

OCT 29 2005

SUBJECT: Treatment of Family Subsistence Supplemental Allowance and National Flood Insurance Program Payments in Income Eligibility Determinations for Food and Nutrition Service Programs

TO: Regional Administrators
All Regions

This memorandum provides guidance to State administrators in making household eligibility determinations in all nutrition assistance programs administered by the Food and Nutrition Service (FNS). Specifically, this memorandum addresses:

- Armed Forces Family Subsistence Supplemental Allowance (FSSA) payments provided to the families of service members by the Department of Defense (DoD); and
- National Flood Insurance Program (NFIP) payments made under the National Flood Insurance Act of 1968, as amended by Public Law 109-64, enacted on September 20, 2005.

FSSA Payments

Since May 2001, DoD has made FSSA payments to certain members of the Armed Forces and their families. The FSSA is designed to bring a household's income up to 130 percent of the Federal poverty standard, and, thus, to decrease the reliance on food stamps for affected members and their families. The amount of the FSSA, based on household size and income, may not exceed \$500 per month. Qualifying members that receive FSSA may reside Stateside or overseas. The statute governing the FSSA does not prohibit members from receiving benefits under FSSA and the Food Stamp Program at the same time.

Section 602 of Public Law 108-375, the Ronald W. Reagan National Defense Authorization Act for Fiscal Year (FY) 2005, excluded FSSA income from consideration in determining benefits for households or children in nutrition assistance programs authorized under the Richard B. Russell National School Lunch Act, or the Child Nutrition Act of 1966, as amended. These programs include the National School Lunch Program, the School Breakfast Program, the Special Milk Program, the Summer Food Service Program, the Child and Adult Care Food Program, and the Special Supplemental Nutrition Program for Women, Infants and Children (WIC).

Therefore, in determining income eligibility for households or children under any of the Child Nutrition and WIC Programs through September 30, 2006, State agencies must exclude the FSSA payment in determining income eligibility. Please note that Public Law 108-375 amends a standing provision that is not tied specifically to the appropriations process. Therefore, the amendment is effective until the provision expires at the end of FY 2006, unless further legislation is enacted to extend the provision.

The exclusion of FSSA from consideration as income applies only to the Child Nutrition and WIC Programs. It does not extend to the Food Stamp Program, the Food Distribution Program on Indian Reservations, the Senior Farmers' Market Nutrition Program, the Commodity Supplemental Food Program, or the Emergency Food Assistance Program; thus, FSSA payments continue to count as income in these programs.

NFIP Payments

Public Law 109-64, enacted September 20, 2005, amends the National Flood Insurance Act of 1968. It states that payments made under NFIP for flood mitigation activities shall not be counted as income or resources of the owner of the property when determining eligibility for any Federal means-tested program. The Federal Emergency Management Agency awards grants to States and communities, which distribute the funds to individuals and businesses for activities that reduce the risk of repetitive flood damage. Therefore, in determining income eligibility for any FNS program, State agencies must exclude payments received by property owners under NFIP.

State agencies with questions concerning this memorandum should contact their FNS regional office. Regional offices with questions concerning this memorandum should contact the appropriate division director or staff member within Headquarters.

/s/ *RS*

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Administrator