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CASH AND NON-CASH BENEFITS FOR PERSONS WITH LIMITED INCOME:  
ELIGIBILITY RULES, RECIPIENT AND EXPENDITURE DATA, FY 1981-83

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## ABSTRACT

This report summarizes basic eligibility rules, as of May 1984, for more than 70 cash and non-cash programs that benefit primarily persons of limited income. It also gives funding formulas, benefit levels, and, for fiscal years 1981-1983, recipient numbers and expenditure data for each program.

### Update of

83-110 EPW

Cash and Non-Cash Benefits for Persons with Limited Income:  
Eligibility Rules, Recipient and Expenditure Data, FY 1981-83

82-113 EPW

Cash and Non-Cash Benefits for Persons with Limited Income:  
Eligibility Rules, Recipient and Expenditure Data, FY 1978-80

81-44 EPW

Cash and Non-Cash Benefits for Persons with Limited Income:  
Eligibility Rules, Recipient and Expenditure Data, FY 1977-79

79-216 EPW

Cash and Non-Cash Benefits for Persons with Limited Income:  
Eligibility Rules, Recipient and Expenditure Data, FY 1976-78

77-152 ED

Income Security for Persons with Limited Income:  
Program Summaries, Recipient and Expenditure Data,

76-5 ED

Federal and State-Local Expenditures for Income  
Transfers to Persons with Limited Income. FY 1975-76





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## INTRODUCTION

More than 70 benefit programs 1/ provide cash and non-cash aid that is directed primarily to persons with limited income. These benefit programs cost \$127.3 billion in fiscal year (FY) 1983, up 7.3 percent from FY 1982, and equal to 3.9 percent of the gross national product. Federal funds provided 75 percent of the total. After adjustment for price inflation, 1983 welfare spending was up 3 percent from 1982, but down 3 percent from the peak level of 1981. Measured in constant value dollars, 1983 outlays were the second smallest since 1980.

Collectively, these benefit programs constitute the public "welfare" system, if welfare is defined as income-tested or need-based benefits. Most of the programs base eligibility on individual, household, or family income, but some use group or area income tests; and a few offer help on the basis of presumed need.

This report consists of a catalogue of 74 need-based programs. For each it provides the funding formula, eligibility requirements, and benefit levels. At the back of the report a table gives expenditure and recipient data for FY 1981-1983 by program.

Of FY 1983 welfare dollars, 61.5 percent were spent on medical aid and cash relief (34 and 27 percent, respectively). Food benefits accounted for 14 percent of the total, and 15 percent was in the form of housing benefits, jobs-training, and energy aid. The remaining 9 percent went for education aid and other services. (See table 1 for FY 1981-1983 summary, page 2.)

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1/ The list of 74 programs in the table of contents includes one (Public Service Employment) that ended on September 30, 1981, and another (Emergency Food Distribution and Shelter program) that was scheduled to end in 1984. The number of programs is somewhat arbitrary. For example, General Assistance, listed under both cash and medical aid, could be regarded instead as a single program.

