

LOW-INCOME ASSISTANCE . 5

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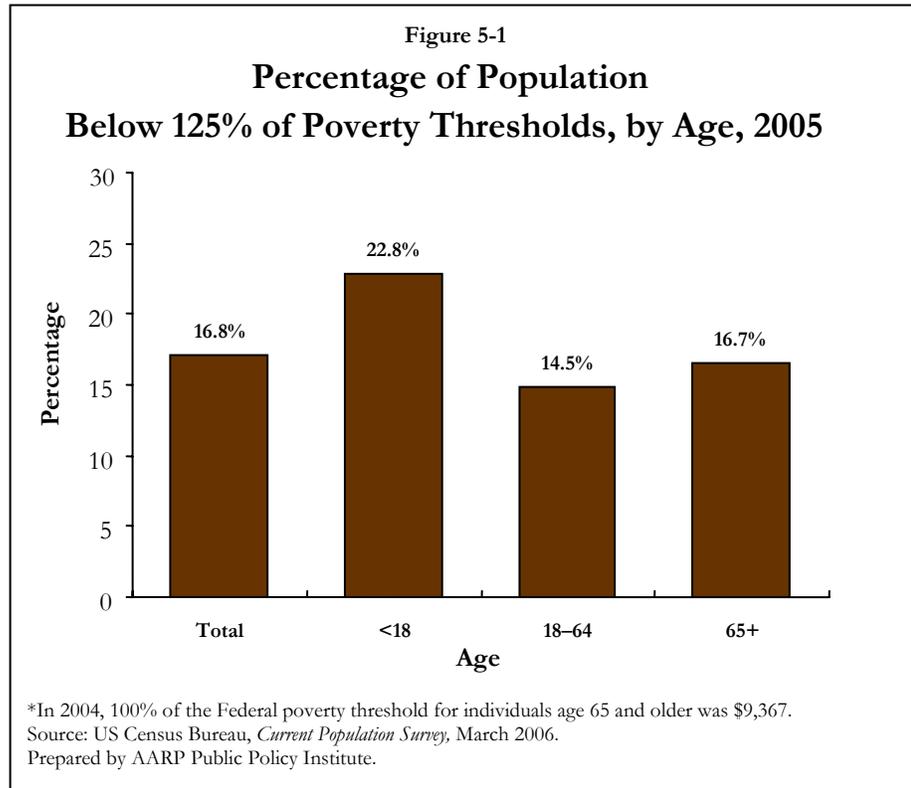
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LOW-INCOME ASSISTANCE

INTRODUCTION

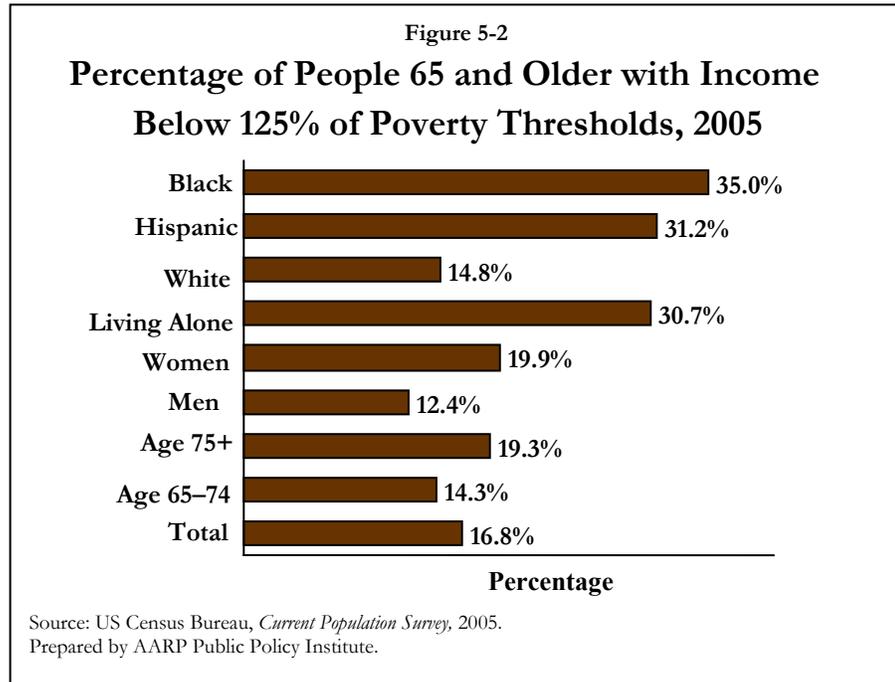
The number of poor older people in America is substantial. In 2005 about one in six people (almost 17 percent) age 65 and older had an income below 125 percent of the poverty threshold, which was \$11,709 for an individual 65 and older and \$14,769 for a two-person household with one person 65 and older (Figure 5-1). That same year, one in ten people 65 and older had an income below 100 percent of poverty, which was \$9,367 for an individual 65 and older and \$11,815 for a two-person household with one person 65 and older. Most poor older Americans in 2005 (69 percent) were women. Among all women age 65 and older, 20 percent had a low income. This is the result of several factors. Women typically have lower earnings in their working years and are less likely to have savings and a pension. Divorce or death of a spouse exacerbates the problem. Also since women live longer, they are more likely to deplete their resources during their later years.

