SECTION 15 - OTHER PROGRAMS

SUPPLEMENTAL NUTRITION ASSISTANCE PROGRAM (FORMERLY THE FOOD STAMP PROGRAM)

The Supplemental Nutrition Assistance program (SNAP) is 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; the Food, Conservation, and Energy Act of 2008 (P.L. 110-234/246) changed the name of the program from the Food Stamp program to the SNAP and revised the name of the governing law from the Food Stamp Act to the Food and Nutrition Act.

Participating households are expected to devote 30 percent of their counted monthly cash income to food purchases.[1] SNAP 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 a minimally adequate low-cost diet. This amount, the maximum SNAP 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, each October, for food-price inflation. Thus, a recipient household with no counted cash income receives the maximum monthly SNAP allotment for its size while a household with some counted income receives a lesser allotment, 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 financial eligibility tests for limited monthly income and liquid assets. But household members also 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 SNAP benefits, 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 SNAP 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, Guam and the Virgin Islands, these rules are nationally uniform. However, by law and regulation, States have a number of significant options to vary from Federal

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[1] Because not all of a household's income is actually counted when determining its SNAP benefits, the program effectively assumes that most participants are able to spend 20-25 percent of their total cash monthly income on food. While SNAP benefits may only be spent on food, they also free up income that otherwise would be devoted to food for other expenses, like housing, and, as a result, act as a general income support program. Each dollar of SNAP benefits is estimated to result in *new* food spending of between 30 and 50 cents.

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

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 may not be charged on purchases made with SNAP benefits, and SNAP benefits do not directly affect other assistance available to low-income households, nor are they taxed as income.

Alternative food assistance programs are offered in Puerto Rico, the Northern Mariana Islands, and American Samoa, as well as on Indian reservations. Program variations also occur in a few demonstration projects and in those jurisdictions that have elected to exercise the program options allowed.

Funding is overwhelmingly Federal. However, States and other jurisdictions have financial responsibility for significant administrative and benefit issuance costs, as well as a portion of expenses related to outreach, nutrition education, and employment/training initiatives for SNAP recipients. States and other operating jurisdictions are, to a degree, liable for erroneous benefit determinations or issuances (as assessed under the SNAP "quality control" system or rules governing major changes in State administrative arrangements and systemic errors, discussed later).

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 and cooperating with State programs for the electronic issuance of SNAP benefits, and for approving and overseeing participation by retail food stores and other outlets that may accept benefits. Other Federal agencies that have administrative roles to play include: the Federal Reserve System (which has some jurisdiction over "electronic benefit transfer (EBT)" methods for issuing benefits), the Social Security Administration (responsible for the Social Security numbers recipients must have, for providing limited application "intake" services information to verify recipients' income), the Internal Revenue Service (assistance in verifying recipients' income and assets), the Department of Homeland Security (helping welfare offices confirm alien applicants' status), and the Agriculture Department's Inspector General (largely responsible for trafficking investigations).

State and Local Administrative Responsibilities

States, the District of Columbia, Guam, and the Virgin Islands, through their local public assistance offices, have primary responsibility for day-to-day administration of the SNAP. Following Federal rules, they determine eligibility, calculate benefits, and issue monthly benefit allotments using Electronic Benefit Transfer (EBT) cards under a system largely run through private-sector contracts (for which they are responsible). They also have a significant voice in carrying out employment and training programs and in determining many administrative features of the program (e.g., the extent to which verification of household circumstances is pursued, how certain household expenses are treated, the length of eligibility certification periods, the structure of EBT systems). Most often, the SNAP is operated through the same public assistance agency and staff that runs the State's TANF Program.

Puerto Rico, the Northern Marianas, American Samoa, and Indian Reservations

In addition to the regular SNAP, the Food and Nutrition Act (changed from the Food Stamp Act in 2008) directs funding for a nutrition assistance program in the Commonwealth of Puerto Rico and another in American Samoa. The Act also governs the Food Distribution Program on Indian Reservations (the FDPIR). Separate legislation authorizes a variant of the SNAP 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 initiative differs from the regular program primarily in that: (1) funding is limited to an annually indexed amount specified by law[4]; (2) the law 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); (3) income eligibility limits are about one-third those used in the regular program; (4) maximum benefit levels are about one-third lower than in the 48 contiguous States and the District of Columbia; and (5) somewhat different rules are used in counting income for eligibility and benefit purposes. In fiscal year 2007, Puerto Rico's Nutrition Assistance Program aided approximately 1 million persons each month with monthly benefits averaging $113 dollars a person ($247 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 SNAP (then 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 that is renegotiated periodically (e.g., $9.8 million for fiscal year 2008); (2) a portion (30 percent) of each household's benefit must be used to purchase locally produced food or other food-related items like fishing equipment; (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 FY2007, the Northern Marianas' program assisted 8,100 persons with a monthly benefit averaging $81 per person.

As with the Northern Marianas, American Samoa operates a variant of the regular SNAP initiated in the mid-1990s. Under the Secretary of Agriculture's authority to extend Agriculture Department programs to American Samoa (Public Law 96-597) and an amendment made by the 2002 Farm Security and Rural

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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 2007 and 2008, $1.55 billion and $1.62 billion are earmarked. These block grants fund the full cost of benefits (as determined by Puerto Rico) and half the cost of administration.