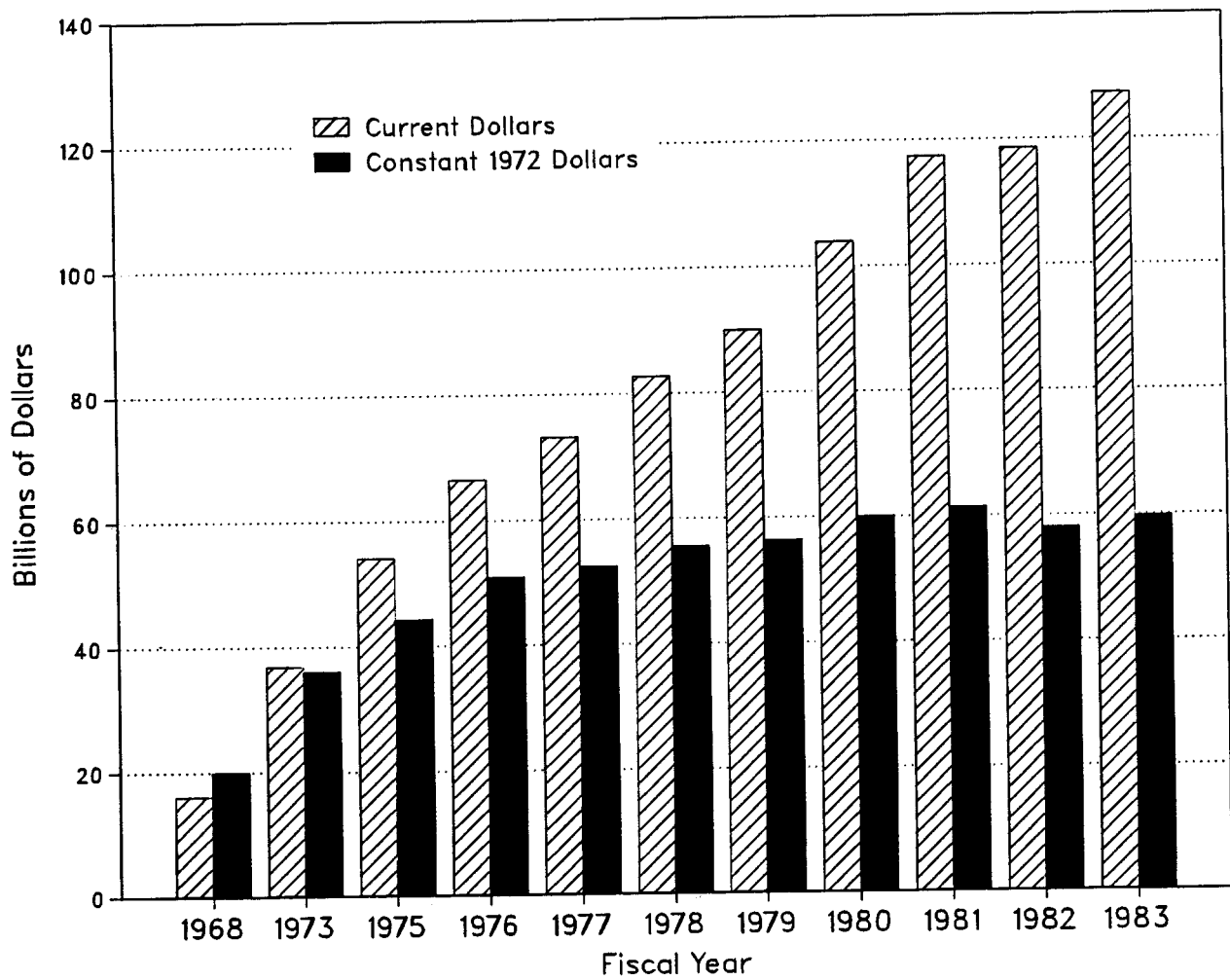
TABLE 1. Expenditures of Major Need-Tested Benefit Programs, FY 1981-83  
(millions of current dollars)

Category	Federal expenditures (millions of current dollars)			State-local expenditures (millions of current dollars)			Total expenditures (millions of current dollars)		
	FY81	FY82	FY83	FY81	FY82	FY83	FY81	FY82	FY83
1. Medical care	\$22,091.7	\$23,135.9	\$25,085.3	\$16,673.4	\$17,790.4	\$18,730.6	\$38,765.1	\$40,926.3	\$43,815.9
2. Cash aid	21,566.2	22,076.8	22,831.4	10,996.8	11,271.8	11,697.9	32,563.0	33,348.6	34,529.3
3. Food benefits	15,600.0	15,534.7	17,770.5	580.0	647.0	712.3	16,180.0	16,181.7	18,482.8
4. Housing benefits	10,455.5	11,380.5	12,722.7	0	0	0	10,455.5	11,380.5	12,722.7
5. Education	4,710.2	7,890.8	8,450.7	215.0	238.1	238.7	4,925.2	8,128.9	8,689.4
6. Jobs & training	7,516.3	3,989.4	4,087.9	83.9	74.8	81.5	7,600.2	4,064.2	4,169.4
7. Services	3,324.1	2,724.8	2,778.4	1,461.5	12.5	9.2	4,785.6	2,737.3	2,787.6
8. Energy aid	2,008.9	1,763.5	2,048.9	0	0	0	2,008.9	1,763.5	2,048.9
TOTAL	\$87,272.9	\$88,496.4	\$95,775.8	\$30,010.6	\$30,034.6	\$31,470.2	\$117,283.5	\$118,531.0	\$127,246.0

NOTE: Program data on which this table is based are found in table 12. See page 181.

