

are provided to States to encourage maintaining program spending levels.

Families cannot spend more than five cumulative years on TANF. States can specify fewer years, and exempt up to 20% of the caseload from the time limit. After the time limit is exceeded, they can elect to provide noncash assistance and vouchers to families using Social Services Block Grant or State funds.

Child care funding is provided to help more mothers move into jobs. Women on welfare continue to receive health coverage for their families, including a year or more of transitional Medicaid when they leave welfare for work.

To be eligible for TANF block grants, States must operate a child support enforcement program meeting Federal requirements. The Federal Case Registry and National Directory of New Hires will be used to track delinquent parents across State lines. Child support can be withheld directly from wages, and paternity establishment is streamlined; cash assistance will be reduced by at least 25% in cases of failure to cooperate with paternity establishment. The law establishes uniform interstate child support laws, central registries of child support orders and collections, and toughened enforcement of child support.

Unmarried minor parents are required to live with a responsible adult or in an adult-supervised setting and participate in educational and training activities in order to receive assistance. Efforts are to be undertaken to prevent nonmarital teen pregnancy.

## Food and Nutrition Assistance

The U.S. Department of Agriculture provides children and needy families access to a more healthful diet through its food assistance programs and comprehensive nutrition education efforts, and provides farmers an outlet for the distribution of food purchased under farmer assistance authorities.

USDA's Food and Consumer Service administers 15 Federal food and nutrition assistance programs. These programs serve 1 in 6 Americans. This section describes the Food Stamp program, the cornerstone of the USDA food assistance programs; the National School Lunch and School Breakfast programs, which provide pre-school and school-aged children with nutritious meals that are free or provided at a greatly reduced price; and WIC (Special Supplemental Nutrition Program for Women, Infants, and Children), which provides food supplements, nutrition education, and health care referrals.

FCS programs are operated in a State-Federal partnership, in which the Federal Government is generally responsible for food costs for the programs and shares administrative costs with the States. FCS is responsible for interpreting Federal statutes,

issuing program regulations and instructions, establishing nationwide standards, and ensuring program integrity. FCS regional offices monitor State agencies to ensure the adequacy of their administration. States are responsible for determining the eligibility of needy persons to participate in nutrition assistance programs, as well as the delivery of services. States are also generally responsible for coordinating USDA nutrition programs with other local welfare, health care, and assistance programs. For example, in most States the welfare department operates the Food Stamp program, the education department operates the child nutrition programs, and the health department operates WIC.

For FY 1997, Congress appropriated \$43 billion for the 15 food and nutrition assistance programs, which represents 75% of the entire USDA budget of \$59.1 billion.

Food and Nutrition Assistance Programs
Food Stamp Program
Special Supplemental Nutrition Program for Women, Infants, and Children (WIC)
WIC Farmers Market Nutrition Program
National School Lunch Program
School Breakfast Program
Summer Food Service Program
Emergency Food Assistance Program
Child and Adult Care Food Program
Commodity Supplemental Food Program
Special Milk Program
Food Distribution Program on Indian Reservations
Nutrition Program for the Elderly
Commodity Distribution to Charitable Institutions and to Soup Kitchens and Food Banks
Nutrition Education and Training Program
Nutrition Assistance Program in Puerto Rico and the Northern Mariana Islands

### Food Stamp Program

The Food Stamp program was begun in its modern form in 1961 as a pilot program and made permanent in 1964, but it originated as the Food Stamp Plan in 1939 to help the needy. Expansion of the program occurred most dramatically after 1974, when Congress required all States to offer food stamps to low-income households. Program growth has continued since then. Participation generally peaks in periods of high unemployment, inflation, and recession.

The program issues monthly allotments of coupons that are redeemable at retail food stores, or provides benefits through electronic benefit transfer (EBT). The EBT system allows food stamp customers, using a plastic card similar to a bank card, to buy

groceries by transferring funds directly from a food stamp benefit account to a retailer's account. Recent welfare reform legislation (The Personal Responsibility and Work Opportunity Reconciliation Act of 1996 (Public Law 104-193)) requires all States to convert to EBT issuance by the year 2002.

Food stamp eligibility and allotments in all 50 States, the District of Columbia, Guam, and the Virgin Islands are based on household size, income, assets, and other factors.

### Benefits

In FY 1996, the Food Stamp program served an average of more than 25 million persons each month. The average monthly benefit was more than \$73 per person and more than \$172 per household.

