FOOD STAMP PROGRAM

Food stamps are designed primarily to increase the food purchasing power of eligible low-income households to a point where they can buy a nutritionally adequate low-cost diet. Participating households are expected to devote 30 percent of their counted monthly cash income to food purchases.[1] Food stamp benefits then make up the difference between the household's expected contribution to its food costs and an amount judged to be sufficient to buy an adequate low-cost diet. This amount, the maximum food stamp benefit, is set at the level of the U.S. Department of Agriculture's lowest cost food plan (the Thrifty Food Plan or TFP), varied by household size, and adjusted annually for inflation. Thus, a participating household with no counted cash income receives the maximum monthly allotment for its household size while a household with some counted income receives a lesser allotment, normally reduced from the maximum at the rate of 30 cents for each dollar of counted income.

Benefits are available to most households that meet Federal eligibility tests for limited monthly income and liquid assets. But household members must fulfill requirements related to work effort and must meet citizenship and legal permanent residence tests. Recipients in the two primary cash welfare programs (TANF and SSI) generally are automatically eligible for food stamps, as are recipients of State general assistance (GA) payments, if their household is composed entirely of TANF, SSI, or GA beneficiaries.[2]

ADMINISTRATION, PROGRAM VARIATIONS, AND FUNDING

The regular Food Stamp Program operates in all 50 States, the District of Columbia, Guam, and the Virgin Islands. The Federal Government is responsible for most of the rules that govern the program, and, with limited variations for Alaska, Hawaii, and the territories, these rules are nationally uniform. However, by law and regulation, States have a number of significant options to vary from Federal administrative, benefit calculation, and eligibility rules, especially for those who also are recipients of their State's cash welfare programs, and a number of waivers from regular rules and procedures have been (and continue to be) granted. Sales taxes on food stamp purchases may not be charged, and food stamp benefits do not directly affect other assistance available to low-income households, nor are they taxed as income.

Alternative programs are offered in Puerto Rico, the Northern Mariana Islands, and American Samoa, and program variations occur in a number of

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[1] Because not all of a household's income is actually counted when determining its food stamp benefits, the program, in effect assumes that most participants are able to spend 20-25 percent of their total cash monthly income on food.

[2] Except for (1) SSI recipients in California, where a State-financed adjustment to SSI benefits has replaced food stamp assistance; and (2) General Assistance Programs that do not meet minimum Federal standards for deeming need.

demonstration projects and in those jurisdictions that have elected to exercise the program options allowed.

Funding is overwhelmingly Federal, although the States and other jurisdictions have financial responsibility for significant administrative costs, as well as liability for erroneous benefit determinations (as assessed under the food stamp "quality control" system, discussed below).

Federal Administrative Responsibilities

At the Federal level, the program is administered by the Agriculture Department's Food and Nutrition Service (FNS). The FNS gives direction to welfare agencies through Federal regulations that define eligibility requirements, benefit levels, and administrative rules. It also is responsible for overseeing State programs for the electronic issuance of food stamp benefits, and for approving and overseeing participation by retail food stores and other outlets that may accept food stamps. Other Federal agencies that have administrative roles to play include: the Federal Reserve System (through which food stamp benefits are redeemed for cash, and which has some jurisdiction over "electronic benefit transfer (EBT)" methods for issuing food stamp benefits), the Social Security Administration (responsible for the Social Security numbers recipients must have, for providing limited application "intake" services, and for providing information to verify recipients' income), the Internal Revenue Service (providing assistance in verifying recipients' income and assets), the Bureau of Citizenship and Immigration Services of the Department of Homeland Security (helping welfare offices confirm alien applicants' status), and the Agriculture Department's Inspector General (responsible for trafficking investigations).

State and Local Administrative Responsibilities

States, the District of Columbia, Guam, and the Virgin Islands, through their local welfare offices, have primary responsibility for the day-to-day administration of the Food Stamp Program. They determine eligibility, calculate benefits, and issue food stamp allotments (using coupons or, in most cases, electronic benefit transfer cards) following Federal rules. They also have a significant voice in carrying out employment and training programs and in determining some administrative features of the program (e.g., the extent to which verification of household circumstances is pursued, the length of eligibility certification periods, the structure of EBT systems). Most often, the Food Stamp Program is operated through the same welfare agency and staff that runs the State's TANF Program.

Puerto Rico, the Northern Mariana Islands, and American Samoa

In addition to the regular Food Stamp Program, the Food Stamp Act directs funding for a Nutrition Assistance Program in the Commonwealth of Puerto Rico and another in American Samoa. Separate legislation authorizes a variant of the Food Stamp Program in the Commonwealth of the Northern Mariana Islands.

Since July 1982, Puerto Rico has operated a Nutrition Assistance Program of its own design, funded by an annual Federal "block grant."[3] The Commonwealth's Nutrition Assistance Program differs from the regular Food Stamp Program primarily in that: (1) funding is limited to an annually indexed amount specified by law[4]; (2) the Food Stamp Act allows the Commonwealth a great deal of flexibility in program design, as opposed to the regular program's extensive Federal rules (e.g., 75 percent of benefits, paid through electronic benefit transfers, are earmarked for food purchases, the remainder may be claimed as cash, and rules barring certain not citizens do not apply); (3) income eligibility limits are about one-third those used in the regular Food Stamp Program; (4) maximum benefit levels are about 40 percent less than in the 48 contiguous States and the District of Columbia; and (5) different rules are used in counting income for eligibility and benefit purposes. In fiscal year 2002, Puerto Rico's Nutrition Assistance Program aided approximately 1 million persons each month with monthly benefits averaging $98 dollars a person ($244 a household).

Under the terms of the 1976 Covenant with the Commonwealth of the Northern Mariana Islands and implementing legislation (Public Law 96-597), a variant of the Food Stamp Program was negotiated with the Commonwealth and began operations in July 1982. The program in the Northern Marianas differs primarily in that: (1) it is funded entirely by Federal money, up to a maximum grant negotiated periodically ($7.1 million per year for fiscal years 2003 and 2004); (2) a portion of each household's food stamp benefit must be used to purchase locally produced food; (3) maximum allotments are about 5 percent higher than in the 48 contiguous States and the District of Columbia; and (4) income eligibility limits are about half those in the regular program. In September 2003, the Northern Marianas' program assisted 6,800 persons with a monthly benefit averaging $80 per person.

As with the Northern Marianas, American Samoa operates a variant of the regular Food Stamp Program. Under the Secretary of Agriculture's authority to extend Agriculture Department programs to American Samoa (Public Law 96-597) and a 2002 amendment to the Food Stamp Act made by the Farm Security and Rural Investment Act (Public Law 107-171), American Samoa receives an annually indexed grant ($5.6 million per year in fiscal years 2003 and 2004) to operate a Food Stamp Program limited to low-income elderly and disabled persons. While maximum monthly allotments are similar to those in the regular Food Stamp Program ($132 per person), income eligibility limits are about 25 percent lower. In September 2003, the program aided about 2,900 persons per month.

Program Options

The Food Stamp Act authorizes demonstration projects to test program variations that might improve operations. However, because of (1) the law's substantial limits on how much any demonstration can reduce benefits or restrict eligibility, (2) an administration policy that effectively bars demonstrations that

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[3] Prior to July 1982, the regular Food Stamp Program operated in Puerto Rico, although with slightly different eligibility and benefit rules.

[4] For fiscal years 2003 and 2004, $1.395 billion and $1.397 billion are earmarked. The block grant funds the full cost of benefits and half the cost of administration.

have a significant cost to the Food Stamp Program, and (3) implementation of provisions for State flexibility included in the 1996 Welfare Reform Law (Public Law 104-193) and the 2002 Farm Security and Rural Investment Act (Public Law 107-171), no major demonstration projects are operational. Instead, a few small demonstrations are operating in some States (these deal with joint application processing and standardized food stamp benefits for SSI recipients, cash benefits for the elderly and SSI recipients, and "privatizing" program administration), and extensive waivers of administrative rules are routinely granted.