Investment Act (Public Law 107-171), American Samoa receives an annually indexed grant (e.g., $6.5 million fiscal year 2008) to operate a nutrition assistance program limited (at American Samoa's choice) to low-income elderly and disabled persons. While average monthly benefits are similar to those in the regular SNAP ($104 per person in FY2007), income eligibility limits are about 25 percent lower. In FY 2007, the program aided about 3,000 persons per month.

Indian tribal organizations may, as an alternative to the SNAP, choose the Food Distribution Program on Indian Reservations (FDPIR) for low-income Indian households on reservations and those living in designated service areas near reservations or in Oklahoma. The FDPIR provides monthly packages of food commodities acquired by the Agriculture Department and supports providers' administrative/distribution and nutrition education costs. In FY2007, 5 States and 99 Indian tribal organizations operated the FDPIR on 271 reservations. Aid was provided to some 87,000 persons a month, at an average monthly cost (food plus administrative and distribution expenses) of $70 a person. Federal support totaled some $78 million (plus additional food commodities donated at the Department's discretion from stocks acquired in support of the farm economy).

Program Options

The Food and Nutrition Act (formerly 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) Administration policy that effectively bars demonstrations that have a significant cost to the SNAP, 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), only a few major demonstration projects are operational. These deal with increasing program access through innovative application processing, standardized SNAP benefits for SSI recipients, and cash benefits for the elderly and SSI recipients.

States also are allowed a number of significant options as to how they implement the program; these may include using private contractors to carry out major program operational tasks. They may establish their own administrative standards in areas such as application processing, ongoing recertification of recipient households, reporting 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 SNAP eligibility and benefit determinations, and may grant 5-month "transitional" benefits to those leaving the TANF program or State-financed alternatives to TANF (without requiring them to reapply for SNAP benefits). 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 program benefits 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 SNAP benefits for TANF recipients. States may sanction program recipients failing to meet other public assistance program rules or failing to cooperate in child support enforcement efforts and can ignore or adjust rules that deny benefits to those convicted of a drug-related felony. They may, to a certain extent, waive the application of the work rule for ABAWDs (discussed below); 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 SNAP benefits when using welfare to subsidize recipients' wages and opt to run "workfare" programs for SNAP recipients. Finally, States determine the content of employment and training programs for program recipients (and, in most cases, who must participate).

Funding

The Food and Nutrition Act (formerly the Food Stamp Act) provides 100 percent Federal funding of benefits, except in the few cases where States choose to "buy into" the program and pay for issuing benefits to ineligible noncitizens or those made ineligible by the work rule for ABAWDs. The Federal Government also is responsible for a number of small grants initiatives to increase program access and support healthy diets among recipients and its own administrative costs: overseeing program operations (including oversight of participating food establishments), redeeming benefits issued through EBT cards, and paying the Social Security Administration for certain intake services.

TABLE 15-4--FOOD STAMP PROGRAM EXPENDITURES, SELECTED YEARS, 1980-2007

[In Millions of Dollars]

Fiscal Year	Benefits[1] (Federal)	Administration[2]		Total
		Federal	State and local	
1980	$8,721	$486	$381	$9,588
1985	10,744	960	871	12,575
1995	22,764	1,856	1,717	26,337
1996	22,440	1,891	1,815	26,146
1997	19,549	1,959	1,849	23,357
1998	16,890	2,098	1,937	20,925
1999	15,769	2,052	1,826	19,647
2000	14,983	2,071	2,160	19,214
2001	15,547	2,242	2,312	20,101
2002	18,256	2,381	2,500	23,137
2003	21,404	2,412	2,683	26,499
2004	24,619	2,479	2,676	29,774
2005	28,568	2,506	2,787	33,861
2006	30,187	2,744	2,849	35,780
2007	30,373	2,831	2,910	36,114

[1] Includes all benefit costs associated with the Food Stamp program. Does not include the cost of nutrition assistance grants to Puerto Rico, American Samoa, and the Northern Marianas, or spending

for the FDPIR. Over time, these figures reflect both changes in benefit levels and numbers of recipients.
[2] Includes direct Federal administrative costs associated with the Food Stamp Program, the cost of special purpose (e.g., program access) grants, as well as the Federal cost share of State spending on administration, employment/training for recipients and nutrition education. Some Federal costs ($40-$60 million a year) are paid out of appropriations separate from the SNAP/food stamp appropriation and not included. The State cost share is estimated based on the known Federal shares of administrative, employment/training and nutrition education expenses and represents an *estimate* of these costs. Since fiscal year 1999, state administrative costs have exceeded Federal spending primarily because of a change in law requiring that the normal Federal 50-percent share of these costs be reduced by some $200 million annually.
Source: U.S. Department of Agriculture, Food and Nutrition Service. Compiled by the Congressional Research Service. Figures for years prior to fiscal year 2003 have been updated and vary slightly from those in earlier editions of the *Green Book*.

In most instances, the Federal Government provides just under half the cost of State/local agency administration, including benefit issuance costs and outreach and nutrition education initiatives.[5] In addition, it shares the majority of the cost of carrying out employment and training programs for 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) operating costs above States' shares of their basic grants, 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 error): 35 percent of recoveries in fraud cases and 20 percent in other circumstances. Federal and State spending in selected years since 1980 is shown in Table 15-4.