Chart 1

## Total Expenditures for Income-Tested Benefits



### A. Nature of Programs

Most of these programs provide income "transfers." That is, they transfer income, in the form of cash, goods, or services, to persons who make no payment and render no service in return. However, in the case of the job and training programs and some educational benefits, recipients must work or study for wages, training allowances, stipends, grants, or loans.

This report excludes income maintenance programs that are not income tested, including social insurance, many veterans' benefits, and all but one tax transfer program. Thus, it excludes social security cash benefits, unemployment insurance, and Medicare. The first of these programs in FY 1983 paid out 34 percent more than all income-tested programs, or a total of \$170.7 billion, financed from payroll tax collections. The report also excludes payments, even though financed with general revenues, that may be regarded as "deferred compensation," such as veterans' educational benefits (\$1.7 billion in 1983), veterans' housing benefits, and medical care for veterans with a service-connected disability.

The report includes one tax-transfer program, the refundable earned income credit for low-income workers with children. This program reduces the taxes of working families with gross income below \$10,000 and makes direct payments to those whose income is below the income tax threshold. Other tax transfers are excluded because they are not income tested. Tax transfers (also known as tax expenditures) increase families' disposable income by reducing their tax liability. Examples are the deductibility of mortgage interest and property taxes on owner-occupied property (\$20.8 billion and \$8 billion respectively, in 1983) and the parental personal exemption for students aged 19 and over (\$1.0 billion in 1983).

### B. Billion-Dollar Programs in FY 1983

In FY 1983 a total of 20 income-tested programs spent more than \$1 billion each in Federal, State, and local funds. The list was led by Medicaid, which cost more than the sum of the next two programs, Aid to Families with Dependent Children (AFDC) and food stamps. Here are the 20 programs and their FY 1983 expenditures.



	<u>Billions</u>	<u>Percent Increase From FY 1981</u>
1. Medicaid	\$34.96	15.1
2. AFDC	15.39	5.4
3. Food stamps	13.27	12.8
4. SSI	10.10	9.1
5. Section 8 lower income housing assistance	4.99	60
6. Medical care for veterans with a non-service- connected disability	4.41	24.6
7. Veterans' pensions	3.89	3.7
8. Low-rent public housing	3.21	34
9. Guaranteed student loans	3.10	<u>a/</u>
10. Pell grants (formerly Basic Educational Oppor- tunity Grants)	2.86	23.7
11. General assistance (medical care component)	2.44	(-24)
12. School lunch (free and reduced-price segments)	2.41	4.3
13. Title XX social services	2.40 <u>b/</u>	<u>c/</u>
14. Section 502 rural hous- ing loans	2.33	(-18)
15. General assistance (cash and non-medical care vendor payments)	2.11	21.9
16. Low-income energy assistance	1.90	6.4
17. Earned income tax credit	1.80	(-9)
18. Comprehensive employment and training services (CETA Titles II-B and II-C)	1.76	(-21)
19. Special supplemental food program for women, infants and children (WIC)	1.16	28.9
20. Headstart	1.13	11.6

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a/ Not applicable.

b/ Federal dollars only. Data are unavailable on State total outlays after 1981.

c/ State data are unavailable to calculate percentage change in total spending.

### C. Trends in Spending

Total expenditures on cash and non-cash welfare programs were eight times greater in 1983 than in 1968. Even after allowance for price inflation, spending more than tripled during the 13 years. Measured in constant 1972 dollars, it climbed from \$19.9 billion in FY 1968 to a peak of \$61.3 billion in FY 1981, a period when the U.S. population grew by 15 percent. Per capita welfare spending grew in real terms (constant 1972 dollars) from \$100 in FY 1968 to \$266 in FY 1981, an increase of 166 percent. However, in FY 1982, welfare spending failed to keep pace with inflation for the first time since 1973. <sup>2/</sup> In real terms welfare outlays fell 5.5 percent (\$3.4 billion in 1972 dollars). Only slightly more than half of this was restored by increased spending in 1983. Chart 1 and table 2 show the course of welfare spending in both current and constant dollars.