States also are allowed a number of significant options in how they implement the Food Stamp Program. States may establish their own administrative standards in areas such as application processing, ongoing recertification of recipient households, reporting of changes in household circumstances (and adjusting benefits to take these changes into account), counting child support payments, and standardizing the treatment of utility expenses in benefit calculations. In addition, States can use most of the rules they have established for TANF and Medicaid programs when deciding what income and resources (assets) to exclude in food stamp eligibility and benefit determinations, and may grant 5-month "transitional" food stamp benefits to those leaving the TANF program (without requiring them to reapply for food stamps). The states may issue benefits (at their own cost) to ineligible noncitizens and those ineligible under the work rule for able-bodied adults without dependents (ABAWDs; discussed below). With 50 percent Federal cost-sharing, they can operate "outreach" programs to inform low-income persons about food stamps and support nutrition education efforts. They may choose to operate a "simplified" program under which they can use many of their TANF rules and procedures when determining food stamp benefits for TANF recipients. States may sanction food stamp recipients failing to meet other public assistance program rules or failing to cooperate in child support enforcement efforts. They may, to a certain extent, waive the application of the work rule for ABAWDs; and they may choose to disqualify an entire household if the head of the household fails to fulfill work-related requirements. In some instances, they may include the cash value of food stamp benefits when using welfare to subsidize recipients' wages. States and localities may opt to run "workfare" programs for food stamp recipients. Finally, States determine the content of employment and training programs for food stamp recipients (and, in many cases, who must participate).

Funding

The Food Stamp Act provides 100 percent Federal funding of food stamp benefits, except when States choose to "buy into" the program and pay for issuing food stamp benefits to ineligible noncitizens or those made ineligible by the work rule for ABAWDs. The Federal Government also is responsible for its own administrative costs: overseeing program operations (including oversight of participating food establishments), redeeming food stamp benefits through the Federal Reserve, and paying the Social Security Administration for certain intake services.

TABLE 15-FOODSTAMPS-1 -- RECENT FOOD STAMP ACT EXPENDITURES, SELECTED YEARS, 1980-2002

[In millions of dollars]

Fiscal Year	Benefits[1] (Federal)	Administration[2]		Total
		Federal	State and local	
1980	$8,685	$503	$375	$9,563
1985	11,556	1,043	871	13,470
1990	15,090	1,422	1,174	17,686
1991	18,249	1,516	1,247	21,012
1992	21,883	1,656	1,375	24,914
1993	23,033	1,716	1,572	26,321
1994	23,736	1,789	1,643	27,168
1995	23,759	1,917	1,748	27,424
1996	23,510	1,984	1,842	27,336
1997	20,810	2,058	1,904	24,772
1998	18,228	2,169	1,988	22,385
1999	17,217	2,100	1,874	21,191
2000	16,320	1,935	2,086	20,341
2001	16,711	2,102	2,233	21,045
2002	19,393	2,264	2,397	24,054

[1] All benefit costs associated with the Food Stamp Program, Puerto Rico's block grant, and grants to American Samoa and the Northern Marianas are included. Fiscal year 1998 and 1999 amounts shown in the table also cover the cost of State-financed benefits for noncitizens (approximately $100 million a year). For certain years, small downward adjustments have been made for overpayments collected from recipients and issued but unredeemed benefits. Over time, the figures reflect both changes in benefit levels and numbers of recipients.

[2] All Federal administrative costs associated with the Food Stamp Program appropriation and grants to Puerto Rico, American Samoa, and the Northern Marianas are included: Federal matching spending for the various administrative and employment and training program expenses of States and other jurisdictions, and direct Federal administrative costs. Figures for Federal administrative expenses paid out of other Agriculture Department appropriations accounts ($40-$60 million a year). State and local costs are estimated based on the known Federal shares of administrative and employment and training program expenses and represent an estimate of these costs to States and other jurisdictions; however, the State/local figures shown in the table do not include administrative expenses for State-financed benefits to noncitizens.

Source: U.S. Department of Agriculture budget justification for fiscal years 1981-2004. Complied by the Congressional Research Service.

In most instances, the Federal Government provides half the cost of State welfare agency administration.[5] In addition, the Federal Government shares the cost of carrying out employment and training programs for food stamp recipients: (1) each State receives a Federal grant for basic operating costs (a formula share of $90 million per year, plus a share of $20 million a year for those States pledging to serve all ABAWDs; and (2) additional operating costs, as well as expenses for support services to participants (e.g. transportation and child care) are eligible for a 50 percent Federal match. Finally, States are allowed to retain a portion of improperly issued benefits they recover (other than those caused by welfare agency

[5] Under the terms of Public Law 105-185, most States are subject to an annual reduction in their normal Federal share totaling about $200 million nationwide.

error): 35 percent of recoveries in fraud cases and 20 percent in other circumstances. Federal and State Food Stamp Act spending in selected years since 1980 is shown in 15-FOODSTAMPS-1.

The Food Stamp Program has financial, employment/training-related, and "categorical" tests for eligibility. Its financial tests require that most of those eligible have monthly income and liquid assets below limits set by law (income limits are inflation indexed). Under the employment/training-related tests, certain household members must register for work, accept suitable job offers, and fulfill work or training requirements (such as looking or training for a job) established by State welfare agencies. Under a work requirement established in 1996, food stamp eligibility for ABAWDs is limited to 3-6 months in any 36-month period unless they are working at least half time or in a work or training activity. Categorical eligibility rules make some automatically eligible for food stamps (many TANF, SSI, and GA recipients), and categorically deny eligibility to others (e.g., strikers and many noncitizens, postsecondary students, and people living in institutional settings). Applications cannot be denied because of the length of a household's residence in a welfare agency's jurisdiction or because the household has no fixed mailing address or does not reside in a permanent dwelling.

The Food Stamp Household

The basic food stamp beneficiary unit is the "household." A food stamp household can be either a person living alone or a group of individuals living together; there is no requirement for cooking facilities. The food stamp household is unrelated to recipient units in other welfare programs (e.g., TANF families with dependent children, elderly or disabled individuals or couples in the SSI Program).

Generally speaking, individuals living together constitute a single food stamp household if they customarily purchase food and prepare meals in common. Members of the same household must apply together, and their income, expenses, and assets normally are aggregated in determining food stamp eligibility and benefits. However, persons who live together can sometimes be considered separate "households" for food stamp purposes, related co-residents generally are required to apply together, and special rules apply to those living in institutional settings. Most often, persons living together receive larger aggregate benefits if they are treated as more than one food stamp household.

Persons who live together, but purchase food and prepare meals separately, may apply for food stamps separately, except for: (1) spouses; (2) parents and their children (21 years or younger); and (3) minors 18 years or younger (excluding foster children, who may be treated separately) who live under the parental control of a caretaker. In addition, persons 60 years or older who live with others and cannot purchase food and prepare meals separately because of a substantial disability may apply separately from their coresidents as long as their coresidents' income is below prescribed limits (165 percent of the Federal poverty guidelines).

Although those living in institutional settings generally are barred from food stamps, individuals in certain types of group living arrangements may be eligible and are automatically treated as separate households, regardless of how food is purchased and meals are prepared. These arrangements must be approved by State or local agencies and include: residential drug addict or alcoholic treatment programs, small group homes for the disabled, shelters for battered women and children, and shelters for the homeless.

Thus, different food stamp households can live together, food stamp recipients can reside with nonrecipients, and food stamp households themselves may be "mixed" (include recipients and nonrecipients of other welfare benefits).