Basic Program Eligibility

The SNAP 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 and adjusted for inflation. 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 their State public assistance agency. 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 SNAP assistance (most TANF, SSI, and GA recipients), and categorically deny eligibility to others (e.g., strikers, many noncitizens and postsecondary students, and people living in institutional settings). Applications cannot be denied because of the duration of a household's residence in a welfare

[5] Under the terms of Public Law 105-185 (extended by later laws, most recently by P.L. 110-234/246), most States are subject to an annual reduction in their normal (50 percent) Federal share totaling about $200 million nationwide.

agency's jurisdiction or because the household has no fixed mailing address or does not reside in a permanent dwelling.

The Household Beneficiary Unit

The basic SNAP beneficiary unit is the "household." A household can be either a person living alone or a group of individuals living together; there is no requirement for cooking facilities. The SNAP 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). However, it is close to some other programs: the household concept used for other nutrition programs – like the school lunch program and the Special Supplemental Nutrition Program for Women, Infants, and Children (the WIC program) – and the Low-Income Home Energy Assistance Program (LIHEAP).

Generally speaking, individuals living together constitute a single 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 program 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 household.

Persons who live together, but purchase food and prepare meals separately, may apply for SNAP benefits separately, except for: (1) spouses; (2) parents and their children (21 years or younger); and (3) minors 18 years or younger (excluding foster children and, in some cases, certain citizen 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 the SNAP, 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 SNAP households can live together, recipients can reside with nonrecipients, and households themselves may be "mixed" (include recipients and nonrecipients of other welfare benefits).

Income Eligibility

Except for households composed entirely of recipients of TANF, SSI, or GA benefits/services (who generally are automatically eligible for the SNAP), monthly cash income is the primary SNAP eligibility determinant.[6] In establishing eligibility for households without an elderly or disabled member,[7] the SNAP assesses both the household's basic (or "gross") monthly income and its counted (or "net") monthly income (See Table 15-5). When judging eligibility for households with elderly or disabled members, only the household's counted net monthly income is considered; in effect, this procedure applies a somewhat more liberal income test to the elderly and disabled.

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, retroactive lump-sum Social Security payments, and certain charitable donations (in many cases, these may instead be 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) programs, as well as monthly "allowances" under these programs; (13) income set aside by disabled SSI recipients under an approved "plan for achieving self-support"; (14) combat-related military pay; and (15) payments required to be disregarded by provisions of Federal law outside the Food and Nutrition Act (e.g., various payments under laws relating to Indians, payments under Older Americans Act employment programs for the elderly). In addition, States may, within certain limits, choose to exclude other types of income that they disregard in their TANF or Medicaid programs.

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 costs such as 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:

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[6] Although they do not have to meet SNAP financial eligibility tests, TANF, SSI, and general assistance households must still have their income calculated under regular SNAP rules to determine their actual benefits.

[7] In the SNAP, "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.

- A "standard" monthly deduction that varies by household size and is indexed for inflation (see below for details).
- Twenty percent of any earned income, in recognition of taxes and work expenses;
- Any amounts paid out as legally obligated child support;
- Out-of-pocket dependent care expenses, when related to work or training (see below for limits); and
- Shelter expenses (including utility costs, which States may standardize for eligibility and benefit calculations) that exceed 50 percent of counted income *after* all other deductions, typically expenses that exceed about one-third of gross monthly income (see below for limits).

Standard deductions are generally set at 8.31 percent of the annually indexed Federal poverty income guidelines for each household size. However, the law specifies that they may not be less than a certain minimum dollar level. In the 48 States and the District of Columbia, the fiscal year 2008 minimum is $134 a month. This is applied to households of 1-3 persons because it is higher than the amount derived directly from the required percentage of the poverty guidelines, and higher standard deductions (derived from the guidelines) apply to larger households (ranging from $143 a month for 4 persons to $191 a month for 6+ persons). Under the terms of the Food, Conservation, and Energy Act of 2008 (P.L. 110-234/246), the $134 minimum is scheduled to rise to $144 a month in fiscal year 2009 and will be increased for overall inflation in future years. Recognizing different living costs, varying standard deductions apply in Alaska, Hawaii, Guam, and the Virgin Islands. While their standard deductions also are tied to the poverty guidelines, the minimum amounts vary – e.g., in fiscal year 2008, they range (for most household sizes) from $118 in the Virgin Islands to $269 in Guam. Under the 2008 Act noted above, these minimums will be increased in fiscal year 2009 and indexed in the future.

Through the end of fiscal year 2008, deductions for dependent care expenses are limited to $175 a month for each dependent (or $200 a month for children under age 2). These limits were eliminated under the 2008 Act noted above.

Shelter expense deductions are restricted to annually indexed monthly limits. For fiscal year 2008, these are: $431 for the 48 States and the District of Columbia, $689 for Alaska, $581 for Hawaii, $506 for Guam, and $340 for the Virgin Islands.

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 SNAP eligibility generally is automatic, all households must have counted/net monthly income that does not exceed the annually indexed Federal poverty guidelines. Households without an elderly or disabled member *also* must have gross/basic 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. Net and gross eligibility limits on income (which are adjusted for inflation each October) are summarized in Table 15-5.

