</sup> The 2002 Farm Bill was enacted as the Farm Security and Rural Investment Act of 2002 (Public Law 107-171). The Agriculture Research, Extension, and Education Reform Act of 1998 (Public Law 105-185) also restored FSP eligibility to certain legal immigrants. For a summary, see Randy Capps, et al., *Assessing Implementation of the 2002 Farm Bill’s Legal Immigrant Food Stamp Restorations* (The Urban Institute for the US Department of Agriculture, Food and Nutrition Service: November 2004), p. 4.
- <sup>17</sup> A “larger household” is one with four or more persons. For a summary of the major FSP provisions in the 2002 Farm Bill, see Stacy Dean and Dorothy Rosenbaum, *Implementing New Changes to the Food Stamp Program: A Provision by Provision Analysis of the Farm Bill* (Center on Budget and Policy Priorities: Revised December 2, 2003).
- <sup>18</sup> For a summary of the major FSP provisions in the 2008 Farm Bill (The Food, Conservation, and Energy Act of 2008, Public Law 110-246), see Stacy Dean, Colleen Pawling, and Dorothy Rosenbaum, *Implementing New Changes to the Food Stamp Program: A Provision by Provision Analysis of the 2008 Farm Bill* (Center on Budget and Policy Priorities: Revised July 2008).
- <sup>19</sup> The ARRA was enacted as Public Law 111-5. The ARRA provides \$19.7 billion for increased food stamp benefits and \$290.5 million to help states manage their rising FSP caseloads. Most of this additional funding is available through FFY 2013.
- <sup>20</sup> Center on Budget and Policy Priorities, *The Recovery Act’s Major Direct Assistance Provisions: A Handbook for Analyzing the Impact on States* (n.d.), p. 4.
- <sup>21</sup> California Budget Project, *Uncharted Waters: Navigating the Social and Economic Context of California’s Budget* (May 2009), p. 69.
- <sup>22</sup> Legislative Analyst’s Office, *Analysis of the 2004-05 Budget Bill* (February 2004), pp. C-280 to C-281.
- <sup>23</sup> The analysis in this section is based on a CBP analysis of FFY 2007 data from the Food Stamp Program Quality Control database (see Technical Notes for more information). The CBP used a two-group mean comparison t-test to determine if the differences between the statistics reported for California and the US as a whole are statistically significant.
- <sup>24</sup> US Census Bureau, 2008 American Community Survey.
- <sup>25</sup> California’s cash-out policy, which renders SSI/SSP recipients ineligible for the FSP, is discussed above. Approximately 894,000 Californians with disabilities, 376,000 Californians age 65 or older, and 20,000 blind Californians are projected to receive SSI/SSP payments during an average month in 2009-10, according to the DSS.
- <sup>26</sup> As noted above, “poverty line,” as used in this report, refers to the federal poverty guidelines issued each year by the US DHHS. The USDA updates the income eligibility limits for the FSP at the beginning of each federal fiscal year to reflect the most recent poverty guidelines. For example, the FSP income limits for FFY 2007 were based on the poverty guidelines in effect during calendar year 2006. Consequently, the statistics cited in this paragraph are based on FSP households’ incomes during FFY 2007 relative to the 2006 poverty guidelines.
- <sup>27</sup> Karen E. Cunningham and Laura A. Castner, *Reaching Those in Need: State Supplemental Nutrition Assistance Program Participation Rates in 2007* (Mathematica Policy Research, Inc. for the US Department of Agriculture, Food and Nutrition Service: November 2009), p. 2.
- <sup>28</sup> Only Wyoming’s FSP participation rate (47 percent) was lower than that of California in FFY 2007.
- <sup>29</sup> USDA’s annual *Reaching Those in Need* reports analyzed data for September of each year through 2000. The reports analyzed data by federal fiscal year beginning with FFY 2001.
- <sup>30</sup> Allen L. Schirm and Laura A. Castner, *Reaching Those in Need: State Food Stamp Participation Rates in 1999* (Mathematica Policy Research, Inc. for the US Department of Agriculture, Food and Nutrition Service: June 2002), p. 1.