### Eligibility

To participate in the program households may have no more than \$2,000 in countable resources, such as a bank account (\$3,000 if at least one person in the household is age 60 or older). Certain resources are not counted, such as a home and lot. Special rules apply to the resource value of vehicles owned by household members.

The gross monthly income of most households must be 130% or less of the Federal poverty guidelines (\$20,280 for a family of four in 1997). Gross income includes all cash payments to the household, with few exceptions specified in the law or the program regulations.

*Net Income Computation.*— Net monthly income must be 100% or less of the Federal poverty guidelines. Net income is figured by adding all of a household's gross income, and then taking a number of approved deductions for child care, extra shelter costs, and other expenses. Households with an elderly or disabled member are subject only to the net income test. The welfare reform legislation of 1996 placed caps on the amount of extra shelter costs that could be deducted.

Net income is computed by deducting the following from monthly gross income:

- (1) Twenty percent of earned income.
- (2) A standard deduction of \$134 for FY 1997.
- (3) The amount paid for dependent care (up to \$200 a month for children under age 2 and \$175 for all other dependents) while the dependent's caretaker is working or looking for work.
- (4) Any out-of-pocket medical expenses in excess of a \$35 deductible for a person aged 60 or older or a disabled person.

If more than one person in the household is aged or disabled, \$35 is subtracted once before deducting combined medical expenses.

- (5) A child support deduction for legally obligated child support paid for a nonhousehold member.
- (6) An excess shelter expense deduction, which is total shelter costs including utilities minus 50% of income after all the above deductions have been subtracted. Effective January 1, 1997, the cap on the excess shelter expense deduction is \$250 for households without aged or disabled persons. Households with an aged or disabled person do not have a limit on this deduction.

Most able-bodied adult applicants must meet certain work requirements. All household members must provide a Social Security number or apply for one.

*Certification.*— Households are certified to receive food stamps for varying lengths of time, depending on their income sources and individual circumstances. Recertification is required at least annually. Households whose sole income is from SSI or Social Security are certified for a 1-year period. However, many States have waivers authorizing 24-month certification periods for these households.

Welfare reform legislation of 1996 placed time limits on benefits for able-bodied, childless adults. Time limits are imposed for childless unemployed adults aged 18-50. Those who are not disabled are limited to 3 months of benefits in any 36-month period, unless they are working 20 hours per week, participating in a work training program for at least 20 hours per week, or participating in workfare. States may request waivers to delay implementation for areas with at least 10% unemployment or insufficient jobs.

*Noncitizens.*—The welfare reform legislation also prohibits most immigrants from receiving food stamp benefits. Illegal immigrants have always been barred from receiving benefits, but the welfare reform act extended that prohibition to most legal immigrants as well. Exceptions include veterans or active duty military personnel and their spouses and children, and persons who have 40 quarters of qualified work history in the United States. Refugees, asylees, and certain aliens subject to deportation can receive benefits for up to 5 years after they receive their status.

### Determination of Food Stamp Allotment

Households are issued a monthly allotment of food stamps based on the Thrifty Food Plan, a low-cost model diet plan. The TFP is based on the National Academy of Sciences' Recommended Dietary Allowances, and on food choices of low-income households.

An individual household's food stamp allotment is equal to the maximum allotment for that household's size, less 30% of the

household's net income. Households with no countable income receive the maximum allotment.

There are higher allotment levels in Alaska, Hawaii, Guam, and the Virgin Islands. These separate allotment levels reflect higher food prices in those areas.

Households can use food stamps to buy any food or food produce for human consumption, and seeds and plants for use in home gardens to produce food. Though in some remote areas of Alaska, recipients may use food coupons to purchase some kinds of hunting and fishing equipment for procurement of food.

#### Households Cannot Use Food Stamps to Buy:

- Alcoholic beverages and tobacco
- Lunch counter items or foods to be eaten in the store
- Vitamins or medicines
- Pet foods
- Nonfood items (except seeds and plants)

Restaurants can be authorized to accept food stamps in exchange for low-cost meals from qualified homeless, elderly, or disabled people. Food stamps cannot be exchanged for cash.

#### Block Grant Program

In Puerto Rico, the Northern Mariana Islands, and American Samoa, the Food Stamp program was replaced in 1982 by a block grant program. The territories now provide cash and coupons to participants rather than food stamps or food distribution. The grant can also be used for administrative expenses or special projects related to food production and distribution.