During 1968-1978, Congress liberalized some old welfare programs and established new ones. Some of the major expansions follow: effective in 1969 Congress gave a work incentive bonus to all mothers who received AFDC checks; the bonus, virtually repealed in late 1981, was the right to a welfare supplement even after their earnings rose above the State standard of need. In 1969, minimum rents for public housing were abolished (reinstated, at a low level, in 1974). By 1970 amendment, the food stamp program was converted into a Federal income guarantee in participating counties. By 1972 amendment, basic educational opportunity grants were adopted for all needy college students (extended to "middle-income" students by 1978 law). In 1972, effective in 1974, a Federal cash income guarantee (SSI) was enacted for the aged, blind, and disabled. Effective in 1974, food stamps were extended to all counties, providing a national income guarantee in the form of food stamps. In 1975, a rebate tax credit was adopted for low-income workers with children.

In 1981, however, Congress moved to restrict eligibility for some programs and to lower some benefits. For example, it imposed gross income eligibility limits for AFDC and food stamps, reduced AFDC and food stamp benefits for families

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<sup>2/</sup> Federal outlays for six major income and medical assistance programs (and program groups) for low income persons, as measured in constant dollars, declined 3 percent from FY 1972 to FY 1973. In all other years, from FY 1964 to FY 1981, such outlays rose. The programs: medicaid, subsidized housing payments, food stamp program, cash assistance, and veterans' pensions. U.S. Library of Congress. Congressional Research Service. 1985 budget perspectives: Federal spending for the human resource programs. [by] Richard Rinkunas and Gene Falk [Washington] 1984. CRS Report 84-35 EPW. p. 159.

with earnings, raised public housing rents, and reduced subsidies for school lunches. Effective in FY 1983, it temporarily reduced the food stamp guarantee.

As table 2 shows, the annual rate of growth in total expenditures for need-based benefits declined in the latter part of this period. Measured in constant dollars, the increase in successive 5-year periods was: 1968-73, 81 percent; 1973-1978, 54 percent; 1978-1983, 7 percent. Further, as mentioned before, real spending declined in 1982.

TABLE 2. Total Expenditures for Income-Tested Benefits

<u>Fiscal year</u>	<u>Current dollars a/ (billions)</u>	<u>Constant 1972 dollars b/ (billions)</u>
1968	\$ 16.062	\$19.910
1973	36.829	35.995
1975	54.025	44.221
1976	66.463	50.867
1977	73.092	52.392
1978	82.675	55.472
1979	89.894	56.310
1980	103.819	59.911
1981	117.283	61.267
1982	118.531	57.908
1983	127.246	59.611

a/ FY 1968 and FY 1973 data are from "Income Security for Americans: Recommendations of the Public Welfare Study." Report of the Subcommittee on Fiscal Policy of the Joint Economic Committee. December 5, 1974. Table 4, page 28. Data for other years:

- FY 1975 data, CRS multilith 77-152 ED, p. 1. From the total, the net sum of \$441 million has been subtracted--\$297 million was added to correct an error in housing outlays, and \$738 million was deducted because of a revised estimate of medical benefits for veterans without a service-connected disability.
- FY 1976 data, CRS report 79-216 EPW, p. 2. From the total, the net sum of \$950 million has been subtracted--\$836 million and \$142 million in lower estimates of medical spending for veterans without a service-connected disability and for General Assistance (GA) medical aid, respectively, offset in part by the addition of \$28 million, the sum spent on weatherization.
- FY 1977 data, CRS report 81-44 EPW, p. 2. From the total, the sum of \$1.3 billion has been subtracted--\$1,050 and \$250 million in lower estimates of medical spending for veterans without a service-connected disability and for GA medical aid, respectively.
- FY 1978 data, CRS report 82-113 EPW, p. 2.
- FY 1979-80 data, CRS report 83-110 EPW, p. 2. From the 1979 and 1980 totals, \$57 million and \$76.1 million, respectively, have been deducted to correct an error in reported outlays for nutrition for the elderly.
- FY 1981-83 data, p. 2 of this report.

b/ Current dollars have been translated into 1972 constant value dollars by use of the implicit price deflators for the gross national product: fiscal years 1968, 0.80675; 1973, 1.0232; 1975, 1.2217; 1975, 1.3066; 1977, 1.3951; 1978, 1.4904; 1979, 1.5964, 1980, 1.7329, 1981, 1.9143; 1982, 2.0469; and 1983, 2.1346.