TABLE 15-5--COUNTED (NET) AND BASIC (GROSS) MONTHLY INCOME ELIGIBILITY LIMITS FOR THE SNAP/FOOD STAMP PROGRAM, FISCAL YEAR 2008

Household size	48 States, D.C., and the territories	Alaska	Hawaii
Counted (net) monthly income eligibility limits[1]:			
1 person	$851	$1,065	$980
2 persons	1,141	1,427	1,313
3 persons	1,431	1,790	1,646
4 persons	1,721	2,152	1,980
5 persons	2,011	2,515	2,313
6 persons	2,301	2,877	2,646
7 persons	2,591	3,240	2,980
8 persons	2,881	3,602	3,313
Each additional person	+290	+363	+334
Basic (gross) monthly income eligibility limits[2]:			
1 person	1,107	1,384	1,273
2 persons	1,484	1,855	1,707
3 persons	1,861	2,326	2,140
4 persons	2,238	2,798	2,573
5 persons	2,615	3,269	3,007
6 persons	2,992	3,740	3,440
7 persons	3,369	4,211	3,873
8 persons	3,746	4,683	4,307
Each additional person	+377	+472	+434

[1] Set at the applicable Federal poverty guidelines, updated for inflation through calendar 2006.
[2] Set at 130 percent of the applicable Federal poverty guidelines, updated for inflation through calendar 2006.
Source: U.S. Department of Agriculture, Food and Nutrition Service.

Allowable Assets

Except for households automatically eligible for the SNAP 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. Under the terms of the Food, Conservation, and Energy Act of 2008 (P.L. 110-234/246), these dollar limits are to be annually indexed for overall inflation (and rounded down to the nearest $250) – beginning with fiscal year 2009.

Counted liquid assets include cash on hand, checking and savings accounts, savings certificates, stocks and bonds, and nonrecurring lump-sum payments such as insurance settlements and lump-sum payments that have been disregarded as income (e.g., some tax refunds) but have not been spent. Certain less liquid assets also are counted: a portion of the value of vehicles (in some cases) 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, the value of all tax-recognized pension savings/plans and education savings (effective in October 2009), 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 most often do) count vehicles as assets only to the extent they do under their TANF programs or disregard them entirely. 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 public assistance 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 a 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 register for work and accept suitable job offers. In addition, 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-for-benefits), 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). The Federal Government shares in half the cost of this support, and State agencies may limit 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 SNAP benefits if, during the prior 36 months, they received benefits 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 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 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 the SNAP in any 36 months without half-time work or enrollment in a work/training program.

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

In fiscal year 2007, State reports indicate that there were some 6.5 million work registrants, and that 1.5 million (including about 400,000 ABAWDs) actually participated in an employment and training effort.

Categorical Eligibility Limitations

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 legal residents 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 SNAP benefits unless they apply together with the household in which they are boarding. Those who transfer assets for the purpose of qualifying for benefits are barred. Persons who fail to provide Social Security numbers or cooperate in providing information needed to verify eligibility or benefit determinations are ineligible. SNAP benefits 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 SNAP 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

SNAP benefits are a function of a household's size, its net (counted) monthly income, and inflation-indexed maximum monthly benefit levels (in some cases, adjusted for geographic location). An eligible household's benefit is calculated by subtracting its expected contribution (by law, 30 percent of its 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 $306 in fiscal year 2008 (i.e., the 2008 maximum 3-person benefit in the 48 States, $426, less 30 percent of its net income, $120) – and a 3-person household with no counted income would receive the maximum allotment.

Allotments are not taxable and purchases made with SNAP benefits may not be charged sales taxes. Receipt of SNAP benefits does not affect eligibility for or benefits provided by other public assistance programs, although some programs use SNAP participation as a "trigger" for eligibility, and others take into account the general availability of SNAP benefits in deciding what level of benefits to provide.

In fiscal year 2007, monthly benefits averaged $96 per person, or $214 per household (see Table 15-11).

Maximum Monthly Allotments

Maximum monthly benefit 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). The TFP is the cheapest of four diet plans meeting minimal nutrition requirements devised by the Department. 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 15-6).

TABLE 15-6--MAXIMUM FOOD STAMP ALLOTMENTS, FISCAL YEAR 2008

Household size	48 States and D.C.	Alaska[1]	Hawaii	Guam	Virgin Islands
1 person	$162	$194	$258	$239	$209
2 person	298	356	473	439	383
3 person	426	510	678	629	548
4 person	542	648	861	799	697
5 person	643	770	1,022	948	827
6 person	772	924	1,227	1,138	993
7 person	853	1,021	1,356	1,258	1,097
8 person	975	1,167	1,549	1,438	1,254
Each additional person	+122	+146	+194	+180	+157

[1] Maximum allotment levels in rural Alaska are 27 percent to 55 percent higher than the urban Alaska allotments noted here.

Source: U.S. Department of Agriculture.

Minimum, Prorated, and Transitional Benefits

Under provisions of the Food, Conservation, and Energy Act of 2008 (P.L. 110-234/246), eligible households are guaranteed a minimum monthly benefit allotment equal to 8 percent of the maximum benefit for a 1-person household; effective October 2008, this replaces an older rule stipulating a minimum benefit of $10 a month only for 1-and 2-person households.

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.

Finally, States are allowed to provide “transitional” benefits. These are SNAP benefits for up to 5 months’ benefits provided to families leaving TANF or a similar State-financed cash assistance program -- based on their benefit while participating in TANF or the State-financed program for families with children. (also see later discussion of interactions with TANF, SSI, and GA).

Application, Processing, and Issuing Benefits

SNAP benefits normally are issued monthly. The local public assistance agency must either deny eligibility or make benefits available within 30 days of initial application and must provide allotments 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).

Benefit issuance is a State agency responsibility, and States contract with private vendors to carry out most of their issuance activities. Benefits are provided through electronic benefit transfer (EBT) systems under which recipients are issued an ATM/debit-like card that they use to make food purchases. At the point of sale, retailers automatically debit the recipient’s SNAP account and credit their own account. EBT cards can include both SNAP benefits (usable only to buy food items) and cash benefits (e.g. TANF payments, unemployment payments, child support payments) that can be accessed using the card at ATMs or retailers.