Poverty among the elderly increases with age. In 2005, 14 percent of people age 65 to 74 had an income below 125 percent of the poverty level. In the same year the poverty rate for people age 75 and older was 19 percent.



Other segments of the older population that are disproportionately low-income include minorities, rural residents, and people who live alone. About one-third of older people (33 percent of women and 24 percent of men) who

live alone have low incomes. The likelihood of having a low income increases for people with multiple risk factors for poverty. For example 45 percent of black and 38 percent of Hispanic women age 75 and older have low incomes. (The term “black” is used by the Census Bureau and therefore is used throughout this chapter only when citing census data.) Overall 35 percent of older blacks and 31 percent of older Hispanics qualify as low-income (Figure 5-2), as do one in five older people living outside metropolitan areas.



Since 1974 children have become the poorest age group in the nation. In 2005, 23 percent of children under age 18 lived below 125 percent of the poverty line. Children today represent 35 percent of the nation’s poor.

Efforts to balance the federal and state budgets during the 1990s prompted a historic shift from support for public assistance programs to personal responsibility for escaping poverty, primarily through private-sector employment. This shift resulted in a disproportionate reduction in programs for low-income people, including children and people with disabilities. The large budget deficits that are projected for decades to come will likely bring further efforts to reduce spending on such programs. Such efforts are shortsighted because they worsen the difficulties low-income people have in acquiring such essentials as food, health care, shelter, education and family integration, thereby increasing the burden on a caring society. Claims of monetary savings from such cuts are misleading. They ignore costly consequences such as emergency room visits by those without health insurance, inappropriate institutionalization of disabled people, and a less educated and productive workforce.

LOW-INCOME ASSISTANCE

AARP PRINCIPLES

Adequate resources—The nation should devote sufficient resources to meeting the needs of low-income individuals.

Participation—Government has a responsibility to design and implement programs in ways that promote, rather than discourage, participation by all eligible people.

Respect—Service providers should treat people seeking assistance fairly, justly, and with respect and dignity.

Support for caregivers—Programs should be designed and implemented in ways that support people in caring for family members and others.

Responsibility—It is government’s responsibility to provide low-income assistance; charitable organizations can only augment those efforts.

MEASURES OF POVERTY AND INCOME

Background

There are two equally important aspects of measuring poverty: specifying in dollar terms what society deems to be a minimally adequate level of living and determining what resources an individual has available to provide for life's necessities. A minimally adequate living standard has been determined with reference to the cost of food, as calculated by the Department of Agriculture in its 1963 Economy Food Plan. That calculation, which was based on family expenditures for food in the mid-1950s, continues to be used today. In 1955 food expenditures equaled about one-third of cash income, so the cutoff points for poverty were set at three times the cost of the Economy Food Plan, adjusted for age, gender and family size.

In reality the Economy Food Plan was somewhat arbitrary, based on a diet intended only for emergencies lasting no more than 30 days. So even by 1950s standards the poverty index was conservative, and it is even more so today, when families and individuals spend on average about 10 percent of their personal disposable income on food. Revising poverty measures to reflect current realities would significantly increase the number of people identified as officially poor. Surveys of Americans over time consistently show how outdated the poverty measures are; the income level for determining who is living in poverty is widely thought to be considerably higher than the current system provides.

The criteria used to measure poverty among older people incorporate an age differential for those age 65 and older. For example the poverty thresholds in 2005 were \$10,160 for people under age 65 and \$9,367 for people age 65 and older. Another statistical issue relates to the manner in which data are used to construct economic indices. Most pertinent to the older population is the Consumer Price Index (CPI). A study by the Bureau of Labor Statistics suggests that the CPI used for cost-of-living adjustments (COLAs) underestimates the expenditures of older households, especially for items such as medical costs (for a further discussion of the CPI, see Chapter 3, Retirement Income: Social Security Reform Proposals—Cost-of-Living Adjustments).

A number of federally supported low-income assistance programs use a variant of the Census Bureau poverty thresholds developed by the Department of Health and Human Services (HHS) to determine income eligibility for benefits. The HHS poverty guidelines are a simplified version of the census threshold for a family of four; they vary by family size but not age. For example the poverty level for a family of four in 2006 was \$20,000; for a single person it was \$9,800, with higher guideline amounts for Alaska and Hawaii.

In the early 1980s the Census Bureau began publishing a series of reports of poverty estimates that included as income the value of in-kind, or noncash,

benefits such as Medicare, Medicaid and housing subsidies. These alternative poverty estimates compare income levels that combine money income and in-kind income with poverty thresholds that do not include in-kind income. These alternative estimates show dramatic reductions in the number of people in poverty, which have been interpreted by many as official documentation that the poverty rate is lower than commonly reported.