The 1982 welfare cutbacks are reflected in table 3, which presents 1981-83 spending totals in constant dollars, by form of benefit. As this table shows, spending declined in real terms in 1982 for medical aid, cash aid, food benefits, jobs and training, services, and energy aid. Growth resumed in 1983 for medical aid, food benefits, and energy aid, but continued to decline for cash aid, jobs and training, and services.

In constant dollars, spending increased during both years for education aid and housing benefits.

TABLE 3. Recent Trends by Form of Benefit, FY 1981-1983 a/

	FY 1981 outlays (billions of constant 1972 dollars)	FY 1982 outlays (billions of constant 1972 dollars)	FY 1983 outlays (billions of constant 1972 dollars)	FY 1983 as percentage of 1981
Medical Aid	\$20.250	\$19.994	\$20.527	101%
Cash	17.010	16.292	16.176	95
Food Benefits	8.452	7.905	8.659	102
Housing	5.462	5.560	5.960	109
Education	2.573	3.971	4.071	158 <u>b/</u>
Jobs-Training	3.970	1.986	1.953	49
Services	2.500	1.337	1.306	52
Energy Aid	1.049	.862	.960	92
	<u>\$61.266</u>	<u>\$57.907</u>	<u>\$59.612</u>	<u>97%</u>

a/ Data sources are the same as for table 2.

b/ The rise in education's share of need-tested benefits from 1981 to 1983 is due in part to the FY 1982 restoration of an income test for the Guaranteed Student Loan Program (GSLP). As a result, the program was returned to this report's inventory after an absence in 1979-81, when it had no income test.

#### 1. Share of Gross National Product

As a percentage of gross national product (GNP), welfare outlays more than doubled from 1968 to 1976, then were relatively steady. In 1981 the share rose to a peak of 4.07 percent. The

share of GNP used for income-tested benefit programs was as follows:

FY 1968	1.93%
1973	2.94
1975	3.65
1976	4.05
1977	3.92
1978	3.95
1979	3.81
1980	4.03
1981	4.07
1982	3.88
1983	3.94

## 2. Share of Federal Budget

The share of the Federal budget used for benefit programs for the needy more than doubled from 1968 to 1976 and peaked in 1978-1979 at 14.1 percent. However, it began dropping in 1980 and in 1983 fell to 12 percent, lowest since 1973. Table 4 summarizes this.

TABLE 4. Share of Federal Budget Used for Need-Tested Benefits

	Federal spending for need-tested benefits <u>a/</u> (billions of current dollars)	Total Federal outlays	Share of Federal budget for need-tested benefits (percent)
1968	\$11.352	\$178.1	6.4%
1973	26.775	245.6	10.9
1975	39.340	324.2	12.1
1976	49.692	364.5	13.6
1977	54.701	400.5	13.7
1978	63.047	448.4	14.1
1979	69.188	491.0	14.1
1980	79.469	576.7	13.8
1981	87.273	657.2	13.3
1982	88.496	728.4	12.1
1983	95.776	796.0	12.0

a/ Data sources are the same as for table 2, p. 6.

### 3. Share of Welfare Outlays Paid by Federal Funds

The Federal Government's share of outlays for need-tested programs climbed 9 percent from 1968 to 1979 and then declined somewhat, as follows:

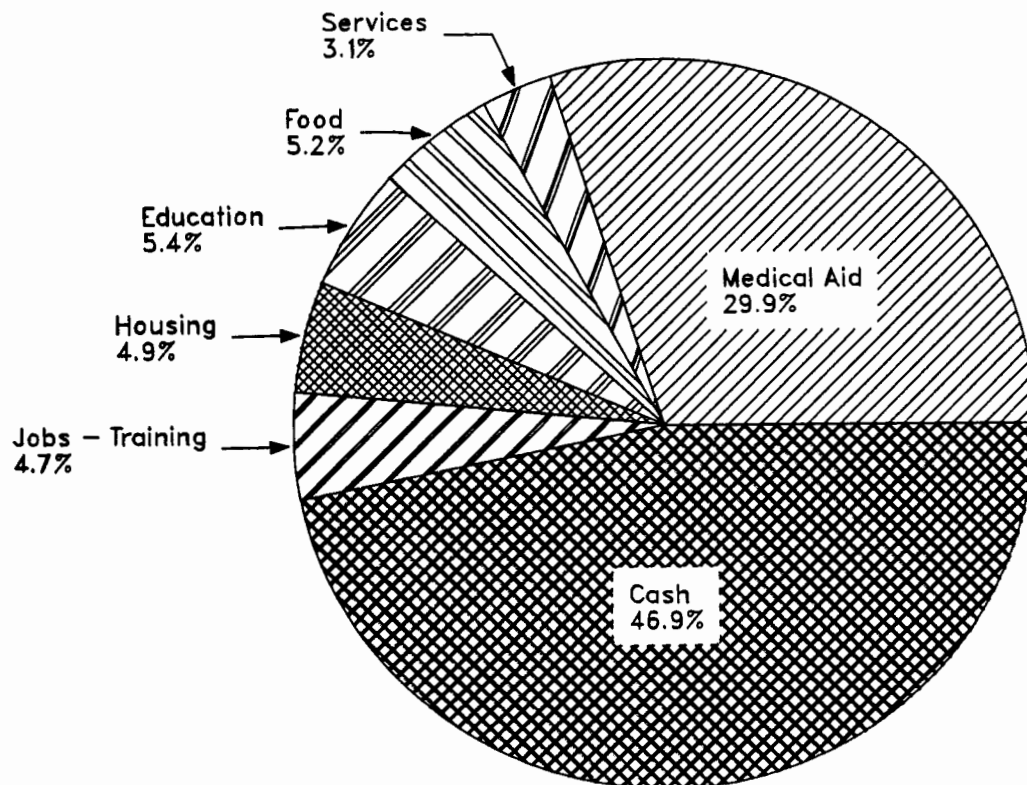
FY 1968	70.7%
1973	72.7
1975	72.8
1976	74.8
1977	74.8
1978	76.3
1979	77.0
1980	76.5
1981	74.4
1982	74.7
1983	75.3

#### D. Composition of Benefits

The largest increases during 1968-83 in need-based benefit expenditures were in forms other than cash. The result is a dramatic change in the composition of the benefit dollar. At the start of the period 46.9 cents per benefit dollar were given as cash, but by 1983 the cash share had fallen to 27.1 cents, a drop of 20 cents per dollar (42 percent). The share of aid provided as food and housing more than doubled during the period, rising from 10.1 cents per benefit dollar to 24.5 cents. The share given as medical aid rose 3.5 cents (15 percent), but the share provided as jobs and training and other services declined 2.3 cents (29 percent).

This is summarized in Charts 2 and 3. Table 5 shows, further, that in the 4 years, 1979-83, there was a significant shift toward aid in the form of medical benefits, food, education, and energy assistance. In this period the share of aid given as jobs-training plunged 7.1 cents per benefit dollar (78 percent).

