

Hunger Prevention Act of 1988
P.L. 100-435, 102 Stat. 1645-1677
Sept. 19, 1988

- Raised maximum allotments to 100.65% of the TFP for the preceding June for FY 1989, 102.05% for FY 1990, and 103% for FY 1991 and thereafter.
- Eliminated 9/30/89 expiration of categorical eligibility provisions.
- Required prospective budgeting for households not required to report monthly and retrospective budgeting for monthly-reporting. Permitted State agencies to require periodic reporting, except for migrant workers, the homeless, and elderly and disabled households with no earnings.
- Required that eligible households applying after the 15th of the month receive one combined allotment for the initial month and first subsequent month. Repealed rule that requires first full month's issuance by the 8th calendar day for households applying after the 15th of the preceding month.
- Provided that State agencies receive 50% Federal funding for optional activities which inform low-income households about the FSP.
- Made permanent the amendment in the Homeless Eligibility Clarification Act that exempts residents of shelters from ineligibility as residents of institutions.
- Provided for the Secretary's approval of deviations from USDA application form if State forms are easy to use, brief and readable. Required applications to contain a description of expedited processing requirements and information that benefits are provided only from the day of application.
- Required State agencies to provide applicants a clear written statement about the verification process and needed documentation and assist applicants in obtaining verification and completing the application process. Prohibited State agencies from requiring additional verification on currently verified information unless information is believed to be inaccurate, incomplete, or inconsistent.
- Required State agencies finding improper denials, terminations, or underissuances to restore benefits and take action to prevent similar errors.
- Permitted State agencies to provide intensive training for personnel certifying households with a member who is engaged in farming. Required the Secretary to publish instructional materials on certifying farm households within 180 days of enactment and annually thereafter.
- Relettered Sec. 16(h) as 16(j) to correct an error in the Immigration Reform and Control Act of 1986.
- Required State agencies to provide for prompt and accurate certification. Provided States the option to provide training and assistance to volunteer or nonprofit organization staff who provide program information and eligibility screening for potential eligibles.
- Required States to provide at each certification and recertification a statement of reporting responsibilities and toll-free, local, or collect phone numbers.
- Provided for waiving office interviews if all household members are elderly or handicapped, live in a location not served by a certification office, or have transportation difficulties or similar hardship, and permitted telephone interviews or home visits instead.
- Excluded cash income if it would be received in-kind except for the household's participation in a federally-authorized demonstration project.
- Gave households with irregular expenses related to farming the option to have those expenses and the farm income averaged over 12 months.
- Required the Secretary to exclude the value of farm land, equipment and supplies for a period of one year after a household member ceases to be self-employed in farming.
- Clarified that the energy assistance income exclusion is for any governmental payment or allowance for the purpose of providing energy assistance.
- Authorized the Secretary to impose a civil money penalty up to \$20,000 in lieu of permanent disqualification for food stamp trafficking violations where there is substantial evidence that a store had an effective policy and program in effect to prevent violations.
- Extended disabled status to recipients of interim assistance pending receipt of SSI, disability-related medical assistance under Title XIX of the SSA, or disability-based State general assistance if the disability or blindness criteria are at least as stringent as those in Title XVI of the SSA.