The US Government Accountability Office (GAO) concluded that the Census Bureau's statistical methods affected the poverty estimates. The GAO found that older people, African-Americans, Hispanics, and people in households maintained by single women or consisting of unrelated females were much more likely than others to be reclassified as no longer in poverty when in-kind benefits were included as income.

The National Academy of Science has conducted an independent study of the measurement of poverty. The experimental poverty rate measure proposed yielded a rate in 1999 that was almost 3 percentage points higher than the official rate for the entire population and almost 7 percentage points higher than the official rate for people age 65 and older.

FEDERAL POLICY

MEASURES OF POVERTY AND INCOME

The US Census Bureau should eliminate the age differential used in the current determination of poverty thresholds for people age 65 and older.

Poverty thresholds (in dollar amounts) should be substantially increased. Attempts to include in-kind benefits, such as food stamps and housing subsidies, in poverty measures should be limited to instances in which such distinctions make a meaningful difference.

LOW-INCOME ASSISTANCE PROGRAMS

Background

Although low-income assistance programs have been instrumental in providing basic necessities to below-poverty people of all ages, these programs have fallen short in improving the living conditions of our most economically vulnerable individuals. The major sources of federal assistance for low-income older people are Supplemental Security Income (SSI), Medicaid, the Food Stamp Program and federally subsidized housing. The Low-Income Home Energy Assistance Program (LIHEAP), the Legal Services Corporation (LSC), and employment and training programs provided under the Older American Community Service Employment Program (OACSEP) also improve the quality of life for older people with limited incomes. Needs-based pensions and significant medical benefits for low-income veterans and their dependents and survivors are also offered by the Department of Veterans Affairs. (Medicaid is discussed in Chapters 6, Health, and 7, Long-Term Services and Supports; housing in Chapter 8,

Housing; energy assistance programs in Chapter 10, Utilities; Telecommunications, Energy and Other Services; employment and training programs in Chapter 4, Employment; and the LSC in Chapter 12, Personal and Legal Rights.)

In addition to these benefits Social Security is critically important to low-income older people. For example in 2006 Social Security was the sole source of income in 43 percent of the 7 million older households with total incomes of less than \$14,810 (the lowest income quintile).

The nation's traditional welfare program, Aid to Families with Dependent Children (AFDC), has been replaced by Temporary Assistance for Needy Families (TANF). Although the AFDC was an entitlement program, the TANF program is a block grant that gives states more latitude in deciding how to assist their vulnerable populations (for a more detailed discussion of block grants, see Chapter 1, The Budget). States administer the TANF program to provide assistance for children, including those who live with grandparents and other caregiver relatives and are deprived of parental support.

AARP has several concerns with regard to TANF. First, as federal funding for public benefit programs declines, states (particularly those historically disinclined toward social spending) may limit eligibility in an effort to control expenditures. Second, some states reaped substantial surpluses from welfare reform due to program restructuring, declining TANF caseloads, and a requirement that states have to spend only about 80 percent of what they used to on welfare assistance. Some states have been using these funds to provide new services to help TANF recipients find work; others have adopted innovative strategies for reducing poverty, such as individual development accounts and benefits outreach. However, some states use the money for expenditures unrelated to reducing poverty. Because states do not track former recipients once they have left the rolls, lower caseloads do not automatically mean that states have been successful in reducing poverty. Some people who have officially left the rolls turn up in shelters, on the streets or in jail.

FEDERAL & STATE POLICY

LOW-INCOME ASSISTANCE PROGRAMS

Further changes to low-income assistance programs should not reduce benefits to low-income people in legitimate need in order to save money at the federal or state level.

Federal block grants should include additional money to support a requirement that states monitor the status of former welfare recipients who have left or been dropped from the welfare rolls.

State savings resulting from welfare reform should be spent only on programs to reduce poverty.

LOW-INCOME ASSISTANCE PROGRAMS

Background

Supplemental Security Income

Supplemental Security Income (SSI) is a poverty program that provides monthly cash benefits to people who are aged, blind or disabled and whose incomes and resources are low enough to meet eligibility standards. The program guarantees a minimum, federally provided level of income, which states may supplement. SSI eligibility often allows older people to receive other important means-tested benefits, such as Medicaid and food stamps.

More than 7 million people received SSI benefits in 2006. Of these beneficiaries 1.2 million qualified because they are aged (65 years and older) and poor. Approximately 770,000 of the recipients who are blind or have a disability are also age 65 and older. People under age 65 who are, in the language of the statute, “blind or disabled” constitute the remaining SSI recipients. A number of applicants are inappropriately denied benefits based on documentation submitted with their initial application. Those who are denied benefits may not know that they can appeal.

SSI does not provide recipients with an income that meets the poverty guidelines. The maximum federal SSI benefit is about 70 percent of the poverty guideline for an individual and 80 percent for a couple (the poverty guideline in 2006 was \$9,800 for individuals and \$13,200 for couples). The maximum federal SSI benefit in 2006 was just \$603 a month for an individual and \$904 for a couple.