Items That May Be Purchased With SNAP Benefits

Typically, participating households use their benefits in approved grocery stores to buy food items for home preparation and consumption. However, the actual list of approved uses 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).

QUALITY CONTROL (QC) AND STATE LIABILITY

The SNAP/Food Stamp Program has a QC system to monitor the degree to which erroneous eligibility and benefit determinations are made by State 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 SNAP 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 4.6 percent for fiscal year 2007 (Table 15-7). This is the lowest on the record. Error rates for underpayments have been relatively unchanged historically (running about 2 or 3 percent), but in recent years they have dropped -- to 1.1 percent in fiscal year 2007. On the other hand, the rate of improper denials/terminations has risen in the most recent estimate (fiscal year 2007) to 10.9 percent (as a rate of improper decisions, not unissued dollars).

The dollar error rates reported through the QC system are used as the basis for assessing the financial liability of States for overpaid and underpaid benefits. Although over $2 billion in sanctions have been assessed since the early 1980s, less than $30 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 only 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 15-7--FOOD STAMP QUALITY CONTROL ERROR RATES, FISCAL YEAR 2007

[Percent of benefits paid or not paid in error]

State	Overpayment error rate	Underpayment error rate	Combined error rate
Alabama	3.75	1.03	4.78
Alaska	2.86	1.19	4.04
Arizona	3.73	1.14	4.87
Arkansas	6.09	0.92	7.01
California	4.08	1.23	5.31
Colorado	5.15	1.89	7.05
Connecticut	4.41	2.10	6.51
Delaware	7.46	1.90	9.36
District of Columbia	6.53	1.80	8.34
Florida	3.94	0.21	4.15
Georgia	7.22	0.91	8.13
Guam	4.45	2.10	6.55
Hawaii	2.61	0.59	3.20
Idaho	3.54	0.90	4.44
Illinois	4.44	0.71	5.15

TABLE 15-7--FOOD STAMP QUALITY CONTROL ERROR RATES, FISCAL YEAR 2007 -continued

[Percent of benefits paid or not paid in error]

State	Overpayment error rate	Underpayment error rate	Combined error rate
Indiana	5.52	1.42	6.94
Iowa	5.32	1.53	6.85
Kansas	3.03	0.67	3.70
Kentucky	4.25	0.68	4.93
Louisiana	5.95	0.99	6.94
Maine	9.11	1.42	10.54
Maryland	5.97	1.23	7.20
Massachusetts	3.11	1.26	4.38
Michigan	6.41	2.08	8.50
Minnesota	4.74	1.79	6.53
Mississippi	2.24	0.42	2.66
Missouri	2.04	0.28	2.31
Montana	5.49	1.32	6.81
Nebraska	1.30	0.43	1.73
Nevada	3.86	0.98	4.84
New Hampshire	4.80	1.36	6.16
New Jersey	4.68	1.58	6.26
New Mexico	5.46	1.96	7.42
New York	4.38	1.12	5.51
North Carolina	1.72	0.52	2.23
North Dakota	2.36	0.93	3.29
Ohio	7.26	1.91	9.17
Oklahoma	4.81	1.30	6.11
Oregon	3.94	1.47	5.41
Pennsylvania	2.45	0.26	2.71
Rhode Island	4.00	1.34	5.35
South Carolina	4.15	1.26	5.41
South Dakota	1.02	0.26	1.28
Tennessee	4.37	0.76	5.13
Texas	5.39	0.99	6.38
Utah	2.55	1.25	3.80
Vermont	5.39	0.85	6.24
Virginia	5.50	0.97	6.47
Virgin Islands	2.82	0.22	3.03
Washington	2.44	0.49	2.93
West Virginia	8.28	1.31	9.59
Wisconsin	4.42	1.48	5.90
Wyoming	4.91	1.51	6.42
Weighted U.S. Average	4.58	1.06	5.64

Notes- Underpayment and overpayment rates may not add to combined rates due to rounding. Jurisdictions receiving nutrition assistance grants in lieu of the SNAP/food stamps – Puerto Rico, American Samoa, and the Northern Marianas – are not covered by the QC system.

Source: Food and Nutrition Service.

Under this relatively new system, States are liable for amounts equal to the value of benefits 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 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.

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 up to $48 million a year for bonus payments to States for best payment accuracy, most improved payment accuracy, best negative (improper denial) error rate, best program access performance, most improved program access performance, and best application processing timeliness rates.

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 administering public assistance agencies are responsible for the majority of payment errors (clients are the source of about one-third of the errors), and that most errors are mistakes (and not intentional violations). The most common errors are related to establishing expense deductions and households' income correctly and meeting program requirements as to reporting household circumstances.

Intentional program violations (fraud) can occur in a number of ways; the most common are intentionally misrepresenting household circumstances in order to obtain or increase benefits and trafficking in benefits to obtain cash or non-food items. By the most recent estimates (2003), up to one-quarter of the dollar value of erroneous benefit and eligibility determinations identified through QC reviews were deemed to involve fraud; however, only about 5 percent of all erroneous cases are typically referred for a potential fraud investigation. Among cases in which States establish actual claims against households for overpayment, fewer than 10 percent are typically classified as fraud. And a 2006 Agriculture Department study on the extent of benefit trafficking estimated that about $241 million per year was diverted from approved benefit uses by trafficking in the years 2002-2005.