- <sup>31</sup> See Eva Y. Seto, Jon Stiles, and Henry E. Brady, *California's Food Stamp Participation Rate, 1999-2001: Impact of Family Composition and Benefits for Aged and Disabled* (UC DATA: December 2003). The methodology used in the USDA's annual *Reaching Those in Need* reports excludes SSI/SSP recipients from the calculation of California's FSP participation rate. Seto et al. (p. iv) argue that SSI/SSP recipients should be included in the calculation because a \$10 supplement was added to their grants in the 1970s in lieu of food stamp benefits. Seto et al. contend that including SSI/SSP recipients in the calculation would substantially boost the state's FSP participation rate because SSI/SSP recipients in other states "are particularly likely to participate" in the FSP. In other words, these analysts argue that excluding SSI/SSP recipients from the calculation, as the USDA's methodology does, "deflates estimates of participation in California."
- <sup>32</sup> This is because, under the USDA's methodology, SSI/SSP recipients are *not* included among the nearly 2.2 million Californians who are estimated to be eligible for, but not enrolled in, the FSP.
- <sup>33</sup> Nonfarm employment in California last peaked in July 2007, after which the state began to lose jobs. See California Budget Project, *In the Midst of the Great Recession: The State of Working California 2009* (September 2009).
- <sup>34</sup> Recent research shows that a state's participation rate "can be influenced by the composition of its FSP-eligible population." See Scott Cody, et al., *Sources of Variation in State-Level Food Stamp Participation Rates* (Mathematica Policy Research, Inc. for the US Department of Agriculture, Economic Research Service: March 2008), p. 89.
- <sup>35</sup> Nationally, fewer than half (48 percent) of eligible noncitizens participated in the FSP in FFY 2007, compared to 85 percent of eligible children and 66 percent of individuals in all households. See Joshua Leftin and Kari Wolkwitz, *Trends in Supplemental Nutrition Assistance Program Participation Rates: 2000 to 2007* (Mathematica Policy Research, Inc. for the US Department of Agriculture, Food and Nutrition Service: June 2009), p. 15. Cody, et al. (2008) found that California's FSP-eligible population consists of households that are *more* likely to participate in the FSP. However, their model assumed that households with noncitizens participate at higher rates than do households without noncitizens. They acknowledge this finding is "counterintuitive," because "conventional wisdom suggests that noncitizens are less likely to participate in the FSP." The authors suggest that the US Census Bureau's Current Population Survey underreports noncitizens, which in turn causes their model to "artificially inflate" the FSP participation rate for households with noncitizens. It is unclear how this discrepancy affected their results for California, which has one-quarter of the nation's immigrant population. See Scott Cody, et al., *Sources of Variation in State-Level Food Stamp Participation Rates* (Mathematica Policy Research, Inc. for the US Department of Agriculture, Economic Research Service: March 2008), pp. xi-xii and 29-30. In addition, see US Census Bureau, 2008 American Community Survey, for the percentage of noncitizens who reside in California.
- <sup>36</sup> For example, one study of national FSP participation rates notes that, "From 2002 to 2006, factors such as increased outreach and improved access to SNAP contributed to the rise in participation rates. During this period, States increased outreach to low-income households and implemented program simplifications to make it easier for eligible persons to apply for and receive SNAP benefits. Many State SNAP agencies, for example, now provide extended hours of operation, waive the requirement for in-person interviews in hardship situations, and have streamlined their overall application process. Most States also have reduced the amount of information that recipients must report during their certification period to maintain their eligibility and benefit levels, which also makes it easier for low-income households to participate." See Joshua Leftin and Kari Wolkwitz, *Trends in Supplemental Nutrition Assistance Program Participation Rates: 2000 to 2007* (Mathematica Policy Research, Inc. for the US Department of Agriculture, Food and Nutrition Service: June 2009), p. 8.
- <sup>37</sup> The recommendations are based on a survey of best practices and interviews conducted during 2009 with DSS administrators, county officials, advocates, and researchers.
- <sup>38</sup> Personal communication with California Food Policy Advocates (October 28, 2009). Arizona and Texas, along with New York City (but not New York state as a whole), also require FSP applicants to provide a fingerprint image.