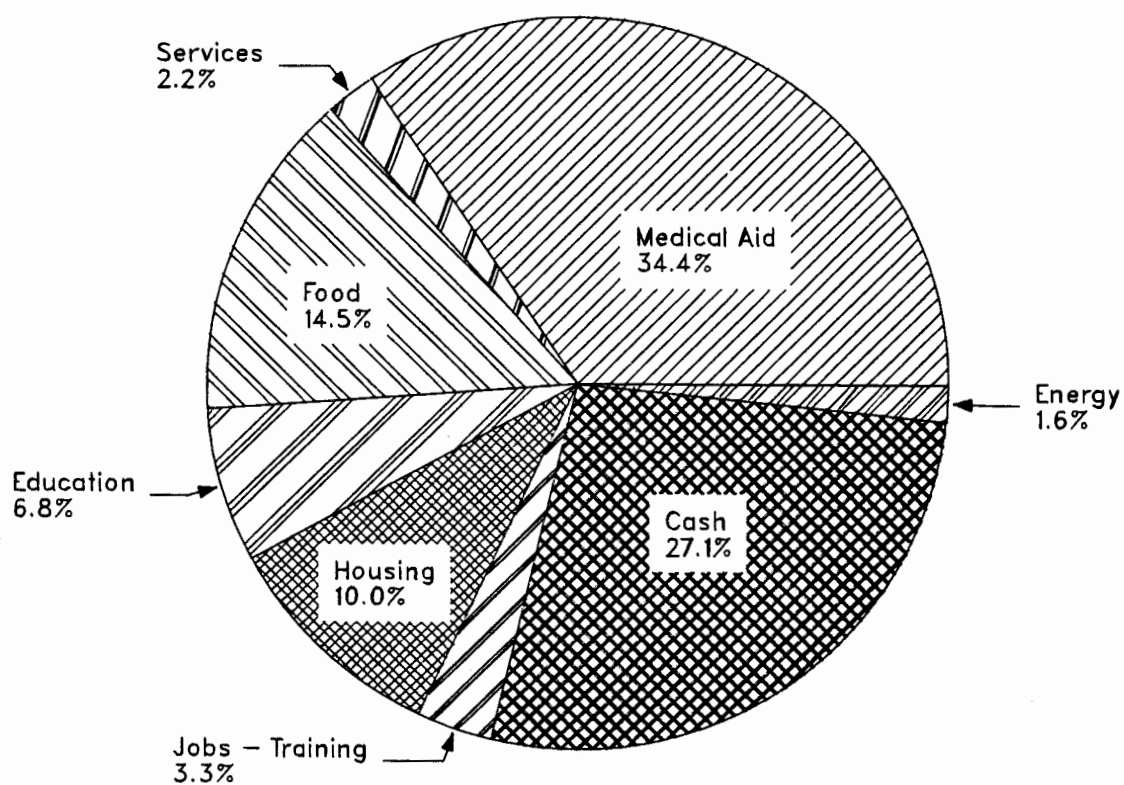
Chart 2  
Composition of Need-Based Benefit Dollar  
Fiscal Year 1968



Percentages do not sum to 100% due to rounding.



Chart 3  
Composition of Needs-Based Benefit Dollar  
Fiscal Year 1983



Percentages do not sum to 100% due to rounding.

TABLE 5. Composition of Need-Tested Benefits a/

Form of aid	FY 1968	FY 1979	FY 1980	FY 1981	FY 1982	FY 1983
	(percentage share of total aid)					
Medical Aid	29.9%	29.9%	31.0%	33.1%	34.5	34.4%
Cash	46.9	28.6	28.3	27.8	28.1	27.1
Food Benefits	5.2	12.0	13.0	14.0	13.7	14.5
Housing	4.9	8.9	8.9	8.9	9.6	10.0
Education Aid	5.4	5.5	4.9	4.2	6.9	6.8
Jobs-Training	4.7	10.4	8.4	6.5	3.4	3.3
Services	3.1	4.4	3.9	4.1	2.3	2.2
Energy Aid	0	0.3	1.7	1.7	1.5	1.6
	<u>100.0%</u> <u>b/</u>	<u>100.0%</u>	<u>100.0%</u> <u>b/</u>	<u>100.0%</u>	<u>100.0%</u>	<u>100.0%</u> <u>b/</u>

a/ Data sources are the same as for table 2.

b/ Total does not add because of rounding.

## INCOME TESTS OF THE BENEFIT PROGRAMS

Almost 90 percent of the programs in this report have an explicit test of income. The others base eligibility on area of residence, enrollment in another welfare program, or other factors that presume need.

The explicit income tests are of five kinds:

1. Income ceiling related to one of the Federal Government's official poverty measures (Census Bureau poverty thresholds or Federal poverty income guidelines).
2. Income limit related to State or area median income.
3. Income limit related to the Bureau of Labor Statistics' lower-level budgets.
4. Income below absolute dollar standard.
5. Income level deemed to indicate "need."

Table 6 classifies the 74 programs 3/ in this report by type of income test.

It shows that four Federal cash benefit programs use an absolute Federal dollar ceiling. The others, including Aid to Families with Dependent Children (largest cash program), base eligibility on State decisions about income need, as does Medicaid, the largest welfare program of all. Most food benefit programs tie eligibility to the Federal poverty income guidelines. Many housing programs base eligibility on area median income. Job programs, on the other hand, tend to use official poverty measures or BLS income standards, whichever are higher.

The benefit programs use income tests to decide eligibility and, in some cases, to decide whether to give free service or to charge a fee. Some programs admit a limited percentage of recipients with income above their customary limits. An example is Headstart.

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3/ The total number of classifications in table 6 exceeds 74 because many programs have alternative income tests.