Access to these benefits is restricted. The SSI asset limit restricts participation in the program to people whose countable assets fall below \$2,000 for individuals and \$3,000 for couples. Countable assets exclude an individual’s home, household goods and personal effects, life insurance, burial spaces and certain burial funds, and automobiles valued at less than \$4,500 (vehicles of higher value are exempt if used to provide necessary transportation). Yet many people with low monthly incomes who would otherwise qualify for SSI are excluded because their assets, though meager, still exceed the limit. Other SSI program restrictions also reduce benefits. For example, under the one-third maximum reduction rule, benefits are reduced for recipients who live in someone else’s household, a restriction that creates a financial hardship for family caregivers.

In the past few years Congress has considered legislation to change key components of the SSI program. One proposal would have raised the age of eligibility for SSI benefits from 65 to 67 for those who qualify under the aged category.

Another proposal addressed the level of supplemental benefits states provide to some categories of SSI recipients. Current law requires states to maintain a minimum level of benefits. Congress has considered eliminating the federal

maintenance-of-effort provision that requires states to pass along annual federal cost-of-living adjustments to SSI recipients. Reducing or eliminating the SSI maintenance-of-effort provision could jeopardize the already fragile economic circumstances of SSI recipients.

Most legal immigrants whose SSI benefits would have been eliminated as a result of the 1996 welfare reform legislation had their benefits reinstated as part of the 1997 budget agreement. The legislation also loosened the restrictive SSI eligibility standards for children with disabilities, which had been tightened dramatically under the welfare reform law. The 1997 legislation set a period of seven years for the reinstatement of benefits for refugees and other legal immigrants in the US for humanitarian reasons. Efforts have continued in Congress to extend this deadline for cutting off benefits because many of the elderly and disabled refugees have not been able to become naturalized citizens within seven years.

Federal law has established rules to prevent poor people from entering the US and then immediately qualifying for SSI and other benefits. Every immigrant admitted to the US must demonstrate to a consular or immigration officer that he or she will be economically self-supporting. One way to help demonstrate this is to have a sponsor sign an affidavit of support. Under the affidavit the income and resources of the sponsor and sponsor's spouse are considered the immigrant's income and resources for determining eligibility for SSI, Temporary Assistance for Needy Families, and food stamp benefits during the three years following the immigrant's entry into the US. It is unclear, however, how well these requirements are enforced.

FEDERAL POLICY

LOW-INCOME ASSISTANCE PROGRAMS

Supplemental Security Income

The federal Supplemental Security Income (SSI) payment level should be increased to bring beneficiaries up to the poverty level.

The one-third reduction rule for SSI should be eliminated in order to support informal caregiving arrangements.

The asset limits should be increased and then indexed to keep up with inflation.

The age of eligibility for SSI should not be raised.

Federal law should prohibit states from reducing or eliminating the SSI maintenance-of-effort provision.

Congress should restore SSI eligibility to all legal immigrants, and the federal government should take effective measures to implement the affidavit of support.

STATE POLICY

LOW-INCOME ASSISTANCE PROGRAMS

Supplemental Security Income

States should continue to provide additional Supplemental Security Income (SSI) payments to needy individuals, even if changes in federal law permit them to stop. States that do not supplement SSI should be encouraged to develop plans for doing so.

States should intensify their outreach efforts to people who appear to be eligible for SSI but have not applied for it.

LOW-INCOME ASSISTANCE PROGRAMS

Introduction

Food Assistance

The Food Stamp Program and The Emergency Food Assistance Program are the primary forms of federal food assistance for low-income people. Meals provided through the Older Americans Act are also significant sources of nutrition assistance for low-income older people, although people age 60 and older of all income levels are eligible for these programs. Some older people also receive food aid through the Commodity Supplemental Food Program.

LOW-INCOME ASSISTANCE PROGRAMS • Food Assistance

Background

The Food Stamp Program

Issued by the US Department of Agriculture (USDA) to low-income households, food stamps play an important role in providing an adequate diet for older people who are poor. Seventeen percent of all households receiving food stamps in 2005 included at least one individual age 60 or older, and 1.9 million older households received food stamp benefits. The average benefit level for an elderly person living alone was \$70 a month in 2005. About sixteen percent of elderly food stamp households received the program's minimum benefit of \$10 per month. Fourteen percent of older food stamp households received the maximum food stamp allotment, which was \$274 for a two-person household.

Studies have shown that between 5 percent and 14 percent of potentially eligible food stamp applicants do not apply because of the difficulty associated with making an application. One study found that during 2000 the application form in most states was long and difficult to read and requested information beyond that required to establish eligibility. The forms ranged

from ten pages to 36 pages in more than half the states and with only one exception were written for ninth- to 12th-grade reading levels.

In the past the Food Stamp Program (FSP) provided a federally mandated, uniform benefit structure that equalized disparities in state cash assistance programs. The 1996 welfare reform law—Title IV of the Personal Responsibility and Work Opportunity Reconciliation Act—changed this by expanding states’ ability to use waivers to alter the benefit structure or other features of their food assistance programs.