- <sup>39</sup> California also requires applicants for the California Work Opportunity and Responsibility to Kids (CalWORKs) Program to provide a fingerprint image.
- <sup>40</sup> California State Auditor, *Statewide Fingerprint Imaging System: The State Must Weigh Factors Other Than Need and Cost-Effectiveness When Determining Future Funding for the System* (January 2003), p. 1.
- <sup>41</sup> California State Auditor, *Statewide Fingerprint Imaging System: The State Must Weigh Factors Other Than Need and Cost-Effectiveness When Determining Future Funding for the System* (January 2003), p. 32.
- <sup>42</sup> As reported in Government Accountability Office, *Food Stamp Program: Use of Alternative Methods To Apply for and Maintain Benefits Could Be Enhanced by Additional Evaluation and Information on Promising Practices* (May 2007), p. 32.
- <sup>43</sup> Caroline Ratcliffe, Signe-Mary McKernan, and Kenneth Finegold, *Effect of State Food Stamp and TANF Policies on Food Stamp Program Participation* (The Urban Institute for the US Department of Agriculture, Economic Research Service: January 2008), pp. 11 and 18. This study found that the use of "biometric technology" (typically requiring applicants to provide a fingerprint image) can reduce food stamp benefit receipt by as much as 4.3 percentage points. The study used individual-level data from the 1996 and 2001 panels of the Survey of Income and Program Participation as well as policy data from a variety of sources, including the USDA.
- <sup>44</sup> California State Auditor, *Statewide Fingerprint Imaging System: The State Must Weigh Factors Other Than Need and Cost-Effectiveness When Determining Future Funding for the System* (January 2003), p. 1.
- <sup>45</sup> California Assembly Committee on Human Services, *California's Statewide Food Action Strategy: Attacking Hunger, Reducing Bureaucratic Waste by Improving Access to the Food Assistance Programs* (May 7, 2008), p. 3.
- <sup>46</sup> Stacy Dean, Colleen Pawling, and Dorothy Rosenbaum, *Implementing New Changes to the Food Stamp Program: A Provision by Provision Analysis of the 2008 Farm Bill* (Center on Budget and Policy Priorities: Revised July 2008), p. 25. Prior to passage of the 2008 Farm Bill, states were not allowed to use simplified reporting for several categories of households, including migrant or seasonal farmworker households. The 2008 Farm Bill allowed states to extend simplified reporting to previously excluded categories of households.
- <sup>47</sup> Personal communication with California Food Policy Advocates (October 28, 2009). The other state is Wyoming.
- <sup>48</sup> Letter from Dennis Stewart, Regional Director, Supplemental Nutrition Assistance Program, Western Region, to Charr Lee Metsker, Deputy Director, Welfare to Work Division, Department of Social Services (September 22, 2009). The letter states that if the DSS submits a "convincing and coherent plan and has begun to take action on that plan," the USDA may allow the state to operate its quarterly reporting system for an additional 18 months beyond the current six-month waiver as the state phases in simplified reporting.
- <sup>49</sup> This option is referred to as "expanded categorical eligibility" (ECE). ECE is distinct from standard "categorical eligibility," which states must confer on households in which all members receive cash assistance from certain programs, including those funded with federal Temporary Assistance for Needy Families (TANF) block grant dollars. In contrast, ECE can be applied to a broader range of households. According to the Center on Budget and Policy Priorities, ECE allows states to "declare a household categorically eligible for food stamps if all members participate in a program, receive a service, or are authorized to receive a service that is funded by federal TANF or state [maintenance-of-effort (MOE)] dollars. ... [if] the TANF- or MOE-funded program or service has no asset test, there is no food stamp asset test either." Stacy Dean, Colleen Pawling, and Dorothy Rosenbaum, *Implementing New Changes to the Food Stamp Program: A Provision by Provision Analysis of the 2008 Farm Bill* (Center on Budget and Policy Priorities: Revised July 2008), p. 62.
- <sup>50</sup> Department of Social Services All County Letter No. 09-24 (May 27, 2009), p. 2. The DSS refers to this option as "modified categorical eligibility."
- <sup>51</sup> Department of Social Services All County Letter No. 09-24 (May 27, 2009), p. 2.