Finally, the law requires States to try to recoup any overissued benefits – regardless of whether the overissuance was caused by the State agency or the recipient – unless the State can show that it is not cost effective. These collections regularly top $250 million (some of which is retained by the States as an incentive) and include money recouped through the federally sponsored "Treasury Tax Offset" program that taps Federal payments owed to individuals (such as tax refunds). In addition (under the provisions of the 2008 Food, Conservation, and

Energy Act, P.L. 100-234/246), States themselves may be held liable (and recipients absolved) in cases where widespread overissuances are caused by systemic failures in State administration.

INTERACTIONS WITH TANF, SSI, AND GA PROGRAMS

The SNAP 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" benefits when leaving TANF, most TANF, SSI, and GA recipients are automatically (categorically) eligible for the SNAP, and the SNAP 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 the SNAP and issue SNAP benefits. States may choose to use many TANF rules on how to count income and assets when determining SNAP benefits. Joint SNAP-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 SNAP electronic benefit transfer (EBT) system (i.e., both TANF cash and SNAP benefits can be accessed with the same EBT debit card). This coadministration generally 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 SNAP, and some pilot projects provide standardized SNAP benefits through SSI offices.

States have the option to offer up to 5 months' transitional SNAP benefits to those leaving TANF or a similar State-financed program (for reasons other than a sanction) – without requiring that the household apply for SNAP. The transitional benefit is the amount received prior to leaving TANF (or a similar State program), adjusted to account for the loss of TANF/State cash 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 benefits under regular SNAP rules.

SNAP rules generally make households in which all members are TANF, SSI, or GA recipients categorically eligible, without reference to regular financial eligibility requirements. TANF recipients are broadly defined as anyone receiving benefits or services through a State's TANF Program. SSI recipients' eligibility for the SNAP is barred in California (see earlier eligibility discussion), and GA programs must meet minimal Federal standards to automatically qualify their recipients for the SNAP. Categorical eligibility for the SNAP is particularly important in cases in which States have chosen TANF rules that are more liberal than SNAP 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

SNAP rules often qualify a household for the SNAP even after loss of TANF, SSI, or GA benefits.

For most persons participating in the SNAP, the program's benefits represent a second or third form of government assistance. Only about 20 percent of SNAP households rely solely on nongovernmental sources for their cash income, although over one-third have some income from these sources (e.g., earnings, private retirement income, investments, child support). According to 2006 data from QC surveys, TANF contributed to the income of some 13 percent of SNAP households; 24 percent received Social Security benefits; SSI benefits went to 27 percent of households; and GA payments were received by 6 percent.

PARTICIPANTS

Program enrollment is responsive to changes in the economy (recipients' employment status and earnings), eligibility rules and the size of benefits (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 food stamp caseload expanded from a monthly average of 20 million persons in fiscal year 1990 to a 1994 peak (27.5 million persons a month). From 1995 through 2000, average monthly enrollment declined dramatically to a low of 17.2 million people 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 – approaching 27 million persons a month in fiscal years 2006 and 2007 – due to weakened economic conditions, some liberalization of eligibility rules, outreach efforts, and an increasing rate of participation among eligible individuals. Table 15-8 presents program participation over time using two measures: as a proportion of the total U.S. population and as a percentage of the poverty population measured by the Census Bureau; it does not include Puerto Rico. Fiscal year 2007 participation averaged 26.5 million persons a month; however, it is not included in this table because comparable total population and poor population figures are not available.

TABLE 15-8--FOOD STAMP PARTICIPATION RATES AS A PROPORTION OF THE OVERALL AND POVERTY POPULATION SELECTED YEARS 1980-2006

Year	Number of program participants (in millions)	Program participation As a percent of: Total population[1]	Poor population
1980	19.2	8.4	65.6
1985	19.9	8.3	60.2
1990	20.0	8.0	59.6
1992	25.4	10.0	68.9
1994	27.5	10.5	72.1
1996	25.5	9.6	69.8
1997	22.9	8.5	64.3

TABLE 15-8--FOOD STAMP PARTICIPATION RATES AS A PROPORTION OF THE OVERALL AND POVERTY POPULATION SELECTED YEARS 1980-2006 -continued

Year	Number of program participants (in millions)	Program participation As a percent of:	
		Total population[1]	Poor population
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
2003	21.3	7.4	59.3
2004	23.9	8.2	64.6
2005	25.7	8.8	69.5
2006	26.7	9.0	73.1

[1] Calculated as a percent of total U.S. resident population used by the Census Bureau when calculating poverty rates – e.g., 296.5 million persons in 2006.

Note- Participants in Puerto Rico are not included in this table. Participation data are the monthly average for each year. Total and poor population figures are not available.

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

Program participation rates also can be viewed from the perspective of the proportion of those eligible (different from the poor population noted in Table 15-8) who actually participate. In recent years the Agriculture Department has provided annual estimates of this participation rate, both for the nation as a whole and for individual States. These estimates show that, in fiscal year 2006, 67 percent of individuals in eligible households participated. This represented a cumulative 13-point increase since 2001. The rates for earlier years were: 65 percent for 2005, 61 percent for 2004, 56 percent for 2003, and 54 percent for 2002 and 2001. In addition, the range of participation rates among States has changed. In fiscal year 2006, the highest rate was 95 percent and the lowest 49 percent. In prior years the high ranged from 81 to 89 percent, and the low ranged from 39 to 46 percent.

