

above 130 percent of the poverty line, and at first glance would be ineligible for the FSP. But, because the sole breadwinner was laid off halfway through the year, the household was "poor" for many months within that year, and thus income eligible for the FSP for those months. The participation rate is based in part on data from the Census Bureau's March Supplement to the Current Population Survey. FNS then makes the adjustments discussed above. As this process takes time, the participation rate is not available until a year after the bonuses are to be awarded.

FNS is proposing that States be measured against a participant access rate (PAR). The PAR differs from the participation rate, in that it measures the ratio of participants in the FSP to the number of persons in poverty in the State. In calculating the PAR, FNS does not make adjustments for things that would make individuals otherwise ineligible for the FSP such as resources or alien status, or otherwise eligible, such as monthly income versus annual income. Therefore, it is available within the timeframe needed in order to award the bonuses within the statutory time frame.

#### *What Data Will FNS Use To Calculate the Participant Access Rate?*

FNS proposes to use a variety of data sources to calculate the participant access rate. FNS proposes that the denominator be composed of data from the Census Bureau's March Supplement to the Current Population Survey. FNS would use the annual State counts of persons below 125 percent of poverty from the Census Bureau shortly after it is released, usually in late September. These counts are based on income received in the previous calendar year. For the numerator, or the number of food stamp participants, FNS proposes to use administrative counts of participants by State over the same calendar year for the Census Bureau's persons below 125 percent of poverty, averaging 12 months of data.

The threshold of 125 percent of poverty differs from what FNS used for fiscal years 2003 and 2004 (100 percent of poverty). However, our analysis shows that using 125 percent of poverty better correlates to our official Food Stamp Program participation rates. We are examining whether 130 percent of poverty is an even better match. However, at this time, this data is not readily available from the Census Bureau and would require time to obtain. If we are guaranteed to receive this data from the Census Bureau within a reasonable timeframe and the data

better correlates to our official statistics, in the final rule making we will use numbers of people below 130 percent rather than 100 percent of poverty.

FNS is also considering using data from the American Community Survey (ACS) instead of the Current Population Survey because ACS has a larger sample and is released earlier than the official poverty statistics. Currently, the only ACS data available is for 2002. We will examine how well the ACS poverty counts correlate to the official Food Stamp Program participation rate, when the 2002 rates are available this coming summer. If the ACS data provides a better proxy for the official program participation rate, in final rule making we will use the ACS rather than the CPS.

#### *Would FNS Make Adjustments for Special State Specific Situations That Might Affect the Number of People Receiving Food Stamps?*

FNS proposes to make adjustments for two special situations. First, because persons receiving Supplemental Security Income (SSI) are ineligible for food stamps in California, FNS proposes to reduce the number of persons below 125 percent of poverty in California by the percentage of such persons who received SSI in the previous year. Second, because some individuals residing on reservations may choose to receive food assistance from either the FSP or the Food Distribution Program on Indian Reservations (FDPIR) but not both simultaneously, FNS proposes to add to the number of food stamp participants the number of FDPIR participants using administrative data averaged over a calendar year.

FNS proposes to not make adjustments for State option programs that offer State benefits through the FSP to immigrants because they are not Federal food assistance programs.

#### **Application Processing Timeliness**

FNS proposes to divide \$6 million among the 6 States with the highest percentage of timely processed applications. FNS believes application-processing timeliness is an important aspect of customer service, not only because it measures whether households get the food stamps as provided by statute in a timely fashion, but also because it is a well established standard that is mandated by section 11(e)(3) of the Act (7 U.S.C. 2025(e)(3)). Many State agencies and advocates agree. However, FNS also recognizes that reliable data for measuring application-processing timeliness are not readily available and/or reliable. Currently, FNS collects some of this

information on the Program Activity Statement (Form FNS-366) such as data on certification, fair hearings and fraud control. However, in many instances these data are reported inconsistently or inaccurately. For example, States have different reporting systems (manual or automatic) or eligibility workers may understate the number of late decisions for fear of being reprimanded. In addition, FNS does not validate the data that the State agencies report. A review of the data from the current Form FNS-366B indicates a wide range of performance. Rewarding States that report stellar performance may reflect reporting differences rather than exceptional timeliness. Finally, if we were to use the Form FNS-366B to collect this data, we would have to mandate consistent systems and reporting processes that would result in an additional burden on States. In light of these concerns, FNS is proposing to use other data for this measure.

#### *What Data Does FNS Propose Using To Measure Application-Processing Timeliness?*

FNS proposes collecting data on application-processing timeliness through the QC system. FNS has initiated collection of data as part of the QC reviews beginning with FY 2003 cases for use in determining the measure and evaluating its use in measuring these data (FNS-380). Instructions for collecting this information, which can be found in the *FNS Handbook 310: The Food Stamp Program Quality Control Review Handbook*, have already been shared with the Regional offices and State agencies. FNS is seeking particular comment on this data collection instrument and its ability to collect the sought after information.

#### *What Application-Processing Standard Does FNS Propose To Use To Measure Timeliness?*

FNS proposes to use the application-processing standard of 30 days (or 7 days for expedited service). An applicant must be given the "opportunity to participate" (as defined in 7 CFR 274.2) within thirty days (or 7 days for expedited service). New applications that are processed outside this standard would be considered untimely for this measure, with one exception as discussed below.

#### *Will FNS Count Client Caused Delays as Untimely?*

Yes. Any application processed outside of the 30-day processing standard will be considered untimely for this measure including client caused