Income Eligibility

Except for households composed entirely of TANF, SSI, or GA recipients (who generally are automatically eligible for food stamps), monthly cash income is the primary food stamp eligibility determinant.[6] In establishing eligibility for households without an elderly or disabled member,[7] the Food Stamp Program uses both the household's basic (or "gross") monthly income and it's counted (or "net") monthly income. When judging eligibility for households with elderly or disabled members, only the household's counted monthly income is considered; in effect, this procedure applies a more liberal income test to elderly and disabled households.

Basic (or gross) monthly income includes all of a household's cash income except the following "exclusions" (disregards): (1) most payments made to third parties (rather than directly to the household); (2) unanticipated, irregular, or infrequent income, up to $30 a quarter; (3) loans (deferred repayment student loans are treated as student aid, see below); (4) income received for the care of someone outside the household; (5) nonrecurring lump-sum payments such as income tax refunds and retroactive lump-sum Social Security payments (these are instead counted as liquid assets); (6) Federal energy assistance; (7) expense reimbursements that are not a "gain or benefit" to the household; (8) income earned by schoolchildren 17 or younger; (9) the cost of producing self-employment income; (10) Federal postsecondary student aid (e.g., Pell grants, student loans); (11) advance payments of Federal earned income credits; (12) "on-the-job" training earnings of dependent children under 19 in the Workforce Investment Act (WIA), formerly the Job Training Partnership Act (JTPA), Programs, as well as monthly "allowances"; (13) income set aside by disabled SSI recipients under an approved "plan for achieving self-support"; and (14) payments required to be disregarded by provisions of Federal law outside the Food Stamp Act (e.g., various payments under laws relating to Indians, payments under the Older Americans Act Employment Program for the Elderly). In addition, States may, within certain limits, choose to exclude other types of income they disregard in their TANF or Medicaid programs.

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[6] Although they do not have to meet food stamp financial eligibility tests, TANF, SSI, and general assistance households must still have their income calculated under food stamp rules to determine their food stamp benefits. Thus food stamp benefits are reduced by 30 cents for ever dollar of cash benefits under TANF or SSI.

[7] In the Food Stamp Program, "elderly" persons are those 60 years or older. The "disabled" generally are beneficiaries of governmental disability-based payments (e.g., Social Security or SSI disability recipients, disabled veterans, certain disability retirement annuitants, and the recipients of disability-based Medicaid or general assistance.

Counted (or net) monthly income is computed by subtracting certain "deductions" from a household's basic (or gross) monthly income. This procedure is based on the recognition that not all of a household's income is equally available for food purchases. Thus, a standard portion of income, plus amounts representing work expenses or excessively high nonfood living expenses, are disregarded.

For households without an elderly or disabled member, counted monthly income equals gross monthly income less the following deductions:

– A "standard" monthly deduction that varies by household size and is indexed for inflation (for fiscal year 2004, this deduction in the 48 States and the District of Columbia is $134 for households of 1-4 persons, $149 for 5-person households, and $171 for households of 6 or more persons). Different standard deductions are used for Alaska, Hawaii, Guam, and the Virgin Islands (e.g., the fiscal year 2004 deduction for 4-person households is $229 in Alaska, $189 in Hawaii, $269 in Guam, and $127 in the Virgin Islands).

– Any amounts paid as legally obligated child support;

– Twenty percent of any earned income, in recognition of taxes and work expenses;

– Out-of-pocket dependent care expenses, when related to work or training, up to $175 per month per dependent, $200 per month for children under age 2; and

– Shelter expenses (including utility costs) that exceed 50 percent of counted income after all other deductions, up to a periodically adjusted ceiling that is $378 per month for fiscal year 2004. Different ceilings prevail in Alaska ($604), Hawaii ($509), Guam ($444), and the Virgin Islands ($298).

For households with an elderly or disabled member, counted monthly income equals gross monthly income less:

– The same standard, child support, earned income, and dependent care deductions noted above;

– Any shelter expenses, to the extent they exceed 50 percent of counted income after all other deductions, with no limit; and

– Any out-of-pocket medical expenses (other than those for special diets) that are incurred by an elderly or disabled household member, to the extent they exceed a threshold of $35 a month.

Except for those households comprised entirely of TANF, SSI, or GA recipients, in which case food stamp eligibility generally is automatic, all households must have net monthly income that does not exceed the annually indexed Federal poverty guidelines. Households without an elderly or disabled member also must have gross monthly income that does not exceed 130 percent of the inflation-adjusted Federal poverty guidelines. Both these income eligibility limits are uniform for the 48 contiguous States, the District of Columbia, Guam, and the Virgin Islands; somewhat higher limits (based on higher poverty guidelines) are applied in Alaska and Hawaii. The net and gross eligibility limits on income are summarized in Table 15-FOODSTAMPS-2.

TABLE 15-FOODSTAMPS-2 -- COUNTED (NET) AND BASIC (GROSS) MONTHLY INCOME ELIGIBILITY LIMITS FOR THE FOOD STAMP PROGRAM, FISCAL YEAR 2004

Household size	48 States, D.C., and the territories	Alaska	Hawaii
Counted (net) monthly income eligibility limits[1]:			
1 person	749	935	861
2 persons	1,010	1,262	1,162
3 persons	1,272	1,590	1,463
4 persons	1,534	1,917	1,764
5 persons	1,795	2,245	2,065
6 persons	2,057	2,572	2,365
7 persons	2,319	2,900	2,666
8 persons	2,580	3,227	2,967
Each additional person	+262	+328	+301
Basic (gross) monthly income eligibility limits[2]:			
1 person	973	1,215	1,120
2 persons	1,313	1,641	1,511
3 persons	1,654	2,066	1,902
4 persons	1,994	2,492	2,293
5 persons	2,334	2,918	2,684
6 persons	2,674	3,344	3,075
7 persons	3,014	3,769	3,466
8 persons	3,354	4,195	3,857
Each additional person	+341	+426	+392

[1] Set at the applicable Federal poverty guidelines, updated for inflation through calendar 2002.
[2] Set at 130 percent of the applicable Federal poverty guidelines, updated for inflation through calendar 2002.
Source: U.S. Department of Agriculture, Food and Nutrition Service.

Allowable Assets

Except for households automatically eligible for food stamps because they are composed entirely of Temporary Assistance for Needy Families (TANF), Supplemental Security Income (SSI), or GA recipients, eligible households must have counted liquid assets that do not exceed federally prescribed limits. Households without an elderly or disabled member cannot have counted liquid assets above $2,000. Households with an elderly or disabled member cannot have counted liquid assets above $3,000.

Counted liquid assets include cash on hand, checking and savings accounts, savings certificates, stocks and bonds, individual retirement accounts (IRAs) and Keogh plans (less any early withdrawal penalties), and nonrecurring lump-sum payments such as insurance settlements. Certain less liquid assets also are counted: a portion of the value of vehicles and the equity value of property not producing income consistent with its value (e.g., recreational property).

Counted assets do not include the value of the household's residence (home and surrounding property), business assets, personal property (household goods and personal effects), lump-sum earned income tax credit payments, burial plots, the cash value of life insurance policies and pension plans (other than Keogh plans and IRAs), and certain other resources whose value is not accessible to the household, would not yield more than $1,000 if sold (e.g., a car with a small equity value), or are required to be disregarded by other Federal laws.

Some special rules apply when counting allowable assets. Although the general rule is that the fair market value of a vehicle in excess of $4,650 is to be counted as an asset, States may (and often do) count vehicles as assets only to the extent they do under their TANF programs. Moreover, States generally may exclude additional assets to the extent they do so under their TANF or Medicaid programs.