Table 15-9 shows the average monthly number of people who received program benefits in each State, the District of Columbia, and the participating Commonwealths and territories for selected years between 1975 (when the program became nationally available) and 2007.

Table 15-10 provides an overview of selected characteristics of participating households for selected years since 1980.

Table 15-11 summarizes some annual vital statistics (Federal spending, participation, benefits) about the program for selected years since 1975, which was the first year in which the Food Stamp program operated nationwide.

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 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 (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).

In 2002, the Farm Security and Rural Investment Act (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 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.

Most recently, the Food, Conservation, and Energy Act of 2008 (Public Law 110-234/246) reauthorized appropriations through fiscal year 2012 and renamed the Food Stamp Program and the Food Stamp Act – the Supplemental Nutrition Assistance Program (SNAP) and the Food and Nutrition Act, respectively. It also changed rules governing benefits, eligibility, and State administration of the program. Monthly benefits for most households were increased by: (1) raising the minimum amount of income that is disregarded in calculating benefits (the minimum standard deduction) by 7.5 percent, and then indexing it for inflation, (2) lifting limits on the expense deduction for dependent care costs that is used in setting household allotments, and (3) increasing the minimum monthly benefit to 8 percent of the annually indexed maximum benefit for a 1-person household. Rules governing the liquid assets that an eligible household may have were liberalized by: (1) indexing the dollar limits for overall inflation and (2) requiring that all retirement savings/plans and education savings be disregarded as assets. Eligibility for "transitional" benefits for those leaving TANF was extended to those leaving State-financed programs similar to TANF. Requirements for elderly/disabled people to report changes in their circumstances were eased. New SNAP disqualification rules were established for: (1) those disqualified from the Food Distribution Program on Indian Reservations (the FDPIR), (2) those intentionally obtaining cash by misusing program benefits to obtain money for the return of deposits on containers, and (3) those intentionally selling food bought with program benefits. New requirements were placed on States making major changes in the administrative operations, and States are to be held liable for overissued benefits resulting from major system errors in their administration.

TABLE 15-9--FOOD STAMP RECIPIENTS BY JURISDICTION, SELECTED FISCAL YEARS 1975-2007 (INCLUDING PUERTO RICO, GUAM, THE VIRGIN ISLANDS, AMERICAN SAMOA, AND THE NORTHERN MARIANAS)

[In Thousands]

State	1975[1]	1979[2]	1985[3]	1990[3]	1995[3]	2000[3]	2002[3]	2004[3]	2006[3]	2007[3]
Alabama	393	525	588	449	525	396	444	498	547	546
Alaska	12	25	22	25	45	38	46	49	57	56
American Samoa	NA	NA	NA	NA	3	3	3	3	3	3
Arizona	166	129	206	317	480	259	379	530	541	545
Arkansas	268	277	253	235	272	247	284	346	385	380
California	1,517	1,334	1,615	1,936	3,175	1,832	1,709	1,856	2,000	2,048
Colorado	162	145	170	221	252	156	178	242	251	251
Connecticut	189	155	145	133	227	165	169	196	210	213
Delaware	39	45	40	33	57	32	40	56	66	67
District of Columbia	112	100	72	62	94	81	74	89	89	87
Florida	767	828	630	781	1,395	882	990	1,202	1,418	1,223
Georgia	569	559	567	536	816	559	646	867	947	950
Guam	21	18	20	12	16	22	24	26	28	27
Hawaii	84	96	99	77	125	118	106	99	88	90
Idaho	39	47	59	59	80	58	70	91	91	87
Illinois	948	837	1,110	1,013	1,151	779	886	1,070	1,225	1,247
Indiana	255	275	406	311	470	300	411	526	575	587
Iowa	118	117	203	170	184	123	141	179	226	238
Kansas	63	73	119	142	184	117	140	170	183	182
Kentucky	449	405	560	458	520	103	450	545	589	602
Louisiana	502	523	644	727	711	500	588	706	830	650
Maine	151	121	114	94	132	403	111	142	160	163
Maryland	273	299	291	254	399	219	228	274	305	318
Massachusetts	560	429	337	347	410	232	243	335	432	456
Michigan	685	706	985	917	971	611	750	944	1,134	1,204
Minnesota	191	143	228	263	308	196	217	247	264	276
Mississippi	390	452	945	499	480	276	325	377	511	426

TABLE 15-9--FOOD STAMP RECIPIENTS BY JURISDICTION, SELECTED FISCAL YEARS 1975-2007 (INCLUDING PUERTO RICO, GUAM, THE VIRGIN ISLANDS, AMERICAN SAMOA, AND THE NORTHERN MARIANAS -continued

[In Thousands]