- <sup>52</sup> This extension of categorical eligibility applies to all households that include a child under age 18, even if the child is not eligible for food stamp benefits (for example, because the child receives an SSI/SSP grant). Households with a child under age 18 will be provided with a family planning brochure funded with federal TANF and/or state MOE dollars, which will allow counties to disregard these households' financial assets. However, these households must continue to meet income and other FSP eligibility requirements. See Department of Social Services All County Letter No. 09-24 (May 27, 2009), p. 2.
- <sup>53</sup> Neither state nor federal law requires FSP administrators to collect information on a household's assets if that information is not used in determining the household's eligibility for food stamp benefits. Personal communication with California Food Policy Advocates (October 30, 2009).

- <sup>54</sup> This requirement applies to legal immigrants who are subject to “sponsor deeming” rules. “Deeming” means that a portion of the sponsor’s income and assets may be added to the income and assets of the immigrant’s household when determining eligibility for public benefit programs, including the FSP. Not all legal immigrants have sponsors or are subject to sponsor deeming. In addition, certain legal immigrants who receive no support from their sponsor can claim “indigence,” in which case they only need to provide the sponsor’s name, which is reported – along with the legal immigrant’s name – to the US Attorney General.
- <sup>55</sup> For example, “immigrants may not be in contact with their sponsors; in many cases, they may not even know who they are or where they live. Immigrants may also be reluctant to contact their sponsors and request that they share sensitive information about income and resources.” See Randy Capps, et al., *Assessing Implementation of the 2002 Farm Bill’s Legal Immigrant Food Stamp Restorations* (The Urban Institute for the US Department of Agriculture, Food and Nutrition Service: November 2004), pp. 21-22.
- <sup>56</sup> Contrary to what some immigrants may believe, federal regulations allow legal immigrants to participate in a number of non-cash public benefit programs, including the FSP, without affecting their immigration status. Personal communication with Legal Services of Northern California (December 1, 2009) and Shawn Fremstad, *The INS Public Charge Guidance: What Does It Mean for Immigrants Who Need Public Assistance?* (Center on Budget and Policy Priorities: January 7, 2000).
- <sup>57</sup> Randy Capps, et al., *Assessing Implementation of the 2002 Farm Bill’s Legal Immigrant Food Stamp Restorations* (The Urban Institute for the US Department of Agriculture, Food and Nutrition Service: November 2004), p. 21 and personal communication with Legal Services of Northern California (December 1, 2009). Adults who opt out nonetheless must provide information about their income and assets to program administrators, and those income and assets will count to some degree in determining the household’s eligibility for food stamp benefits.
- <sup>58</sup> The instructions for the state’s FSP application indicate that there is a place on the application to opt out; however, the application itself does not include the opt-out alternative. Personal communication with Legal Services of Northern California (December 1, 2009).
- <sup>59</sup> However, the state’s FSP application and instructions should clearly indicate that legal immigrants’ receipt of food stamp benefits does not have adverse consequences for their immigration status and that they therefore may not need to opt out.
- <sup>60</sup> Per personal communication with Legal Services of Northern California (December 1, 2009), these groups have different options with respect to how they may participate in the FSP.
- <sup>61</sup> California Budget Project, *Stretched Thin 2008: State Budget Cuts Undermine California’s Human Services Programs* (August 2008), p. 3.
- <sup>62</sup> California Budget Project, *Stretched Thin 2008: State Budget Cuts Undermine California’s Human Services Programs* (August 2008), p. 10.
- <sup>63</sup> This figure includes \$19.5 million in state funds and \$29.5 million in federal funds. California Budget Project, *Uncharted Waters: Navigating the Social and Economic Context of California’s Budget* (May 2009), p. 55.
- <sup>64</sup> Research shows that state spending on outreach has a positive impact on FSP participation. See Kenneth Finegold, *Food Stamps, Federalism, and Working Families* (The Urban Institute: August 2008), p. 7.
- <sup>65</sup> Lucia Kaiser, “Why Do Low-Income Women Not Use Food Stamps? Findings from the California Women’s Health Survey,” *Public Health Nutrition* 11 (2008), p. 1293.