Work-Related Requirements

To gain or retain eligibility, most able-bodied adults must: (1) register for work (typically with the welfare agency or a State employment service office); (2) accept a suitable job if offered one; (3) fulfill any work, job search, or training requirements established by administering welfare agencies; (4) provide the administering welfare agency with sufficient information to allow a determination with respect to their job availability; and (5) not voluntarily quit a job without good cause or reduce work effort below 30 hours a week. If the household head fails to fulfill any of these requirements, the entire household may, at State option, be disqualified for up to 180 days. Individual disqualification periods differ according to whether the violation is the first, second, or third; minimum periods, which may be increased by the State welfare agency, range from 1 to 6 months.

Those who are exempt by law from these basic work requirements include: persons physically or mentally unfit for work; those under age 16 or over age 59; individuals between 16 and 18 if they are not head of household or are attending school or a training program; persons working at least 30 hours a week or earning the minimum wage equivalent; persons caring for dependents who are disabled or under age 6; those caring for children between ages 6 and 12 if adequate child care is not available (this second exemption is limited to allowing these persons to refuse a job offer if care is not available); individuals already subject to and complying with another assistance program’s work, training, or job search requirements; otherwise eligible postsecondary students; and residents of drug addiction and alcoholic treatment programs.

Those not exempted by one of the above-listed rules must, at least, register for work and accept suitable job offers. However, their State welfare agency may require them to fulfill some type of work, job search, or training obligation. Welfare agencies must operate an employment and training program of their own design for work registrants whom they designate. Welfare agencies may require all work registrants to participate in one or more components of their program, or limit participation by further exempting additional categories and individuals for whom participation is judged impracticable or not cost effective. Program components can include any or all of the following activities: supervised job search or training for job search, workfare, work experience or training programs, education programs to improve basic skills, or any other employment or training activity approved by the Agriculture Department.

Recipients who take part in an employment or training activity beyond work registration cannot be required to work more than the minimum wage equivalent of their household's benefit. Total hours of participation (including both work and any other required activity) cannot exceed 120 hours a month. Welfare agencies also must provide support for costs directly related to participation (e.g., transportation and child care). Agencies may limit this support to local market rates for necessary dependent care.

In addition to these work-related requirements, there is a work requirement for most able-bodied adults between 18 and 50 without dependents (ABAWDs). They are ineligible for food stamps if, during the prior 36 months, they received food stamps for 3 months while not working at least 20 hours a week or participating in an approved work/training activity. Those disqualified under this rule are able to reenter the Food Stamp Program if, during a 30-day period, they work 80 hours or more or participate in a work/training activity. If they then become unemployed or leave work/training, they are eligible for an additional 3-month period on food stamps without working at least 20 hours a week or participating in a work/training activity. But they are allowed only one of these added 3-month eligibility periods in any 36 months for a potential total of 6 months on food stamps in any 36 months without half-time work or enrollment in a work/training program.

At State request, this rule can be waived for areas with very high unemployment (over 10 percent) or lack of available jobs. Moreover, States may, on their own initiative, exempt up to 15 percent of those covered under the new work rule.

In fiscal year 2002, States reported 2.3 million new work registrants. Of these, approximately 1.2 million -- including an estimated 450,000 ABAWDs--were subject to employment and training program placement.

Categorical Eligibility Rules and Other Limitations

Food stamp eligibility is sometimes denied for reasons other than financial need or compliance with work-related requirements. Many noncitizens are barred--eligibility is extended only to permanent residents legally present in the U.S. for at least 5 years, legal immigrant children (under 18), the elderly and disabled who were legally resident before August 1996, refugees and asylees, veterans and others with a military connection, those with a substantial history of work covered under the Social Security system, and certain other limited groups of aliens. Households with members on strike are denied benefits unless eligible prior to the strike. With some exceptions, postsecondary students (in school half time or more) who are fit for work and between ages 18 and 50 are ineligible. Persons living in institutional settings are denied eligibility, except those in special SSI-approved small group homes for the disabled, persons living in drug addiction or alcohol treatment programs, and persons in shelters for battered women and children or shelters for the homeless. Boarders cannot receive food stamps unless they apply together with the household in which they are boarding. Those who transfer assets for the purpose of qualifying for food stamps are barred. Persons who fail to provide Social Security numbers or cooperate in providing information needed to verify eligibility or benefit determinations are ineligible. Food stamps are denied those who intentionally violate program rules, for specific time periods ranging from 1 year (on a first violation) to permanently (on a third violation or other serious infraction); and States may impose food stamp disqualification when an individual is disqualified from another public assistance program. Automatic disqualification is required for those applying in multiple jurisdictions, fleeing arrest, or convicted of a drug-related felony. Finally, States may disqualify individuals not cooperating with child support enforcement authorities or in arrears on their child support obligations.

BENEFITS

Food stamp benefits are a function of a household's size, its net monthly income, and inflation-indexed maximum monthly benefit levels (in some cases, adjusted for geographic location). An eligible household's net income is determined (i.e., the deductions noted earlier are subtracted from gross income), its maximum benefit level is established, and a benefit is calculated by subtracting its expected contribution (30 percent of its counted net income) from its maximum allotment. Thus, a 3-person household with $400 in counted net income (after deductions) would receive a monthly allotment of $251 (the fiscal year 2004 maximum 3-person benefit in the 48 States, $371, less 30 percent of net income, $120).

Allotments are not taxable and food stamp purchases may not be charged sales taxes. Receipt of food stamps does not affect eligibility for or benefits provided by other welfare programs, although some programs use food stamp participation as a "trigger" for eligibility and others take into account the general availability of food stamps in deciding what level of benefits to provide. In fiscal year 2002, monthly benefits averaged $80 per person (see Table 15-FOODSTAMPS-8).

Maximum Monthly Allotments

Maximum monthly food stamp allotments are tied to the cost of purchasing a nutritionally adequate low-cost diet, as measured by the Agriculture Department's Thrifty Food Plan (TFP). Maximum allotments are set at: the monthly cost of the TFP for a four-person family consisting of a couple between ages 20 and 50 and two school-age children, adjusted for family size (using a formula reflecting economies of scale developed by the Human Nutrition Information Service), and rounded down to the nearest whole dollar. Allotments are adjusted for food price inflation annually, each October, to reflect the cost of the TFP in the immediately previous June.

Maximum allotments are standard in the 48 contiguous States and the District of Columbia; they are higher, reflecting substantially different food costs, in Alaska, Hawaii, Guam, and the Virgin Islands (Table 15-FOODSTAMPS-3).

TABLE 15-FOODSTAMPS-3 -- MAXIMUM FOOD STAMP ALLOTMENTS, FISCAL YEAR 2004

Household size	48 States and D.C.	Alaska[1]	Hawaii[2]	Guam	Virgin Islands
1 person	$141	$167	$210	$182	$208
2 person	259	307	386	333	382
3 person	371	439	553	477	547
4 person	471	558	702	606	695
5 person	560	663	834	720	826
6 person	672	795	1,001	864	991
7 person	743	879	1,106	955	1,095
8 person	849	1,005	1,264	1,092	1,252
Each additional person	+106	+126	+158	+137	+157

[1] Maximum allotment levels in rural Alaska are 27 percent to 55 percent higher than the urban Alaska allotments noted here. The allotment levels noted here are those in effect as of October 1, 2003. However, under legislation pending as of December 1, 2003, they are scheduled to increase slightly: to $169, $309, $443, $563, $669, $803, $887, $1,014 and + $127.

[2] The allotment levels noted here are those in effect as of October 1, 2003. However, under legislation pending as of December 1, 2003, they are scheduled to increase slightly to $212, $389, $557, $707, $840, $1,008, $1,114, $1273, and +159.

Source: U.S. Department of Agriculture.

Minimum and Prorated Benefits

Eligible one-and two-person households are guaranteed a minimum monthly food stamp allotment of $10. Minimum monthly benefits for other household sizes vary from year to year, depending on the relationship between changes in the income eligibility limits and the adjustments to the cost of the TFP. In a few cases, benefits can be reduced to zero before income eligibility limits are exceeded.