State	1975[1]	1979[2]	1985[3]	1990[3]	1995[3]	2000[3]	2002[3]	2004[3]	2006[3]	2007[3]
Missouri	299	280	362	431	576	420	515	700	796	824
Montana	38	33	58	57	713	59	63	77	82	80
Nebraska	50	55	94	95	105	82	88	114	120	121
Nevada	34	27	32	50	99	61	97	120	118	122
New Hampshire	66	44	28	31	28	36	41	48	56	59
New Jersey	565	524	464	381	540	345	320	369	406	415
New Mexico	154	159	157	157	239	169	170	223	245	234
New York	1,398	1,704	1,834	1,546	2,183	1,439	1,357	1,598	1,786	1,802
North Carolina	537	517	474	419	614	488	574	747	854	883
North Dakota	19	20	33	39	41	32	37	41	43	45
Northern Mariana Islands	NA	NA	4	4	4	5	6	10	8	8
Ohio	924	760	1,133	1,078	1,155	610	735	945	1,064	1,077
Oklahoma	184	184	263	267	375	253	317	412	436	421
Oregon	208	160	228	216	289	234	359	420	434	438
Pennsylvania	893	923	32	954	1,173	777	767	961	1,092	1,135
Puerto Rico	1,800	1,822	1,480	1,480	1,370	1,080	1,040	1,010	1,060	1,070
Rhode Island	104	80	69	64	100	74	72	78	73	76
South Carolina	421	369	373	299	364	295	379	497	534	545
South Dakota	31	37	48	50	50	43	48	53	58	60
Tennessee	435	531	518	527	662	496	598	806	870	865
Texas	1,085	1,027	1,263	1,880	2,564	1,333	1,554	2,259	2,623	2,422
Utah	50	44	75	99	119	82	90	123	132	123
Vermont	46	40	44	38	59	41	40	43	47	50
Virginia	193	320	360	346	546	336	354	486	507	515
Virgin Islands	25	34	32	18	23	16	12	13	13	13
Washington	239	205	281	337	476	295	350	453	536	536

TABLE 15-9--FOOD STAMP RECIPIENTS BY JURISDICTION, SELECTED FISCAL YEARS 1975-2007 (INCLUDING PUERTO RICO, GUAM, THE VIRGIN ISLANDS, AMERICAN SAMOA, AND THE NORTHERN MARIANAS -continued

[In Thousands]

State	1975[1]	1979[2]	1985[3]	1990[3]	1995[3]	2000[3]	2002[3]	2004[3]	2006[3]	2007[3]
West Virginia	204	182	278	262	329	227	236	256	268	269
Wisconsin	163	171	363	286	320	193	262	324	368	383
Wyoming	11	11	27	28	34	22	24	26	24	23
Total	19,199	18,926	21,385	21,510	27,995	18,251	20,159	24,877	27,807	27,547

[1] First year in which the program operated nationwide. 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.

[3] Annual average monthly participation.

NA -Not available.

Note- Data generally 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.

TABLE 15-10--CHARACTERISTICS OF FOOD STAMP HOUSEHOLDS, SELECTED YEARS 1980-2006[1]

Food stamp recipient households	1980	1985	1990	1995	1996	1998	2000	2002	2004	2006
With gross monthly income:										
Below the Federal poverty level	87	94	92	92	91	90	89	88	87	87
Between the poverty level and 130 percent of the poverty level	10	6	8	8	8	9	10	11	11	11
Above 130 percent of the poverty level	2	[2]	[2]	[2]	1	1	1	1	2	2
With earnings	19	20	19	21	23	26	27	28	29	30
With public assistance income[3]	65	68	73	68	61	59	57	56	49	46
With AFDC/TANF income	NA	39	43	38	37	31	26	21	16	13
With SSI income	18	19	19	23	24	28	32	30	27	27
With children	60	59	61	60	59	58	54	54	54	52
With female heads of household	NA	46	51	50	50	NA	NA	33	33	31
With elderly members[4]	23	21	18	16	16	18	21	19	17	18
Average household size	2.8	2.7	2.6	2.5	2.5	2.4	2.3	2.3	2.3	2.3

[1] Data for 1995 through 2000 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 drawn from Quality Control (QC) data. Compiled by the Congressional Research Service.

TABLE 15-11--HISTORICAL FOOD STAMP STATISTICS, SELECTED YEARS, 1975-2007

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 2007 dollars[2]		Current dollars	Constant 2007 dollars[2]	
1975	$4,619	$17,936	17.1	$21.40	$83.10	$150
1980	9,207	23,625	21.1	34.50	88.50	204
1985	11,703	22,528	19.9	45.00	86.60	264
1990	15,447	24,638	20.0	59.00	94.10	331
1995	24,620	33,385	26.6	71.30	96.70	386
1996	24,331	32,093	25.5	73.20	96.50	397
1997	21,508	27,638	22.9	71.30	91.60	400
1998	18,988	24,001	19.8	71.10	89.90	408
1999	17,821	22,116	18.2	72.30	89.70	419
2000	17,054	20,499	17.2	72.60	87.30	426
2001	17,789	20,724	17.3	74.80	87.10	434
2002	20,637	23,691	19.1	79.70	91.50	452
2003	23,816	26,698	21.3	83.90	94.10	465
2004	27,098	29,699	23.9	86.00	94.30	471
2005	31,074	32,970	25.7	92.60	98.20	499
2006	32,932	33,689	26.7	94.30	96.50	506
2007	33,204	33,204	26.5	95.60	95.60	518

[1] Spending for benefits and administration, not including Puerto Rico for years after fiscal year 1980.

[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.

Note- Fiscal year 1975, was the first year in which the Food Stamp program operated nationwide.

Note- Spending, participation, and benefit figures after fiscal year 1980 do not include Puerto Rico. In 1982, Puerto Rico converted from the regular Food Stamp program to a nutrition assistance block grant. In prior years, annual spending in Puerto Rico averaged some $900 million a year, monthly participation averaged 1.7 million, and average monthly benefits were typically 10 percent higher than the national average shown in this table. They are reflected in the 1975 and 1980 figures for Federal spending, participation, and average monthly benefits, skewing them significantly upward.

Source: Compiled by the Congressional Research Service.