

Changes in Eligibility for Food Stamps

On May 13, 2002, President Bush signed into law the Farm Security and Rural Investment Act of 2002 (P.L. 107-171), commonly known as the farm bill. The 2002 Farm Bill made the following changes to the eligibility requirements for food stamp recipients:

- Restored eligibility for some categories of legal immigrants (see below)
- Increased the dollar limit on assets for some recipients (see [page 4](#))
- Revised the standard deduction measure and expanded the list of exclusions that states may allow in calculating gross income (see [page 5](#).)

This information brief explains these changes.

Partial Restoration of Benefits to Some Legal Immigrants

The 2002 Farm Bill restored eligibility for food stamps to legal immigrants in the following three groups:

- Those who are disabled and receiving disability benefits (effective October 1, 2002)
- Children, under the age of 18, who entered the United States after August 2, 1996 (effective October 1, 2003)
- Immigrants who have legally lived in the United States for five years or more (effective April 1, 2003)

Most immigrants, including those legally residing in the United States, were made ineligible for federal food stamps by the Personal Responsibility and Work Opportunity Act (PRWORA) of 1996. In 1998, the Agriculture Research, Extension, and Education Reform Act restored eligibility to some groups of legal immigrants.

Though previously ineligible for federal food stamps, members of these three categories of legal immigrants have been eligible for state food assistance through the Minnesota Food Assistance Program (MFAP)¹ or the Minnesota Family Investment Program (MFIP)² since 1998. According to state law, legal immigrants under the age of 50 are eligible for MFAP until June 30, 2003, and those age 50 and older who meet program requirements are eligible for MFAP indefinitely. Legal immigrants, regardless of age, who are eligible for MFIP assistance and are receiving the cash portion of their MFIP grant through federal funds, are eligible for MFIP food assistance indefinitely. Those who are receiving the cash portion of their MFIP grant through state funds are eligible for MFIP food assistance until June 30, 2003.³

By restoring federal food stamp benefits to these three categories of legal immigrants, Congress will transfer the cost of providing food assistance to these legal immigrants from the state to the federal level, resulting in savings for Minnesota. The amount of savings for each category of legal immigrants depends on the overlap of the last date of eligibility for MFAP or MFIP and the first day of eligibility for federal food stamps.

To illustrate these savings, consider legal immigrants who have lived in the United States for more than five years, all of whom are now eligible for federal food stamps as of April 1, 2003. The resulting overlap between MFAP and federal food stamps from April 1, 2003, to July 1, 2003, will result in three months of MFAP funding savings, equal to \$395,000, for Minnesota during fiscal year 2003. In fiscal years 2004-05, MFAP eligibility for members of this group who are under 50 will have ended, but those over the age of 50 are eligible for MFAP benefits indefinitely. Therefore, in addition to the three months of savings in fiscal year 2003, the state will save 24 months of MFAP funding, equal to \$1.28 million, in fiscal years 2004-05 due to the ongoing overlap between MFAP and federal food stamp eligibility.

¹ [Minn. Stat. § 256D.053](#).

² [Minn. Stat. § 256J.11](#), subd. 2.

³ Legal immigrants receiving MFIP state-funded food assistance can be divided into two categories: those who are eligible for federal cash assistance and those who are ineligible for federal cash assistance (eligibility being determined by federal Temporary Assistance for Needy Families (TANF) law). Legal immigrants who are ineligible for federal cash assistance include those who entered the United States on or after August 22, 1996, and have been in the country for less than five years; some battered legal immigrant adults or children, if they meet certain criteria, who entered the United States on or after August 22, 1996, and have been in the country for less than five years; legal immigrants who were paroled into the United States for at least one year, on or after August 22, 1996; legal immigrants paroled into the United States for less than one year; persons granted temporary permission to remain in the United States; and legal immigrants applying for asylum.

Legal immigrants eligible for federal-funded cash assistance through MFIP have indefinite eligibility for federally funded food assistance. Some legal immigrants who are ineligible for federal cash assistance are currently receiving state-funded *cash and food* assistance through MFIP (approximately 652 recipients in a given month). These legal immigrants will lose eligibility for state-funded *cash and food* assistance on July 1, 2003.

Estimate of State Savings

Table 1 provides estimates of state savings⁴ for legal immigrants receiving food assistance through MFAP. The table shows the last day of MFAP eligibility, the first day of federal food stamp eligibility, and the amount of savings for Minnesota in fiscal years 2003, 2004, and 2005 for each of the three categories of legal immigrants.

Table 1
**MFAP Savings for Minnesota in FY03 and FY04-05,
 From Changes to Federal Food Stamp Eligibility for Certain Legal Immigrants**

“Qualified” immigrants, under farm bill of 2002	Last day of MFAP eligibility	First day of federal food stamp eligibility	Savings for Minnesota FY 03	Savings for Minnesota FY 04-05
Legal immigrants who have lived in the U.S. for more than 5 years	June 30, 2003 <i>(if less than 50 years old)</i>	April 1, 2003	\$395,000	\$1.28 million
	Indefinite <i>(if over 50 years old)</i>	April 1, 2003		
Legal immigrant children, under age 18, who entered the U.S. after August 22, 1996	June 30, 2003	October 1, 2003	No savings	No savings
Legal immigrants who are disabled and receiving disability benefits (such as SSI or disability-related Medicaid) ⁵	June 30, 2003 <i>(if less than 50 years old)</i>	October 1, 2002	\$77,000	\$95,000
	Indefinite <i>(if over 50 years old)</i>	October 1, 2002		

Table 2 provides estimates of state savings for legal immigrants receiving food and cash assistance through the MFIP program. The table shows the last day of MFIP eligibility, the first day of federal food stamp eligibility, and the amount of savings for Minnesota in fiscal years 2003, 2004, and 2005 for each of the three categories of legal immigrants.