In addition, a household's calculated monthly allotment can be prorated (reduced) for one month. On application, a household's first month's benefit is reduced to reflect the date of application. If a previously participating household does not meet eligibility recertification requirements in a timely fashion, but does become certified for eligibility subsequently, benefits for the first month of its new certification period normally are prorated to reflect the date when recertification requirements were met.

Application, Processing, and Issuing Food Stamps

Food stamp benefits normally are issued monthly. The local welfare agency must either deny eligibility or make food stamps available within 30 days of initial application and must provide food stamps without interruption if an eligible household reapplies and fulfills recertification requirements in a timely manner. Households in immediate need because of little or no income and very limited cash assets, as well as the homeless and those with extraordinarily high shelter expenses, must be given expedited service (provision of benefits within 7 days of initial application).

Food stamp issuance is a welfare agency responsibility, and issuance practices differ among welfare agencies. Food stamp coupons have traditionally been issued by: (1) providing (usually mailing) recipients an authorization-to-participate card that is then turned in at a local issuance point (e.g., a bank or post office) when picking up their monthly allotment; or (2) mailing food stamp coupon allotments directly to recipients. However, in most States electronic benefit transfer (EBT) systems now are used. EBT systems replace coupons with an ATM-like card used to make food purchases at the point of sale by deducting the purchase amount from the recipient's food stamp benefit account. EBT issuance is used statewide in all States except California (which is scheduled for statewide issuance by the end of 2004); it also is used in Puerto Rico and the Virgin Islands (Guam is scheduled to convert to EBT in mid-2004).

Items That May Be Purchased With Food Stamp Benefits

Typically, participating households use their food stamp benefits in approved grocery stores to buy food items for home preparation and consumption; food stamp purchases are not taxable. However, the actual list of approved uses for food stamps is more extensive, and includes: (1) food for home preparation and consumption, not including alcohol, tobacco, or hot foods intended for immediate consumption; (2) seeds and plants for use in gardens to produce food for personal consumption; (3) food purchased at approved farmers' markets; (4) in the case of the elderly and SSI recipients and their spouses, meals prepared and served through approved communal dining programs; (5) in the case of the elderly and those who are disabled to an extent that they cannot prepare all of their meals, home-delivered meals provided by programs for the homebound; (6) meals prepared and served to residents of drug addiction and alcoholic treatment programs, small group homes for the disabled, shelters for battered women and children, and shelters or other establishments serving the homeless; and (7) where the household lives in certain remote areas of Alaska, equipment for procuring food by hunting and fishing (e.g., nets, hooks, fishing rods, and knives). Food stamp benefits now normally are accessed through EBT cards. The card is swiped through an approved retailer's point-of-sale device, automatically debiting the recipient's food stamp account and crediting the retailer's bank account; unlike coupon transactions, recipients receive no cash change, and special arrangements must be made for nontraditional sites like farmers' markets.

QUALITY CONTROL (QC)

Since the early 1970s, the Food Stamp Program has had a QC system to monitor the degree to which erroneous eligibility and benefit determinations are made by State welfare agencies. The system was established by regulation in the 1970s as an administrative tool to enable welfare officials to identify problems and take corrective actions. Today, by legislative directive, the QC system also is used to calculate and impose fiscal sanctions on States that have very high rates of erroneous benefit and eligibility decisions. It also provides outside evaluators with a general picture of the integrity of the eligibility and benefit determination process in each State.

Under the QC system, welfare agencies, with Federal oversight, continuously sample their active food stamp caseloads, as well as their decisions to deny or end benefits. The agencies perform in depth investigations of the eligibility and benefit status of the randomly chosen cases looking for errors in applying Federal rules and otherwise erroneous benefit and eligibility outcomes. Over 90,000 cases are reviewed each year, and each State's sample is designed to provide a statistically valid picture of erroneous decisions and, in most instances, their dollar value in benefits. The resulting error rate information is used by program managers to chart needed changes in administrative practices, and by the Federal Government to assess fiscal sanctions on States with error rates above certain tolerance levels. Both error rate findings and any assessed sanctions are subject to appeal through administrative law judges and the Federal courts. Sanctions may be reduced or waived if the State shows good cause or if it is determined that the sanction amounts should be invested in improved State administration. Interest may be charged on outstanding sanction liabilities if the administrative appeals process takes more than 1 year.

QC reviews generate annual estimates of the proportion of cases in which administrators or recipients make an "error" and the dollar value of those errors. Caseload and dollar error rates are calculated for overpayments (including incorrect payments to eligible and ineligible households) and underpayments. The accuracy of welfare agency decisions denying or terminating assistance also is measured periodically, with an error rate reflecting the proportion of denials and terminations that were improper; no dollar value is calculated. The national weighted average for the dollar value of overpayments was estimated at 6.2 percent for fiscal year 2002 (Table 15-FOODSTAMPS-4). This is the lowest on the record. Error rates for underpayments have been relatively unchanged historically (running about 2 or 3 percent. Finally, the rate of improper denials/terminations in the most recent estimate (fiscal year 2002) was 7.9 percent (as a rate of improper decisions, not unissued dollars).

The dollar error rates reported through the food stamp QC system are used as the basis for assessing the financial liability of States for overpaid and underpaid benefits. Although about $2 billion in sanctions have been assessed since the early 1980s, less than $20 million has been collected. The appeals process has delayed collection, sanctions have been forgiven or waived both by Congress and the administration, permission has been given for States to invest sanction amounts in improved program administration, small errors have been removed from assessment calculations, and States' reported error rates have been reduced because of the presumed error-rate effects of high and increased proportions of "error-prone" households with earnings and immigrant applicants.

Legislated rules governing fiscal sanctions also have changed a number of times. Under the most recent revision (enacted in 2002 and effective for error rates reported for fiscal year 2003 and beyond), sanctions are assessed against States with persistently high rates of error. Sanctions are calculated in cases in which a State has a combined (overpayment and underpayment) dollar error rate above 105 percent of the weighted national average – after a statistical adjustment to ensure there is a 95 percent statistical probability that the State's "true" error rate exceeds the sanction threshold. However, they are not "assessed" until a State has exceeded the 105 percent threshold for two consecutive years. In that case, the Agriculture Department may (1) require the State to invest up to 50 percent of the amount in administrative improvements, (2) place up to 50 percent of the amount "at risk" for collection in the next year, and (3) waive any amount. If a State then fails to reduce its combined error rate below the 105 percent threshold for a third consecutive year, the "at risk" amount is collected.

TABLE 15-FOODSTAMPS-4 -- FOOD STAMP QUALITY CONTROL ERROR RATES, FISCAL YEAR 2002

[Percent of benefits paid or not paid in error]

State	Overpayment error rate	Underpayment error rate	Combined error rate
Alabama	7.57	1.16	8.74
Alaska	8.23	2.76	10.99
Arizona	3.86	1.41	5.27
Arkansas	3.53	0.75	4.29
California	10.15	4.69	14.84
Colorado	7.23	2.43	9.66
Connecticut	8.74	2.96	11.70
Delaware	5.23	3.24	8.46
District of Columbia	6.62	2.14	8.75
Florida	7.42	2.19	9.61
Georgia	5.59	1.14	6.73
Guam	4.14	1.91	6.05
Hawaii	3.67	1.36	5.03
Idaho	5.66	3.39	9.04
Illinois	7.32	1.42	8.75
Indiana	5.90	2.40	8.31
Iowa	4.79	1.65	6.44
Kansas	8.95	2.75	11.70
Kentucky	6.27	1.44	7.71
Louisiana	3.88	1.90	5.78
Maine	4.19	2.07	6.26
Maryland	6.05	2.75	8.80
Massachusetts	6.28	2.11	8.40
Michigan	9.54	4.56	14.10
Minnesota	4.51	1.22	5.73
Mississippi	3.50	0.89	4.39
Missouri	7.88	1.89	9.77
Montana	6.53	1.64	8.18
Nebraska	5.20	1.82	7.02
Nevada	6.43	1.15	7.59
New Hampshire	10.56	1.46	12.03
New Jersey	3.20	0.87	4.08
New Mexico	5.54	1.17	6.71
New York	5.33	2.41	7.75
North Carolina	3.59	1.11	4.70
North Dakota	3.99	2.14	6.14