- <sup>66</sup> California Budget Project, *Stretched Thin 2008: State Budget Cuts Undermine California’s Human Services Programs* (August 2008), p. 20.
- <sup>67</sup> California Budget Project, *Stretched Thin 2008: State Budget Cuts Undermine California’s Human Services Programs* (August 2008), p. 20.
- <sup>68</sup> While the ARRA provides states with additional funding to manage their rising FSP caseloads, the amount that California is estimated to receive – \$22.3 million – is not sufficient to offset cuts to state funding for county operation of the FSP.
- <sup>69</sup> For a discussion of delays in determining eligibility for services, see County Welfare Directors Association of California and California State Association of Counties, *Human Services in a Time of Economic Crisis: An Examination of California’s Safety-Net Programs and Related Economic Benefits for Communities* (April 2009), p. 14.
- <sup>70</sup> Legislative Analyst’s Office, *The 2010-11 Budget: California’s Fiscal Outlook* (November 2009), p. 6.
- <sup>71</sup> Code of Federal Regulations, Title 7, Section 273.14(b)(3).
- <sup>72</sup> Personal communication with California Food Policy Advocates (October 28, 2009) and Department of Social Services All-County Letter No. 08-32 (July 14, 2008), p. 2. Following this federal policy change, California received federal permission to increase the use of telephone interviews for designated households, although California’s waiver request specified that *counties* would decide whether and to what extent to eliminate in-person interviews. In 2007-08, 50 counties waived in-person interviews for households that were eligible for such a waiver. Of these counties, 25 waived 1 percent to 5 percent of in-person interviews, while six counties waived more than 20 percent of in-person interviews. See Department of Social Services, *Food Stamp Program Operations and Access Report: July 1, 2007 – June 30, 2008* (February 2009), p. 2.
- <sup>73</sup> Personal communication with California Food Policy Advocates (October 28, 2009).
- <sup>74</sup> Department of Social Services All-County Letter No. 09-62 (October 23, 2009), p. 1.
- <sup>75</sup> Department of Social Services All-County Letter No. 09-62 (October 23, 2009), p. 1.
- <sup>76</sup> Department of Social Services All-County Letter No. 09-62 (October 23, 2009), p. 1.
- <sup>77</sup> This policy change requires counties to implement alternatives to signed applications as well as to in-person interviews at the county social service office. See Jessica Bartholow, *Food Stamp Outreach and Access Program: Out-of-Office Applications in California* (California Association of Food Banks: February 2009).
- <sup>78</sup> This point was made by Stacy Dean of the Center on Budget and Policy Priorities in a presentation at the 2009 Food Stamp Forum, held in Sacramento on February 10, 2009.
- <sup>79</sup> Immigrants may lack knowledge of the opt-out alternative because, as noted above, the state’s FSP application does not clearly allow adults to opt out and apply only for other members of their household. In addition, the opt-out alternative currently may not be widely promoted by the state or many counties.
- <sup>80</sup> Alameda County, for instance, worked with the Alameda County Community Food Bank to design materials aimed at immigrants who want to apply for food stamp benefits on behalf of other members of their household. Personal communication with Alameda County Social Services Agency (April 9, 2009) and California Association of Food Banks (November 24, 2009).
- <sup>81</sup> Per personal communication with Legal Services of Northern California (December 1, 2009), these groups have different options with respect to how they may participate in the FSP.
- <sup>82</sup> County FSP outreach activities are reported in Department of Social Services, *Food Stamp Program Operations and Access Report: July 1, 2007 – June 30, 2008* (February 2009), p. 15.
- <sup>83</sup> Just one-third (33 percent) of the eligible “working poor” in California received food stamp benefits in FFY 2007, the lowest rate in the nation. “Working poor” is defined as those who are eligible for food stamp benefits and live in households in which someone has earnings from a job. See Karen E. Cunningham and Laura A. Castner, *Reaching Those in Need: State Supplemental Nutrition Assistance Program Participation Rates in 2007* (Mathematica Policy Research, Inc. for the US Department of Agriculture, Food and Nutrition Service: November 2009), pp. 1 and 3.
- <sup>84</sup> Fresno County, for example, has experimented with using Medi-Cal data systems to identify potentially eligible individuals who are not enrolled in the FSP.