USDA

United States
Department of
Agriculture

Food and
Consumer
Service

Mountain Plains
Region

1244 Speer Blvd.
Denver, CO
80204-3581

MAY 29 1997

Reply to
Attn. of: SP 97-21
CACFP-518
SFSP-316

Subject: Categorical Eligibility for Free Meals and Free Milk Through Receipt of Temporary Assistance to Needy Families (TANF)

To: STATE AGENCY DIRECTORS - (Child Nutrition Programs) Colorado ED, Colorado DPHE, Iowa, Kansas, Missouri ED, Missouri DH, Montana OPI, Montana DPHHS, Nebraska ED, North Dakota, South Dakota, Utah, Wyoming ED and Wyoming DHSS

As you know, children who are members of assistance units under the Aid to Families with Dependent Children (AFDC) program are categorically eligible to receive free meal benefits, or free milk benefits, under the various Child Nutrition Programs (CNP). As of July 1, 1997, AFDC is to be replaced by TANF (your State may call the TANF Program by a different name). However, due to the fact that States have a great deal of latitude in designing and administering TANF, a child's receipt of TANF does not necessarily make that child categorically eligible for free meals or free milk in the CNP.

The attachment to this memorandum, which is the same as the text we distributed by electronic mail recently, explains the circumstances under which a State Agency (SA) may use a child's receipt of TANF to serve as categorical eligibility for free meals and milk. The following steps must be taken by the CNP SA Director in each State in order to establish whether TANF in his or her State can constitute categorical free eligibility:

1. Contact the agency in your State that is responsible for the TANF Program (if CNP program administration in your State is divided among two or more agencies, you may select one among you to obtain this information for all of your agencies), and ask them if your State's TANF eligibility standards are "comparable to or more restrictive than those in effect [for AFDC] on June 1, 1995". As the attachment to this memorandum states, "A comparison of the programs should include, but need not be limited to, the income standards for AFDC on June 1, 1995, and the definition of income, including exclusions and deductions."

AN EQUAL OPPORTUNITY EMPLOYER.

2. Obtain a written statement from your SA administering TANF that: (a.) states the results of the comparison made in item 1 directly in terms of whether TANF eligibility requirements are comparable to or more restrictive than AFDC requirements as of June 1, 1995, or, are less restrictive than AFDC requirements as of June 1, 1995, and, (b.) provides an explanation of the documentation used to make the comparison and determination, including reference to income standards, definition of income, exclusions and deductions.

3. Submit this statement to our office by July 1, 1997.

4. If the result of your State's TANF comparison shows that TANF eligibility requirements are "less restrictive" than June 1, 1995 AND your SA administers the Child and Adult Care Food Program (CACFP), your State's TANF Program may still count as categorical eligibility for free meals for children in tier II day care homes. Have the SA administering TANF Program compare the current income standards for TANF with 185 percent of poverty, and provide a written statement of the result of this comparison. If the TANF standards are at, or below, the 185 percent of poverty standard, the State's TANF Program may be considered a State categorically eligible program for determining benefits in tier II day care homes. Submit the statement on this comparison by July 1, 1997. It is not necessary to provide this statement <u>unless</u> the comparison set forth in item 1, above, results in a determination that TANF is "less restrictive", and, hence, does not already constitute categorical eligibility. If this statement is necessary it may be made as part of the statement described in item 2, above.

After July 1, 1997, TANF may only be used to establish categorical eligibility and for direct certification in those States that have established that TANF eligibility standards are comparable to or more restrictive than the standards for AFDC as of June 1, 1995.

Please contact our office if you have any questions.

Ann C. DeGroat

ANN C. DEGROAT
Regional Director
Child Nutrition Program

Attachment

SUBJECT: Automatic Eligibility of Children From Families Receiving Assistance Under the State Temporary Assistance for Needy Families Program

TO: State Directors
Child Nutrition Programs
All States

In accordance with Section 103 of the Personal Responsibility and Work Opportunity Reconciliation Act of 1996 (PRWORA), Public Law 104-193, effective July 1, 1997, all States must have implemented a block grant program to replace the Aid to Families with Dependent Children (AFDC), Job Opportunities and Basic Skills (JOBS) and Emergency Assistance programs under part A of title IV of the Social Security Act. Section 109(g) of PRWORA also made a conforming amendment to Section 9(b)(2)(C)(ii)(II) of the National School Lunch Act (42 U.S.C. §1758(b)(2)(C)(ii)(II)) to remove references to AFDC and replace them with references to the new program. The new program that is replacing AFDC, JOBS and the Emergency Assistance programs is generally known as Temporary Assistance for Needy Families (TANF), although some States call the program by another name. PRWORA gives States flexibility to design their TANF programs in ways that promote work, responsibility and self-sufficiency and which strengthen families. Therefore, there may be great variations in the design and operation of the TANF Program from State to State.