TABLE 15-FOODSTAMPS-4 -- FOOD STAMP QUALITY CONTROL ERROR RATES, FISCAL YEAR 2002 -continued

[Percent of benefits paid or not paid in error]

State	Overpayment error rate	Underpayment error rate	Combined error rate
Ohio	4.51	1.99	6.50
Oklahoma	6.10	1.84	7.94
Oregon	8.40	2.66	11.07
Pennsylvania	7.54	1.95	9.49
Rhode Island	7.58	2.63	10.21
South Carolina	4.18	0.23	4.40
South Dakota	1.73	0.39	2.12
Tennessee	6.06	0.97	7.02
Texas	3.47	1.38	4.85
Utah	4.88	1.72	6.60
Vermont	6.83	0.85	7.68
Virginia	4.82	1.92	6.74
Virgin Islands	4.16	1.55	5.72
Washington	5.96	2.20	8.16
West Virginia	5.47	1.66	7.13
Wisconsin	9.19	3.49	12.69
Wyoming	2.84	0.45	3.29
U.S. Average	6.16	2.10	8.26

Note- Underpayment and overpayment rates may not add to combined rates due to rounding.
Source: Food and Nutrition Service.

Under this new system, States are liable for amounts equal to the value of food stamps issued in the State (in the second consecutive year they exceed the 105 percent threshold) multiplied by 10 percent of the amount by which the State's combined error rate exceeds 6 percent. For example, in a State that issued $100 million in food stamp benefits and had a 12 percent combined error rate (in its second consecutive year above the threshold for sanctions), the amount of the sanction would be $100 million x 6 percent (i.e., the 6 percent by which the State exceeded the 6-percent base) x 10 percent, or $600,000. In addition (and separate from the QC system), States are required to attempt to collect identified overpayments. In fiscal year 2001, over $200 million in overpayments were collected.

Under the revised QC system, States also can receive performance bonus payments, if they meet the standard set by the Agriculture Department. To carry this out, the Department is required to measure States' performance as to actions taken to correct errors, reduce error rates, improve eligibility determinations, and other indicators of effective administration. The law sets aside $48 million a year for bonus payments.

Finally, the QC system identifies the various sources of error and requires States with combined error rates above 6 percent to develop and carry out corrective action plans to improve administration and payment accuracy. These reviews generally show that the primary responsibility for overpayment errors is almost evenly divided between welfare agencies and clients, and that most errors are mistakes (and not intentional violations). The most common errors are related to establishing food stamp expense deductions and households' income correctly.

Intentional program violations (e.g., fraud) can occur in a number of ways; the most common are intentionally misrepresenting household circumstances in order to obtain food stamps or increase benefits, and trafficking in food stamp benefits to obtain cash or non-food items. Roughly one-quarter of the dollar value of erroneous benefit and eligibility determinations identified through QC reviews are fraudulent – about 1.5 percent of all benefits issued in fiscal year 2002. Among cases in which States establish actual claims against households for overpayment, fewer than 10 percent were classified as fraud in fiscal year 2001. The most recent Agriculture Department study on the extent of food stamp trafficking estimated that about $395 million per year was diverted from food stamp benefits by trafficking between 1999 and 2002.

INTERACTION WITH TANF, SSI, AND GA PROGRAMS

The Food Stamp Program is intertwined with Temporary Assistance for Needy Families (TANF), Supplemental Security Income (SSI), and State/local General Assistance (GA) programs in several ways: it is administratively linked with TANF and GA programs, TANF recipients can receive "transitional" food stamp benefits when leaving TANF, most TANF, SSI, and GA recipients are automatically (categorically) eligible for food stamps, and the food stamp recipient population is, to a large extent, made up of TANF, SSI, and GA participants.

State and local offices and personnel administering TANF and GA programs are typically the same offices that enroll people for food stamps and issue food stamp benefits. States may choose to use many TANF rules on how to count income and assets when determining food stamp benefits. Joint food stamp-TANF/GA application and interview procedures are common. Information about applicants and recipients is shared. TANF/GA cash benefits sometimes are included as part of the food stamp electronic benefit transfer (EBT) system (i.e., both TANF cash and food stamp benefits can be accessed with the same EBT debit card). This coadministration does not apply in the case of the SSI Program, which is administered separately through Social Security Administration offices – although these offices do provide limited intake and referral services for the Food Stamp Program and some pilot projects provide standardized food stamp benefits through SSI offices.

States have the option to give up to 5 months' transitional food stamp benefits to those leaving TANF (for reasons other than a sanction) – without requiring that the household apply for food stamps. The transitional benefit is the amount received prior to leaving TANF, adjusted to account for the loss of TANF income. Transitional benefit households may reapply during the 5-month period to have their benefits adjusted based on changed circumstances, and States may opt to adjust benefits based on information received from another program (like Medicaid) in which the household participates. At the end of the transitional period, households may reapply for continued food stamps under regular food stamp rules.

Food stamp rules generally make households in which all members are TANF, SSI, or GA recipients categorically eligible for food stamps, without reference to regular food stamp financial eligibility requirements. TANF recipients are broadly defined as anyone receiving benefits or services through a State's TANF Program. SSI recipients' eligibility for food stamps is barred in California (see earlier eligibility discussion), and GA programs must meet minimal Federal standards to qualify their recipients for food stamps. Categorical eligibility for food stamps is particularly important in cases in which States have chosen TANF rules that are more liberal than food stamp rules (e.g., disregarding the value of vehicles for working households) in order to encourage work effort. However, it is important to keep in mind that food stamp rules often qualify a household for food stamps even after loss of TANF, SSI, or GA benefits.

For most persons participating in the Food Stamp Program, food stamp aid represents a second or third form of government assistance. Only about 20 percent of food stamp households rely solely on nongovernmental sources for their cash income, although about 30 percent have some income from these sources (e.g., earnings, private retirement income). According to 2001 data from QC surveys, TANF contributed to the income of some 23 percent of food stamp households. SSI benefits went to 32 percent of food stamp households, and GA payments were received by just under 6 percent.

Table 15-FOODSTAMPS-5 shows overall food stamp participation rates in selected years from 1975 to 2002 using two measures: as a proportion of the total U.S. population and as a percentage of the population with income below the Federal poverty thresholds. Food stamp enrollment has fluctuated widely over the last 25 years, reaching its peak in fiscal year 1994; in that year, it averaged 27.5 million persons a month, with an all-time high of 28 million in the spring of 1994 (not including 1.4 million persons receiving aid under Puerto Rico's nutrition assistance grant in lieu of food stamps).