⁴ State savings estimates provided by the Minnesota Department of Human Services.

⁵ This provision does not affect many disabled immigrants because the Personal Responsibility and Work Opportunity Reconciliation Act of 1996 prohibits legal immigrants who arrive in the United States after August 22, 1996 from receiving Supplemental Security Income (SSI).

Table 2
**MFIP Savings For Minnesota in FY03 And FY04-05,
 From Changes to Federal Food Stamp Eligibility for Certain Legal Immigrants**

“Qualified” immigrants, under farm bill of 2002	Funding source of MFIP cash grant	Last day of MFIP food eligibility	First day of federal food stamp eligibility	Savings for Minnesota FY 03	Savings for Minnesota FY 04-05
Legal immigrants who have lived in the U.S. for more than 5 years	Federal	Indefinite	April 1, 2003	\$407,000	\$4.3 million
	State	June 30, 2003			
Legal immigrant children, under age 18, who entered the U.S. after August 22, 1996	Federal	Indefinite	October 1, 2003	No savings	\$10,000 ⁶
	State	June 30, 2003			
Legal immigrants who are disabled and receiving disability benefits (such as SSI or disability-related Medicaid) ⁷	Federal	Indefinite	October 1, 2002	\$107,000	\$144,000
	State	June 30, 2003			

Changes to Asset Limits

The 2002 Farm Bill increases the countable asset limit from \$2,000 to \$3,000 for households with at least one member who is disabled. To be eligible for food stamps, in addition to meeting income limit requirements, households must meet certain limits on countable assets. Examples of countable assets include savings, stocks and bonds, individual retirement accounts, and the loan value of vehicles worth more than \$7,500, per household. Households are limited to \$2,000 in countable assets; or \$3,000, if the household contains at least one member who is disabled or age 60 or older.

⁶ Most of the savings for legal immigrant children is included in the \$4.3 million in savings for legal immigrants who have been in the country for more than five years.

⁷ This provision does not affect many disabled immigrants because the Personal Responsibility and Work Opportunity Reconciliation Act of 1996 prohibits legal immigrants who arrive in the United States after August 22, 1996 from receiving Supplemental Security Income (SSI).

Changes to Income Limits

The 2002 Farm Bill expands the list of exclusions that states may allow in calculating gross monthly income. To be eligible for federal food stamps, a household's gross monthly income must fall at or below 130 percent of the federal poverty guidelines. Certain sources of income, such as low-income home energy assistance payments and a minor child's earnings, are excluded from gross monthly income. Income items newly excluded from gross monthly income under the 2002 Farm Bill are:

- Any education loans on which payment is deferred
- Grants, scholarships, fellowships, veteran's education benefits, and similar education assistance
- Complementary assistance program payments that are excluded under the state's family Medicaid program
- Funds that a state excludes when determining eligibility for TANF cash assistance or family Medicaid, such as blood and plasma sales, garage sale income, or funds from charitable organizations

Change to Standard Disregard

The 2002 Farm Bill changes the standard disregard from \$134 for all households, regardless of family size, to the greater of \$134 or 8.31 percent of the federal poverty income guidelines (which vary with family size). In addition to meeting the gross monthly income limit, to be eligible for federal food stamps, a household must also have a net monthly income at or below 100 percent of the federal poverty guidelines. Net monthly income is calculated by subtracting all eligible deductions from the household's gross monthly income. Examples of eligible deductions include a standard disregard, 20 percent of any earned income, and regularly recurring medical expenses over \$35 for households with elderly or disabled members.

Table 3
Change to Food Stamp Disregard under Federal Farm Bill of 2002

Household size	Standard deduction under prior law	Federal poverty guidelines, FY 03, monthly income	8.31% of federal poverty guidelines, FY 03	Standard deduction under 2002 Farm Bill (greater of \$134 or 8.31% of federal poverty guidelines)
1	\$134	\$738.33	\$61.36	\$134
2	134	995.00	82.68	134
3	134	1,251.67	104.01	134
4	134	1,508.33	125.34	134
5	134	1,765.00	146.67	147
6+ ⁸	134	2,021.67	168.00	168

⁸ Households with more than six members will receive the deduction for a six-person household.

The federal poverty guidelines are adjusted annually based on the inflation rate. Initially, only households with five or more members are affected by the standard disregard change. As the poverty guidelines increase over time with inflation, smaller households will also receive larger standard deductions.

The farm bill allows states to convert legally owed child support payments to an exclusion from gross monthly income, the measure used in determining initial eligibility for benefits. Under previous law, child support payments were deducted from gross monthly income to calculate net monthly income, the measure used in determining the level of benefits. If Minnesota adopts this change it could allow more noncustodial parents to meet the gross monthly income limit and become eligible for food stamps.

The farm bill also allows states to use the same exclusions for the Food Stamp program as they are already using for TANF or their family Medicaid coverage. In Minnesota this change has minimal effect because the exclusions for MFIP and Medical Assistance (MA) are already fairly similar to the exclusions for the Food Stamp program. There are few additional resources to exclude that would align MFIP and MA with food stamps.

For more information about family assistance programs, visit the health and human services area of our web site, www.house.mn/hrd/issinfo/hlt_hum.htm.