Food stamp benefits are based on a formula called the Thrifty Food Plan (TFP). Because the TFP has been artificially constrained to reduce its cost, food stamp benefit levels are lower than actual food costs for nearly all low-income households. For fiscal year 2005 the maximum monthly food stamp benefit for a single person was \$149.

The minimum food stamp benefit, currently \$10 a month, helps make program participation more available for one- and two-person households with incomes just above the poverty guidelines. As part of welfare reform Congress repealed a scheduled indexing of the minimum benefit to \$15 before it took effect. This loss of increased benefits particularly affects older people because more than half (53 percent) of the households that receive the minimum benefit include an individual over age 60.

Households, not individuals, receive food stamps. Regulations that define what constitutes a “household” eligible for food stamps can have the effect of discriminating against extended families who live together out of economic or other necessity. For instance two widowed sisters with low incomes who share a home and purchase and prepare their food together are considered one household. Because the FSP considers their combined incomes when determining eligibility for benefits, the sisters may have more difficulty qualifying for food stamps or may receive less in benefits than if they lived separately. In some states federal guidelines have been misinterpreted to deny food stamps to eligible people. (This issue also affects grandparents raising their grandchildren; see this chapter’s section Assistance for Grandparents and Other Relatives Raising Children.)

Changes in federal provisions for the FSP also affect states. In the past, Congress established several program requirements to facilitate access to the program by older people and people with disabilities. The 1996 welfare reform law repealed several of these requirements. States are now permitted, but not required, to conduct telephone interviews or home visits instead of in-office interviews, take applications over the phone or by mail, and issue food stamps by mail in rural areas. The law also directed each state to establish procedures governing the operation of food stamp offices that it determines will best serve households, including those with special needs.

Making those who qualify for Medicaid automatically eligible for FSP benefits, as they are for SSI, would also improve older people’s access to the program. Because of the complexity of program eligibility rules and the lack of consistency among the rules of different programs, individuals who qualify

for one program may have difficulty qualifying for others. For example one major difference is the manner in which the value of a motor vehicle is treated. FSP rules are more restrictive than those for Supplemental Security Income or Medicaid.

Federal officials are looking for ways to increase state flexibility in administering the FSP. One approach being considered is a standard benefit that treats all individuals within a qualifying group identically. Since its inception the federal floor of the FSP has helped make up state differences in benefits. Because the food stamp benefit is linked directly to the recipient's available income, it could be disastrous for participants to allow states to establish "standard" food stamp benefits that do not account for actual circumstances. Although it is administratively complex to calculate benefits on an individual basis, this methodology nevertheless ensures that the amount of assistance is tailored to actual need.

Since 2002 states have been required to issue food stamp benefits through electronic benefit transfer (EBT) systems. While EBT systems have some potential for reducing food stamp theft, consumer choice of retail outlets may be reduced because stores are not required to install EBT terminals. While EBT terminals are common in major supermarkets, they may be found less often in smaller stores. Another concern is that food stamp recipients could be stigmatized because retailers are allowed to segregate them into special lines equipped with EBT terminals. New alternatives, such as allowing seniors to use FSP benefits at farmers markets, should be developed. Finally, because the evaluation of EBT pilot projects inadequately sampled older participants, the reluctance or inability of many older individuals to use unfamiliar technology should be taken into account.

FEDERAL POLICY

LOW-INCOME ASSISTANCE PROGRAMS

• Food Assistance

The Food Stamp Program

Food stamp benefits should be increased to ensure nutritional adequacy for the most vulnerable Americans. The US Department of Agriculture (USDA) should revise the Thrifty Food Plan to account more accurately for the actual food costs borne by low-income households.

Congress should increase the minimum benefit and index it to inflation.

Congress and the USDA should increase the flexibility of the Food Stamp Program (FSP), so benefits can be used in establishments that do not have electronic benefit transfer terminals.

Elderly Medicaid beneficiaries not residing in institutional settings should be automatically enrolled in the FSP.

"Standard" benefits for categories of beneficiaries should not be established.

FSP regulations that define what constitutes a household should be changed to make it easier for extended families to qualify for and receive adequate benefits.

Applications for food stamps should be simplified to match more closely applicants' reading ability and language proficiency.

STATE POLICY

LOW-INCOME ASSISTANCE PROGRAMS

• Food Assistance

The Food Stamp Program

States should review their interpretation of federal guidelines governing food stamp eligibility to ensure that all eligible people receive benefits.

States need to develop alternative benefit-delivery methods. They also should incorporate strong consumer protection provisions into their electronic benefit transfer systems to ensure that beneficiaries are not harmed under these systems.

States should take advantage of the Hunger Prevention Act of 1988, which provides matching funds to states that have food stamp outreach programs for low-income families.

LOW-INCOME ASSISTANCE PROGRAMS • Food Assistance

Background

Food Commodity Programs

Two federal programs provide food to people with low incomes: One provides emergency assistance; the other provides a regular monthly food package designed to meet nutritional needs. The Emergency Food Assistance Program (TEFAP) was originally designed to reduce government surpluses in agricultural commodities such as cheese, butter, nonfat dry milk, flour, cornmeal, rice and honey. The products were provided to charitable institutions for distribution to low-income people. Planned as a temporary program, TEFAP has been renewed each year because of the continuing demand for food assistance.