RECIPIENCY RATES

Food stamp enrollment is responsive to changes in the economy (i.e., recipients' employment status and earnings), food stamp eligibility rules (and potential applicants' perception of their eligibility status), and administrative practices, as well as the number of recipients getting or losing public assistance eligibility. With few changes in eligibility rules, the caseload expanded from a monthly average of 22.6 million persons in fiscal year 1991 to the 1994 peak. From 1994 through 2000, enrollment declined dramatically to a low of 17.2 million persons in 2000 – the lowest level since the 1970s – due to Federal and State welfare reform initiatives, a lower participation rate among those eligible, and the effects of a strong economy. Since 2000, participation has risen to more than 19 million in 2002 due to outreach changes, an increasing rate of participation among eligible individuals, and weakened economic conditions.[7]

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[7] According to a July 2003 Agriculture Department study based on participation in September of each year, the participation rate among eligible individuals rose three percentage points between

TABLE 15 FOODSTAMPS-5 -- FOOD STAMP PARTICIPATION RATES IN THE UNITED STATES, SELECTED YEARS 1975-2002

Year	Number of food stamp participants (in millions)	Food stamp participation as a percent of:	
		Total population[1]	Poor population
1975	16.3	7.6	63.0
1980	19.2	8.4	65.6
1985	19.9	8.3	60.2
1990	20.0	8.0	59.6
1991	22.6	9.0	63.3
1992	25.4	10.0	68.9
1993	27.0	10.4	68.7
1994	27.5	10.5	72.1
1995	26.6	10.1	73.0
1996	25.5	9.6	69.8
1997	22.9	8.5	64.3
1998	19.8	8.2	57.4
1999	18.2	6.6	55.5
2000	17.2	6.2	54.4
2001	17.3	6.1	52.6
2002	19.1	6.7	55.2

[1] Calculated as a percent of total U.S. resident population at the end of the fiscal year through 1996. For later fiscal years, calculated as a percent of total U.S. resident population reported in the March Current Population Survey (285 million for 2002).

Note- Participants in Puerto Rico are not included in this table. Data are monthly average for each year.

Source: U.S. Census Bureau and Food and Nutrition Service.

Table 15-FOODSTAMPS-6 shows the average monthly number of people (in thousands) who received food stamp benefits in each State, the District of Columbia, and the participating Commonwealths and territories for selected years between 1975 (when the Food Stamp Program became nationally available) and 2002. There was a general increase in food stamp participants between 1975 and 1995, followed by sharp declines through 2000 and modest increases in recent years.

RECENT LEGISLATIVE HISTORY

(For legislative history prior to 1996, see previous editions of the *Green Book*.)

The 1996 Omnibus "farm bill" (the Federal Agriculture Improvement and Reform Act; Public Law 104-127) extended the Food Stamp Act's overall authorization for appropriations through fiscal year 1997, with no specific dollar

September 1999 and September 2001 – from 59 percent to 62 percent – after five consecutive years of falling participation rates. This same study indicated that participation rates varied widely among segments of the food stamp population – e.g., 80 percent for households with children, 28 percent for the elderly, and 52 percent for those living in households with earnings.

limits. It also: (1) continued the requirement for nutrition assistance grants to Puerto Rico and American Samoa, and for employment and training programs, through fiscal year 2002; (2) revised rules for penalizing food stores in trafficking cases involving management; and (3) extended authority for several pilot projects.

Later in 1996, the omnibus welfare reform law (the Personal Responsibility and Work Opportunity Reconciliation Act; Public Law 104-193) made the most extensive changes to the Food Stamp Program since the Food Stamp Act was rewritten in 1977. Under this law, spending on food stamps was projected for a net reduction of $23.3 billion through fiscal year 2002 (or 13 percent less than under then-current law over fiscal years 1997-2002). The food-stamp-related provisions of the welfare reform act: (1) gave States significantly more control over program operations and expanded their administrative options (e.g., allowed States to more closely conform their TANF and food stamp rules and sanction food stamp recipients for failure to meet other public assistance program requirements); (2) established a new work rule limiting participation by able-bodied adults without dependents (ABAWDs) who are not working or in training for work to 3 months in any 3-year period; (3) added other new work rules (e.g., disqualification for significantly reduced work effort); (4) instituted an across-the-board benefit reduction; (5) barred eligibility for most legally resident noncitizens; (6) increased penalties for violating Food Stamp Program rules; and (7) encouraged implementation of electronic benefit transfer (EBT) systems for issuing food stamp benefits (requiring systems be in place nationwide by 2002).

In 1997, the Balanced Budget Act's (BBA) food stamp component followed up on the 1996 welfare reform law with amendments that allowed States to exempt significant numbers of ABAWDs from new work requirements and more than doubled Federal funding for employment and training programs for food stamp recipients (targeted on adults without dependents). It also required States to establish systems to ensure that prisoners are not counted as part of any food stamp household. Separately, the 1997 emergency supplemental appropriations law

TABLE 15-FOODSTAMPS-6 -- FOOD STAMP RECIPIENTS BY JURISDICTION, SELECTED FISCAL YEARS 1975-2002

[In thousands]

State	1975[1]	1979[2]	1985[3]	1990[3]	1995[3]	1997[3]	1999[3]	2000[3]	2001[3]	2002[3]
Alabama	393	525	588	449	525	486	405	396	411	444
Alaska	12	25	22	25	45	45	41	38	38	46
American Samoa	NA	NA	NA	NA	3	3	3	3	NA	3
Arizona	166	129	206	317	480	364	257	259	291	379
Arkansas	268	277	253	235	272	266	253	247	256	284
California	1,517	1,334	1,615	1,936	3,175	2,815	2,027	1,832	1,668	1,709
Colorado	162	145	170	221	252	217	173	156	154	178
Connecticut	189	155	145	133	227	210	178	165	157	169
Delaware	39	45	40	33	57	54	39	32	32	40
District of Columbia	112	100	72	62	94	90	84	81	73	74
Florida	767	828	630	781	1,395	1,192	933	882	887	990
Georgia	569	559	567	536	816	698	617	559	574	646
Guam	21	18	20	12	16	18	20	22	23	24
Hawaii	84	96	99	77	125	127	125	118	108	106
Idaho	39	47	59	59	80	70	57	58	60	70
Illinois	948	837	1,110	1,013	1,151	1,020	820	779	825	886
Indiana	255	275	406	311	470	348	298	300	347	411
Iowa	118	117	203	170	184	161	129	123	126	141
Kansas	63	73	119	142	184	149	115	117	124	140
Kentucky	449	405	560	458	520	444	396	103	413	450
Louisiana	502	523	644	727	711	575	516	500	518	588
Maine	151	121	114	94	132	124	109	403	104	111
Maryland	273	299	291	254	399	354	264	219	208	228
Massachusetts	560	429	337	347	410	340	261	232	219	243
Michigan	685	706	985	917	971	839	683	611	641	750

Minnesota	191	143	228	263	308	260	208	196	198	217
Mississippi	390	452	945	499	480	399	288	276	298	325
Missouri	299	280	362	431	576	478	408	420	454	515
Montana	38	33	58	57	713	67	61	59	62	63
Nebraska	50	55	94	95	105	97	92	82	81	88
Nevada	34	27	32	50	99	82	62	61	69	97
New Hampshire	66	44	28	31	28	46	37	36	36	41
New Jersey	565	524	464	381	540	490	385	345	318	320
New Mexico	154	159	157	157	239	205	178	169	163	170
New York	1,398	1,704	1,834	1,546	2,183	1,919	1,545	1,439	1,354	1,357
North Carolina	537	517	474	419	614	586	505	488	494	574
North Dakota	19	20	33	39	41	38	33	32	38	37
Northern Mariana Islands	NA	NA	4	4	4	4	4	5	NA	6
Ohio	924	760	1,133	1,078	1,155	874	640	610	641	735
Oklahoma	184	184	263	267	375	309	271	253	271	317
Oregon	208	160	228	216	289	259	224	234	281	359
Pennsylvania	893	923	32	954	1,173	1,009	835	777	748	767
Puerto Rico	1,800	1,822	1,480	1,480	1,370	1,240	1,140	1,080	1,070	1,040
Rhode Island	104	80	69	64	100	85	76	74	71	72
South Carolina	421	369	373	299	364	349	309	295	316	379
South Dakota	31	37	48	50	50	47	44	43	45	48
Tennessee	435	531	518	527	662	586	511	496	522	598
Texas	1,085	1,027	1,263	1,880	2,564	2,034	1,401	1,333	1,366	1,554
Utah	50	44	75	99	119	98	88	82	80	90
Vermont	46	40	44	38	59	53	44	41	39	40
Virginia	193	320	360	346	546	476	362	336	331	354
Virgin Islands	25	34	32	18	23	20	17	16	13	12
Washington	239	205	281	337	476	442	307	295	309	350
West Virginia	204	182	278	262	329	287	247	227	221	236

TABLE 15-FOODSTAMPS-6 -- FOOD STAMP RECIPIENTS BY JURISDICTION, SELECTED FISCAL YEARS 1975-2002-continued

[In thousands]

Wisconsin	163	171	363	286	320	232	182	193	216	262
Wyoming	11	11	27	28	34	29	23	22	23	24
Total	19,199	18,926	21,385	21,510	27,995	24,106	19,334	18,251	18,385	20,159

[1] Year end participation, July 1975. Total does not match totals in other tables, which are annual average participation.