- Required State agencies to develop a method of claiming the medical deduction for recurring medical expenses without monthly verification after initial verification to ease the administrative burden on elderly and disabled households with such expenses who choose the optional method.
- Required State agencies to implement two joint processing provisions that have been optional: inclusion of the FSP application in the PA application for pure PA households and, to the extent PA casefiles are reasonably verified, certify FSP applicants with PA casefiles for the FSP; and required that AFDC applicants be notified that they may file a food stamp application along with their AFDC application and have a single FSP/AFDC interview.
- Excluded as income Earned Income Tax Credit payments received in advance.
- Revised the dependent care deduction to \$160 per dependent excluding costs paid by E&T; provided an income exclusion for payments for work-related expenses or dependent care under E&T.
- Employment and Training Program
 - Permitted States to approve other E&T components in accordance with regulations and authorized educational programs/activities to improve basic skills or otherwise improve employability or expand job search abilities.
 - Required State agencies to have a conciliation process for resolving disputes over E&T participation.
 - Prohibited Federal funds for E&T activities from supplanting non-Federal funds.
 - Required State agencies to pay for or reimburse participants for the actual cost of 1) transportation and other costs up to \$25 a month or higher at State agency option and 2) dependent care up to \$160 per month per dependent except for AFDC recipients in areas which have AFDC employment and training or education programs or had them on 9/19/88.
 - Limited performance standards to 50% until implementation of new standards; required the Secretary to establish performance standards (after consultation with Office of Technology Assessment (OTA), Labor, HHS, State officials, other experts and representatives of participating households) that are coordinated with JTPA and AFDC standards, measure employment outcomes, and are based on the degree of success that may be reasonably expected of States in helping individuals achieve self-sufficiency. The performance standards shall take into account volunteer participants, placement rates, wage rates, retention rates, reductions in food stamp caseload, and educational improvements and shall encourage serving households with greater barriers to employment. Final performance standards must be published and implemented by April 1, 1991.
 - Required the Secretary to develop and transmit to the House and Senate Agriculture Committees a proposal to tie Federal E&T funding to the relative effectiveness of the States' activities.
 - Provided an income exclusion for AFDC employment, training or education program reimbursements/payments for dependent care or other expenses if the program is initiated after 9/19/88.
 - Required 50% Federal funding for State agencies' E&T reimbursements/payments for dependent care, transportation and other costs.
- Permitted one or more pilot projects to test whether the use of intelligent benefit cards or other automated or electronic benefit delivery systems can enhance the efficiency and effectiveness of program operations. Intelligent benefit cards are required to include information on an individual's eligibility and benefits.
- Authorized the Secretary to study E&T by comparing E&T program participants and appropriate control groups on factors of employment, income, and receipt of food stamps and other assistance payments. To the maximum extent possible, data is to be collected for 3 years after E&T participation ends and yield results that can be generalized to the national E&T Program.
- Payment Accuracy Improvement System
 - Provided that the Secretary must consider a State agency's new dollar investment to improve administration when deciding whether to settle, adjust, or waive error-rate liability claims.
 - Required a State agency which fails to pay an error-rate liability claim within 30 days of receiving the bill to pay interest from the day of receipt. If the claim is appealed, the

interest starts to accrue on the date of the decision on the appeal, or from a date two years after the bill is first received, whichever comes first. If a State agency pays a claim (including through withholding) and wins on appeal, the payment will be returned with interest from the date of the payment.

- Provided for an administrative review process using administrative law judges for error-rate liability and stipulated that the decision of the Secretary that there is no good cause that a State agency failed to meet its error rate tolerance target is final. Deleted the trial de novo requirement for judicial reviews of error-rate liability claims.
 - Provided for enhanced Federal funding of State agencies' administrative costs of one percentage point, up to 60%, for each full .1 percentage point a State agency's payment error rate falls below six percent, as long as a ceiling for invalid denials is not exceeded. States not receiving enhanced funding must develop and implement corrective action plans to reduce payment errors. If a State agency's payment error rate exceeds the tolerance rate, the State agency must pay the Secretary the difference between its payment error rate and the tolerance rate times its annual issuance. Payment error rate means the sum of point estimates of overpayment and underpayment rates from a probability sample. Errors resulting from a change of regulations within 60 days (or, at the Secretary's option, 90 days) won't be counted as payment errors. Nor will errors resulting from correctly-processed data from Federal agencies or written policy disseminated by the USDA. State agencies must provide data necessary for the determination of payment error rates or USDA will use pertinent information that is available. The Secretary will publish a national performance measure as a sum of State payment error rates weighted by allotments. The national performance measure will be used to establish a payment error tolerance level, which will be one percentage point above the lowest national performance measure over achieved.
 - The Secretary must study: 1) the feasibility of including improper denials and terminations in the payment error rate and report to Congress by 7/1/90 and 2) the effectiveness of the payment improvement system and report to Congress with recommendations by 9/19/91.
- Provided that a sequestration under Gramm/Rudman/Hollings would result in a reduction in the TFP adjustments to equal \$110 million times the percentage reduction ordered for domestic programs.
 - Under WIC demonstration projects, coupons that may be exchanged for food at farmers' markets are excluded from income and resources.