Total federal funding for the program was \$189.5 million in fiscal year 2006. These funds paid for such costs as the purchase, processing and distribution of commodities. The need for emergency food assistance has grown as people who would have been eligible for food stamps and other public assistance prior to the 1996 welfare reform law are now denied benefits.

The welfare reform bill of 1996 affected the structure and funding of TEFAP. It combined the appropriations for TEFAP with the soup kitchen and food bank programs. States determine the allocation of funds among these different programs.

The Commodity Supplemental Food Program (CSFP) was originally designed to serve pregnant women and young children who did not have access to the Women, Infants and Children program, but it also included the elderly who were at high nutritional risk. In recent years participation by the elderly has grown, so that 85 percent of program participants are now age 60 and older. Elderly participants may have incomes up to 130 percent of the federal poverty guideline, and there is no asset test. In contrast pregnant women qualify at up to 185 percent of poverty.

Each month eligible participants receive a nutritionally balanced food package, which contains protein foods (such as tuna and peanut butter), fruits and vegetables, juice, and a carbohydrate (such as rice or pasta). The program depends on federal appropriations, and the number of participants is determined by the availability of funds. The CSFP operates in 32 states, the District of Columbia, and two tribal nations. Raising the income eligibility level for older households and increasing federal appropriations to allow more states to participate in the CSFP would provide nutritious food to a greater number of vulnerable elders. This program is particularly important to elderly households whose incomes or assets are too high to qualify for food stamps or other forms of federal assistance.

FEDERAL POLICY

LOW-INCOME ASSISTANCE PROGRAMS

• Food Assistance

Food Commodity Programs

Congress should continue to fully fund The Emergency Food Assistance Program.

Congress should raise the income eligibility standards for the elderly to treat them the same as other Commodity Supplemental Food Program (CSFP) populations.

Congress should, at a minimum, maintain levels of funding but make efforts to increase funding for the CSFP so all states can participate.

STATE POLICY

LOW-INCOME ASSISTANCE PROGRAMS

• Food Assistance

Food Commodity Programs

All states should apply to administer the Commodity Supplemental Food Program and should include elderly participants in their caseloads.

LOW-INCOME ASSISTANCE PROGRAMS

Background

Assistance for Grandparents and Other Relatives Raising Children

Grandparents and other caregiver relatives play an increasingly important role in family well-being, especially in low-income families. According to the 2000 census, approximately 2.4 million grandparents are responsible for raising their grandchildren. Although the majority of grandparent caregivers (68 percent) are white, a disproportionate share are African-American (29 percent of caregivers, as compared with less than 13 percent of the population). Two in five midlife and older caregivers live in or near poverty: 27 percent are poor, and another 14 percent live between 100 percent and 150 percent of poverty. Grandparent caregiver households are likely to need help in meeting the significant costs of child care, health coverage, housing, food, clothing and other expenses for their grandchildren, but very few of them now receive any such financial assistance.

The two major dedicated sources of federal funding for child welfare are found in Titles IV-B and IV-E of the Social Security Act. These funding sources are critical to low-income grandparents. Foster care and adoption assistance payments are necessary to meet the needs of abused and neglected children, who are increasingly being raised by grandparents. Temporary Assistance for Needy Families payments are required for those children who have not been adjudicated and are being taken care of by caregivers.

The Food Stamp Program provides additional resources to purchase food. However, current food stamp rules make it difficult for grandparents and other caregiver relatives to obtain food stamps on behalf of children in their care. Children who are younger than 18 and under the control of an adult who is not their parent are automatically treated as a member of that adult's household. No one in a household can qualify for food stamps unless all members of the household are eligible to receive them. As a result grandparents and other caregiver relatives ineligible for food stamps cannot obtain benefits solely on behalf of a child.

Negotiating the process of obtaining proper education, medical and other assistance for these children can be especially challenging. Medicaid offers one of the few options for providing health insurance for children.

Several kinds of laws or programs can help grandparents care for children, including:

- navigator programs, which make benefits programs more transparent and easier to access;
- medical consent laws, which allow informal caregivers to get medical care for children and gain access to their medical records without producing signed documents from parents who cannot be located;

- educational consent laws, which allow informal caregivers to enroll children in school without necessarily having to produce signed documents from parents who cannot be located;
- subsidized guardianship programs, which provide cash assistance to caregiver relatives when the children have been in state custody— Assistance is provided for at least six months, and in some states up to two years. The guardianships give the caregiver the opportunity to become the child’s legal guardian, replacing the state in that role; and
- state and federal foster care funding and adoption assistance.

(For more on the legal aspects of grandparent caregiving, see Chapter 12, Personal and Legal Rights.)

FEDERAL & STATE POLICY

LOW-INCOME ASSISTANCE PROGRAMS

Assistance for Grandparents and Other Relatives Raising Children

Public benefit programs should maximize the support given to families headed by grandparents. Federal and state governments should create policies and regulations that encourage grandparents and other caregiver relatives to keep families intact whenever possible.