Congress appropriated the same amount of money for FY 1997 as in FY 1996 for Puerto Rico, \$1.1 billion; the Northern Marianas, \$5.1 million; and for American Samoa, \$5.3 million.

#### Financing and Administration

In most States, the Food Stamp program is operated through State welfare agencies and local welfare offices. However, Social Security offices notify Social Security and SSI applicants/recipients of the benefits under the Food Stamp program and make food stamp applications available to them. The Social Security offices forward the applications and any supporting documents to the local food stamp offices, where eligibility is determined.

The Federal Government, through general revenues, pays the entire cost of the food stamp benefit, but Federal and State agencies share administrative costs. In FY 1996, the total Federal Food Stamp program cost was \$24.4 billion.

*Special  
Supplemental  
Food Program  
for Women,  
Infants, and  
Children (WIC)*

The WIC program provides a combination of food, nutrition counseling, and access to health services to low-income women, infants, and children who are at nutritional risk. WIC seeks to improve fetal development and reduce the incidence of low birthweight, short gestation, and anemia through intervention during the prenatal period. Participants receive food supplements, nutrition education, and access to health care services to maintain and improve their health and development.

Generally, most States provide WIC vouchers that can be used at authorized retail food stores for specific foods that are rich sources of nutrients. WIC foods include iron-fortified infant formula and infant cereal, iron-fortified adult cereal, vitamin C-rich fruit or vegetable juice, eggs, milk, cheese, peanut butter or dried beans or peas. Special therapeutic infant formulas are provided when prescribed by a physician for a specified medical condition.

The WIC program, which originated under the Child and Nutrition Act of 1966, was established as a pilot program in 1972 and made permanent in 1974. It is available in each State, the District of Columbia, 32 Indian Tribal Organizations, Puerto Rico, the Virgin Islands, American Samoa, and Guam.

*Benefits*

In FY 1996, a verage monthly participation in the WIC program was 7.2 million individuals (1.6 million women, 1.8 million infants, and 3.7 million children). The average monthly benefit was about \$31.24 for food per person. Approximately 45% of the infants born in the United States participate in the program.

*Eligibility*

Pregnant and postpartum women, infants, and children up to age 5 are eligible. They must meet income guidelines, a State residency requirement, and be individually determined to be at “nutritional risk” by a health professional.

*Income.*—The applicant’s income must fall below 185% of the Federal poverty guidelines (\$28,860 for a family of four in 1997). While most States use the maximum guidelines, they may set lower income limit standards. A person who participates in certain other benefit programs such as the Food Stamp program or Medicaid automatically meets the income eligibility requirement.

*Nutritional Risk.*—Two major types of nutritional risk are recognized for WIC eligibility: (1) Medically based risks (designated as high priority) such as anemia, underweight, maternal age, history of pregnancy complications, or poor pregnancy outcomes and (2) diet-based risks such as inadequate dietary pattern. Nutritional risk is determined by a health professional such as a physician,

nutritionist, or nurse, and is based on Federal guidelines. This health screening is free to program applicants.

### Financing and Administration

WIC is a Federal grant program that provides each State with a set amount of money to serve its most needy WIC population. Local public or nonprofit private health or welfare agencies, which operate the program, apply to their respective States or jurisdictions to qualify for funds. Individual participants apply to one of the approximately 10,000 local clinics that provide WIC services.

In FY 1996, Federal program costs were \$3.69 billion. (This amount includes the cost for the WIC Farmers Market Nutrition Program. This program, which was established in 1992, provides WIC participants additional coupons to purchase locally grown fresh fruits and vegetables at farmers markets.)

### National School Lunch Program

The National School Lunch program is a federally assisted meal program, which operates in public and private schools and residential child care institutions, provides nutritionally balanced, low-cost or free lunches to children.

The National School Lunch Act of 1946 created the modern school lunch program. By the end of its first year, about 7.1 million children were participating in the program. Since the program began, more than 180 billion lunches have been served.

### Benefits

More than 94,000 schools and residential child care institutions participate in the National School Lunch program. In FY 1996, more than 25 million children each day got their lunch through the program.

Most of the support USDA provides to schools comes in the form of cash reimbursements for meals served. Schools in the lunch program get cash subsidies and donated commodities from USDA for each meal they serve. The reimbursement is highest for meals served to students who qualify to receive their meals free, and the lowest reimbursement is for students who pay full price. The current cash reimbursement rates are: Free meals, \$1.8375; reduced-price meals, \$1.4375; and full-price meals, \$0.1775.