[2] Year end participation, September 1979. Total does not match totals in other tables, which are annual average participation. During fiscal year 1979, and into 1980, participations increases were largely due to the elimination of food stamp purchase requirement. Figures for Alabama and Mississippi are estimates.

[3] Annual average monthly participation.

NA -Not available.

Note- Data are average monthly number of recipients for each year.

Source: U.S. Department of Agriculture, Food and Nutrition Service. Compiled by the Congressional Research Service.

(Public Law 105-18) permitted States to "buy into" the Food Stamp Program and pay for benefits to noncitizens ineligible for federally financed food stamps and adults without dependents made ineligible by work requirements.

The 1998 Agricultural Research, Extension, and Education Reform Act (Public Law 105-185) significantly reduced spending for the Federal share of State food stamp administrative costs--some $200 million per year--by imposing a flat annual dollar reduction on most States' entitlements to correct for a perceived "windfall" extra payment States can potentially receive through the interaction between food stamp and TANF funding rules. It also lowered Federal payments to States for employment and training programs for food stamp recipients. A portion of the money saved by these reductions was then used to restore food stamp eligibility to some of the noncitizens made ineligible by the 1996 welfare reform law (e.g., elderly and disabled persons legally resident at the time the 1996 law was enacted).

Most recently, the Farm Security and Rural Investment Act of 2002 (Public Law 107-171) reauthorized appropriations for the Food Stamp Program and made the most extensive changes since the 1996 welfare reform law. It expanded eligibility for noncitizens children and other noncitizens who meet a 5-year legal residence test. It raised benefits, primarily for larger households, by increasing the amount of income that is disregarded when setting benefits (i.e., indexing the "standard deduction" and varying it by household size). It allowed States to guarantee 5-months of "transitional" food stamp benefits to those leaving TANF. A number of other State options were established to ease access to the program and administrative burdens on applicants/recipients and program operators. These let States reduce recipient reporting requirements, simplify benefit calculations, and conform income and asset definitions to those used in TANF and Medicaid. It ended Federal restrictions on the spending of work/training funds and changed and generally reduced the Federal share of this spending. Finally, the new law revamped the Food Stamp Program's quality control system to (1) dramatically reduce the number of States likely to be sanctioned for high rates of erroneous benefit decisions (only those with persistently high error rates would be penalized), and (2) grant bonus payments to States with exemplary administrative performance.

Table 15-FOODSTAMPS-7 provides an overview of the characteristics of food stamp households for selected years since 1980; table 15-FOODSTAMPS-8 summarizes annual vital statistics about the program for selected years since 1972.

TABLE 15-FOODSTAMPS-7 -- CHARACTERISTICS OF FOOD STAMP HOUSEHOLDS, SELECTED YEARS 1980-2001[1]

Food stamp recipient households	1980	1985	1990	1995	1996	1997	1998	1999	2000	2001
With gross monthly income:										
Below the Federal poverty level	87	94	92	92	91	92	90	89	89	89
Between the poverty level and 130 percent of the poverty level	10	6	8	8	8	8	9	10	10	10
Above 130 percent of the poverty level	2	[2]	[2]	[2]	1	[2]	1	1	1	1
With earnings	19	20	19	21	23	24	26	27	27	27
With public assistance income[3]	65	68	73	68	61	61	59	57	57	55
With AFDC/TANF income	NA	39	43	38	37	35	31	27	26	23
With SSI income	18	19	19	23	24	26	28	30	32	32
With children	60	59	61	60	59	58	58	56	54	54
With female heads of household	NA	46	51	50	50	49	NA	NA	NA	34
With elderly members[4]	23	21	18	16	16	18	18	20	21	20
Average household size	2.8	2.7	2.6	2.5	2.5	2.4	2.4	2.4	2.3	2.3

[1] Data for 1995 through 2001 represent characteristics over the full course of each Fiscal Year; 1985 and 1990 are during summer; and 1980 is from August.

[2] Percentage equals 0.5 or less.

[3] Public assistance income includes Aid to Families with Dependent Children, TANF, SSI, and general assistance.

[4] Elderly members and heads of household include those age 60 or older.

NA- Not available.

Note- For years prior to 1996, the proportion of households with public assistance income shown in this table is an estimate that generally over counts them because it is not corrected for households with multiple sources of public assistance income.

Source: U.S. Department of Agriculture, Food and Nutrition Service Surveys of the characteristics of food stamp households. Compiled by the Congressional Research Service.

TABLE 15-FOODSTAMPS-8 -- HISTORICAL FOOD STAMP STATISTICS, SELECTED YEARS, 1972-2002

Fiscal year	Total Federal spending (in millions)[1]		Average monthly participation (in millions of persons)	Average monthly benefits (per person)		Four-person maximum monthly allotment[3]
	Current dollars	Constant 2002 dollars[2]		Current dollars	Constant 2002 dollars[2]	
1972[4]	$1,871	$7,954	11.1	$13.50	$57.40	$108
1975[5]	4,624	15,413	17.1	21.40	71.30	150
1980	9,188	20,545	21.1	34.40	76.90	204
1985	12,599	21,136	21.4	45.00	75.50	264
1990	16,512	22,952	21.5	59.00	82.00	331
1991	19,765	26,155	24.1	63.90	84.50	352
1992	23,539	30,238	26.9	68.50	88.00	370
1993	24,749	30,856	28.4	68.00	84.80	375
1994	25,525	31,010	28.9	69.00	83.80	375
1995	25,676	30,341	28.0	71.30	84.20	386
1996	25,494	29,307	26.9	73.30	84.30	397
1997	22,868	25,605	24.1	71.30	79.80	400
1998	20,397	22,472	21.0	71.10	78.30	408
1999	19,317	20,881	19.3	72.30	78.10	419
2000	18,255	19,125	18.3	72.80	76.30	426
2001	18,813	19,095	18.4	74.80	75.90	434
2002	21,657	21,657	20.2	79.60	79.60	452

[1] Spending for benefits and administration, including Puerto Rico.

[2] Constant dollar adjustments were made using the overall Consumer Price Index for All Urban Consumers (CPI-U).

[3] For the 48 contiguous States and the District of Columbia, as in effect at the beginning of the fiscal year in current dollars.

[4] The first fiscal year in which benefit and eligibility rules were, by law, nationally uniform and indexed for inflation.

[5] The first fiscal year in which food stamps were available nationwide.

Note- Data for 1982 and subsequent years include funding for Puerto Rico's nutrition assistance grant; earlier years include funding for Puerto Rico under the regular Food Stamp Program; participation figures include enrollment in Puerto Rico (averaging 1.1 to 1.5 million persons a month under the nutrition assistance grant and higher figures in earlier years); average benefit figures do not reflect benefits in Puerto Rico under its nutrition assistance grant.

Source: Compiled by the Congressional Research Service.

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