States should reduce the disparity between benefits paid to grandparents and other caregiver relatives and benefits paid to foster parents. For households headed by grandparents and receiving child-only grants under the Temporary Assistance for Needy Families (TANF) program, states should increase the size of such grants to, for example, approximately 80 percent to 85 percent of what the state would provide a foster care household. For households receiving multiple TANF child-only grants, the grant amounts should be equal for all the children, rather than decline for each additional child, as is now typically the case.

To allow grandparents and other caregiver relatives to meet their obligations to the children in their care, states should pass legislation that makes it as simple as possible for the children to be enrolled in school and treated by medical professionals.

States also should adopt:

- navigator programs, which make it easier for grandparents and other caregiver relatives to access the available resources that can help them provide for the children in their care; and
- subsidized guardianship programs to increase the cash assistance to families acting as children’s guardians, enabling the caregivers to become the legal guardians and replacing the state in that role.

FEDERAL POLICY

LOW-INCOME ASSISTANCE PROGRAMS

Assistance for Grandparents and Other Relatives Raising Children

Congress should amend the Food Stamp Program to allow grandparent caregivers and other nonparent caregivers the option of applying for food stamps on behalf of the children in their care.

LOW-INCOME ASSISTANCE PROGRAMS

Background

Programs for Migrant and Seasonal Farmworkers

Migrant and seasonal farmworkers are among the most poorly paid and ill-housed workers in the nation. Federal programs to assist farmworkers are inadequately designed and funded.

FEDERAL & STATE POLICY

LOW-INCOME ASSISTANCE PROGRAMS

Programs for Migrant and Seasonal Farmworkers

Greater emphasis should be placed on meeting the housing needs of migrant and seasonal farmworker families, concentrating on those who are older or have disabilities.

Outreach programs should be developed to ensure greater participation by migrant and seasonal farmworkers in all low-income assistance programs.

LOW-INCOME ASSISTANCE PROGRAMS

Background

The Need to Coordinate and Simplify Low-Income Assistance Programs

Low-income assistance programs serving older Americans, such as the Food Stamp Program, Temporary Assistance for Needy Families, the Low-Income Home Energy Assistance Program, Supplemental Security Income (SSI), Medicaid, the Qualified Medicare Beneficiary (QMB) program, and the Specified Low-Income Medicare Beneficiary program tend to have overlapping eligibility requirements but different application procedures. Even though applicants may be required to provide the same information to demonstrate eligibility for several different programs, they likely will have to apply separately for benefits, often in different locations. Moreover

applicants who contact one government agency to apply for a particular benefit may or may not be told by the agency about other programs for which they might be eligible.

Many older Americans do not participate in the low-income assistance programs for which they are eligible. The Census Bureau reports that among older households with incomes below 100 percent of the poverty level, less than one-half (43 percent) received any means-tested assistance in 2004. Thirty-three percent received Medicaid; 17 percent received food stamps; 17 percent received cash assistance; and 15 percent lived in public or subsidized housing. In addition a substantial portion of low-income veterans and their family members who qualify for SSI benefits are not receiving the needs-based pensions and significant medical benefits offered by the Department of Veterans Affairs.

The most common reasons cited for low participation are the application processes and lack of knowledge about the programs. Many people who could receive assistance believe they are not eligible. Moreover fragmented program administration often makes it difficult to coordinate services for target populations.

Outreach efforts are necessary to inform low-income older people about program benefits and assist people with their applications. Although private foundations and community organizations have conducted drives to expand participation in SSI, Medicaid, the Food Stamp Program, and the QMB program, private initiatives should not be viewed as a substitute for government outreach efforts. There is a need for better coordination between the government and community-based organizations to inform low-income older people about program benefits.

In addition to lack of knowledge about low-income assistance programs, administrative obstacles can create barriers to program participation. These obstacles include the length and complexity of public benefit application forms, discourteous treatment or cultural insensitivity by caseworkers, long waiting periods, hard-to-reach locations, transportation problems, complicated appeals processes, and lack of materials and assistance in languages other than English.

The application process for public benefits can be made simpler by improving the design and wording of the application forms. Application forms tend to be long and complicated and lack helpful graphics. In addition current forms frequently use color paper, small type, and a mix of type styles, which make the material difficult to read.

Finally, the Americans with Disabilities Act, as well as Section 504 of the Rehabilitation Act and other federal, state and local civil rights laws, apply to the activities of agencies responsible for administering these programs. In addition to providing physical access, these agencies must in most instances provide “reasonable accommodations” in their rules and policies so that people with disabilities, including those with sensory, cognitive, developmental

and mental impairments, can fully access and participate in the agencies' programs.

FEDERAL & STATE POLICY

LOW-INCOME ASSISTANCE PROGRAMS

The Need to Coordinate and Simplify Low-Income Assistance Programs

Legislation and regulatory actions should be taken to streamline and coordinate application procedures among different assistance programs and to inform potential beneficiaries of the range of benefits for which they may be eligible. Creating a single application form and access point for applicants should be a high priority.