Schools can charge no more than 40 cents for a reduced-price lunch. USDA sets no limit on the amount they can charge for full-price meals. Higher reimbursement rates are in effect for Alaska and Hawaii.

In addition to cash reimbursements, schools receive commodity foods, called "entitlement" foods, at an annually adjusted per meal rate (15 cents in 1997) for each meal they serve. Schools can also receive "bonus" commodities when they are available from surplus stocks purchased by USDA under price support programs. About 17% of the total dollar value of food for

the lunch program is provided directly by USDA as commodities. Schools purchase the remaining 83% from their own vendors.

### Eligibility

Any child at a participating school (94,000) may purchase a meal through the lunch program. Children from families with incomes at or below 130% of the poverty level are eligible for free meals. Those between 130% and 185% of the poverty level are eligible for reduced-price meals.

Children from families with incomes over 185% (currently \$28,860 for a family of four) pay full price, though their meals are still subsidized to some extent. Local school food authorities set their own prices for full-price meals.

### Financing and Administration

The National School Lunch program is usually administered by State education agencies, which operate the program through agreements with local school districts. USDA's Food and Consumer Service administers the program at the Federal level. School districts and independent schools that choose to take part in the lunch program receive cash subsidies and donated commodities from USDA for each meal they serve. In FY 1996, total program costs were approximately \$5.3 billion, exclusive of State administrative costs and bonus commodity donations.

### School Breakfast Program

The School Breakfast program is a Federal program that provides States with cash assistance for nonprofit breakfast programs in schools and residential child care institutions. The program began as a pilot project in 1966, and was made permanent in 1975.

### Benefits

Over 6 million children in more than 65,000 schools start their day with the School Breakfast program. In 1996, an average of 6.6 million children participated in the program every day. Of those, 5.7 million received their meals free or at a reduced price. The schools submit a claim for meals served to their State agency. USDA reimburses the State, which in turn reimburses the local school food authority. For school year 1996-97, the Federal Government reimburse schools at the following rates: \$1.0175 per meal for free breakfasts; 71.75 cents for reduced-price breakfasts; and 19.75 cents for paid breakfasts.

Schools may qualify for higher "severe need" reimbursements if a specified percentage of their meals are served free or at a reduced price. The severe need payments are 20 cents higher than the normal reimbursements for free and reduced-price breakfasts. More than 60% of the breakfasts served in the School



Breakfast program receive the severe need subsidy. Reimbursement payments for all meals are higher in Alaska and Hawaii.

Schools may charge no more than 30 cents for a reduced-price breakfast. USDA places no limit on the amount a school may charge for breakfasts served to students who pay the full meal price.

### Eligibility

Any child at a participating school may purchase a meal through the breakfast program. A child whose family meets income criteria may receive a free or reduced-price breakfast. The Federal Government then reimburses the schools for each meal served that meets program requirements.

Children from families with incomes at or below 130% of the poverty level (currently \$20,280 for a family of four) are eligible for free meals. Those between 130% and 185% of the poverty level (currently \$28,860 for a family of four) are eligible for reduced-price meals. Children from families over 185% of the poverty level pay a full price, though their meals are subsidized to some extent.

Public schools or nonprofit private schools of high school grade or under, and residential child care institutions are eligible to participate in the program. Participating schools and institutions must serve breakfasts that meet Federal nutritional standards, and must provide free and reduced-price breakfasts to eligible children.

### Financing and Administration

The School Breakfast Program is administered by the State education agencies and local school food authorities at the local level. At the Federal level, it is administered by USDA's Food and Consumer Service. For FY 1997, Congress appropriated \$1.198 billion for the School Breakfast program.

## Housing Assistance

The U.S. Department of Housing and Urban Development (HUD) gives grants to Public Housing Agencies (PHAs, including Indian Housing Authorities (IHAs)) to finance the capital cost of the construction, rehabilitation, or acquisition of public housing developed by PHAs to provide decent shelter for low-income residents at rents they can afford. The first low-rent public housing projects in the United States were constructed as the result of the vast public works program set in motion in 1933 by the National Industrial Recovery Act. The Housing Act of 1937 marked the earliest of the Federal housing programs designed to meet the direct concerns for the well-being of individuals. The housing acts of 1949 and 1954 created the massive urban renewal programs of