Prior to PRWORA's amendments, children who were part of AFDC assistance units in States where the standard of eligibility did not exceed 130 percent of the poverty guidelines were categorically eligible for free school meals under the National School Lunch Program (NSLP) and School Breakfast Program (SBP), free meals at centers in the Child and Adult Care Food Program (CACFP), meals claimed for providers' own children in day care homes in the CACFP, meals served at camps and enrolled sites in the Summer Food Service Program (SFSP), and free milk served in the Special Milk Programs (SMP). To establish categorical eligibility, AFDC assistance units were permitted to complete an abbreviated household application which allowed them to list their AFDC case number in lieu of detailed income information. Additionally, school officials were permitted to determine free meal eligibility for children in the NSLP and SBP based on information obtained directly from the local agency administering AFDC.

The amendments under PRWORA require that in order for children in a TANF assistance unit to be automatically eligible for free school meals, free meals in centers in the CACFP, reimbursable meals as providers' own children in day care homes in the CACFP, meals at camps and enrolled sites in the SFSP and free milk in the SMP,

the standards under the respective State's TANF program must be "comparable to or more restrictive than those in effect [for AFDC] on June 1, 1995," (42 U.S.C. §1758 (b)(2)(C)(ii)(II)). In these States, the change from AFDC to the TANF program does not change current categorical eligibility procedures for households receiving assistance under TANF or the procedures for school officials making eligibility determinations via direct certification.

State agencies will be responsible for determining whether the TANF eligibility standards in their respective States are comparable to or more restrictive than those in effect for AFDC in that State on June 1, 1995. We recommend that you contact the State agency responsible for the TANF program as soon as possible and ask for their assistance in making this determination. They may already have made comparisons, since other Federal assistance programs may also require similar information. A comparison of the programs should include, but need not be limited to, the income standards for AFDC on June 1, 1995, and the definition of income, including exclusions and deductions.

The same requirements set forth above for the School Nutrition Programs also apply to the SFSP, to centers participating in the CACFP, and to providers documenting their children's eligibility for tier I meal reimbursement or their own eligibility for tier I status. However, due to the expanded categorical eligibility provision for tier II day care homes participation in the CACFP, as contained the National School Lunch Act, (42 U.S.C. §1766 (f)(3)(A)(iii)(III)(bb)), a State's examination of TANF eligibility may be different for tier II day care homes in the CACFP. Specifically, children enrolled in tier II day care homes may be considered categorically eligible for tier I rates of reimbursement if the child's household participates in "a Federally or State supported child care or other benefit program with an income eligibility limit that does not exceed" 185 percent of poverty. Therefore, for the purposes of establishing categorical eligibility for children in tier II day care homes, any State which determines that its TANF standards are not as restrictive as those in effect on June 1, 1995, should determine whether the current TANF income standards are at or below 185 percent of poverty. If the current standards are at or below 185 percent of poverty, regardless of whether the standards have increased or decreased since June 1, 1995, the State's TANF program may be considered a State categorically eligible program for benefits in tier II day care homes.

Please inform us of the results of your review and provide an explanation of the documentation used to make the comparison and determination. This need not be a lengthy document, but should provide sufficient information to enable the Secretary of Agriculture, as required by statute, to confirm the State agency's conclusion that the State standards for TANF are comparable to or more restrictive than those for AFDC on June 1, 1995, in accordance with the statute. Please submit this information as soon as possible if you wish to use these provisions for School Year 1997-98. Only States that provide the information to the Food and Consumer Service and in which the State standards for TANF are comparable to or more restrictive than those for the AFDC

program on June 1, 1995, may allow TANF households to provide a TANF case number in lieu of detailed household size and income information on the free and reduced price meal or milk application in all of the Child Nutrition Programs, and may apply the direct certification procedures for these households in the School Nutrition Programs.

Please contact us if you have any questions.

Regional Director