A training program should be developed and implemented to give all who work on low-income assistance programs basic knowledge about the availability of other programs and resources for low-income people and families.

Application forms and program notices should be simplified to make them less intimidating and easier to understand. Legal concepts, such as the Privacy Act requirements or definitions of fraud, should be written in plain language. Materials should be available in large type and in both English and other languages. All applications should be written so that people with a fourth-grade literacy level can understand them.

FEDERAL POLICY

LOW-INCOME ASSISTANCE PROGRAMS

The Need to Coordinate and Simplify Low-Income Assistance Programs

Congress should establish uniform eligibility criteria for public benefit programs.

The Social Security Administration, the Department of Agriculture, the Department of Veterans Affairs, and the Center for Medicare and Medicaid Services should establish and maintain effective programs of outreach, including through public-private partnerships, to improve participation in low-income assistance programs.

STATE POLICY

LOW-INCOME ASSISTANCE PROGRAMS

The Need to Coordinate and Simplify Low-Income Assistance Programs

States should ensure that the Qualified Medicare Beneficiary, Specified Low-Income Medicare Beneficiary, and related programs are appropriately

implemented. Outreach efforts should be an integral component of these programs (see Chapter 6, Health).

At a minimum states should retain existing program requirements that facilitate access to the Food Stamp Program for older people and people with disabilities.

States should ensure that employees who process benefit application forms have appropriate training and serve clients with understanding and sensitivity.

States should establish advocate programs designed to help low-income people negotiate all phases of the various benefit systems.

States should take steps to ensure that the agencies responsible for administering low-income assistance programs have complied with federal law by providing applicants who have impairments with reasonable accommodations in the application process and procedures.

LITERACY

Background

Among the most vulnerable older Americans are those who lack literacy proficiency and are therefore deprived of the basic skills for daily living. Moreover a lack of literacy skills isolates people, causing their exclusion from public benefit programs, and can perpetuate a cycle of poverty over generations. Literacy rates are generally lower among older people than younger people and are much lower for older minorities than for other older people.

FEDERAL POLICY

LITERACY

Federal agencies should continue to collect comprehensive data on literacy rates among older people, including minorities and people with disabilities. When the data are available the federal government must ensure that all individuals can acquire basic literacy skills.

The federal government also should create incentives for private and public agencies to provide educational opportunities to older people with literacy difficulties.

STATE POLICY

LITERACY

States should support initiatives that assess the prevalence and attack the problem of inadequate literacy skills. In addition states should support the use of older people as employees in literacy training programs.

SOCIAL SERVICES AND COMMUNITY SERVICES BLOCK GRANTS

Background

The Social Services Block Grant (SSBG) program, formerly Title XX of the Social Security Act, helps states provide a broad range of social services. Programs most important to older people include those that help them live independently and maintain self-sufficiency, prevent or remedy abuse or exploitation, provide in-home services to prevent unnecessary institutionalization, and provide services to individuals in institutions.

Federal spending for social services continues to be limited and has not kept pace with inflation. At the same time, demand for services will continue to grow as the number of older people increases. Moreover cutbacks in one program may indirectly affect participation in another. For example community action agencies funded under the Community Services Block Grant (CSBG) program perform important outreach and support functions, linking low-income older people isolated by culture or geography with energy assistance, emergency food aid, home-repair programs, and other federally funded services. Reductions in the CSBG program could make it difficult for many vulnerable older adults to obtain these benefits.

Proposals that would allocate federal funds to “faith-based” charities that provide social services raise a number of concerns, including adequate separation between church and state, and possible discrimination against or imposition of certain religious practices. The impact that such efforts could have on our nation’s social services delivery system has not been examined.

FEDERAL & STATE POLICY

SOCIAL SERVICES AND COMMUNITY SERVICES BLOCK GRANTS

Congress should increase funding for the Social Services Block Grant (SSBG) program. Funding levels should be increased to reflect the increased population of older Americans.

Congress should increase funding for the Community Services Block Grant program to help meet the service needs of low-income communities.

The federal government should require state SSBG officials to consult with state and local agencies and organizations representing older people and other groups served by the SSBG program to ensure that the services provided are appropriate to meet community needs.

Congress should require states to prepare yearly expenditure reports with age-specific and uniform data on program activities related to the social service needs of specific populations, such as minorities, rural residents, and people with physical or mental disabilities. Federal requirements for states to provide a yearly report to the Department of Health and Human Services should be retained.

States should ensure that public revenue is distributed only to social service agencies that are formally accountable to taxpayers as demonstrated by performance-based measures, maintain separation of church and state, and do not discriminate against or impose religious practices or beliefs on those who apply for or receive services.

STATE & LOCAL POLICY

SOCIAL SERVICES AND COMMUNITY SERVICES BLOCK GRANTS

Along with local governments, states must devote a fair proportion of their block-grant funds to meeting the needs of older people. States and localities should comply strictly with public hearing and reporting requirements.