TABLE 6. Income Eligibility Tests Used by Benefit Programs

Program 1/	Limit related to:				Income deemed "needy"	Area of residence	Enrollment in other program	Other
	Official poverty measure	BLS budgets	State/area median income	Dollar amount				
<b>MEDICAL BENEFITS</b>								
1. Medicaid -----					X 2/		X	
2. Medical care for veterans with non-service disability -----							X	X 3/
3. General assistance (medical) -----					X 2/			
4. Maternal and child health services -----	X 4/							
5. Indian health services -----						X		
6. Community health centers -----	X 5/					X 6/		
7. Medical aid for refugees and Cuban/Haitian entrants -----					X 2/			
8. Migrant health centers -----	X 5/							
9. Medical aid for certain Cuban refugees -----							X	
10. Crippled children's services ----	X 4/							
<b>CASH AID</b>								
11. AFDC -----					X 2/			
12. SSI -----				X 7/	X 8/			
13. Veterans' pensions -----				X				
14. General assistance -----					X 2/			
15. Earned income tax credit -----				X				
16. Foster care -----					X 2/			
17. Aid to refugees and Cuban/Haitian entrants -----					X 2/			
18. Emergency assistance -----					X 2/			
19. DIC (veterans' parents) -----				X				
20. General assistance to Indians -----					X 2/			
21. Adoption assistance -----				X 9/	X 2/			
22. Assistance to certain Cuban refugees -----					X 2/			
<b>FOOD BENEFITS</b>								
23. Food stamps -----	X							
24. School lunch (free and reduced-price meals) -----	X						X 10/	
25. WIC -----	X						X 11/	
26. Special food donations -----					X 2/			
27. Nutrition program for the elderly (no income test) -----								12/
28. School breakfast (free and reduced-price meals) -----	X						X 10/	
29. Child care food program -----	X							
30. Summer food service -----	X							
31. Food distribution program -----						X		
32. Special milk (free segment) -----	X							

TABLE 6. Income Eligibility Tests Used by Benefit Programs (Cont'd)

Program <u>1/</u>	<u>Limit related to:</u>				Income deemed "needy"	Area of residence	Enrollment in other program	Other
	Official poverty measure	BLS budget	State/ area median income	Dollar amount				
<b>HOUSING BENEFITS</b>								
33. Sec. 8 lower-income housing assistance -----			X					
34. Low-rent public housing -----			X					
35. Rural housing loans -----				X				
36. Rural rental housing loans -----				X				
37. Sec. 236 interest reduction payments -----			X					
38. Sec. 235 home-ownership assistance -----			X					
39. Sec. 101 rent supplements assistance -----			X					
40. Rural housing repair loans and grants -----					X			
41. Farm labor housing loans and grants -----					X			
42. Indian housing improvement grants -----					X			
43. Rural self-help technical assistance -----					X			
<b>EDUCATION</b>								
44. Guaranteed student loans -----					X <u>13/</u>			
45. Pell grants -----					X <u>13/</u>			
46. Headstart -----	X							
47. College work-study -----					X <u>14/</u>			
48. Supplemental educational opportunity grants -----					X <u>14/</u>			
49. Chap. 1 migrant education (no income test) -----								<u>15/</u>
50. National direct student loans -----					X <u>14/</u>			
51. Trio programs -----	X							
52. Follow through -----	X							
53. Vocational education work-study -----					X <u>16/</u>			
54. Fellowships for graduate and professional study -----					X <u>16/</u>			
55. Health professions student loans and scholarships -----	X <u>17/</u>				X <u>18/</u>			
56. Migrant high school equivalency (no income test) -----								<u>15/</u>
57. Ellender fellowships -----					X <u>19/</u>			
58. College assistance migrant program (no income test) -----								<u>15/</u>
59. Nursing student loans and scholarships -----	X <u>17/</u>				X <u>16/</u>			

TABLE 6. Income Eligibility Tests Used by Benefit Programs (Cont'd)

Program 1/	Limit related to:							
	Official poverty measure	BLS budgets	State/ area median income	Dollar amount	Income deemed "needy"	Area of residence	Enrollment in other program	Other
<u>JOBS AND TRAINING</u>								
60. Comprehensive employment and training services 20/	X 21/							
61. Summer youth employment 20/	X 21/							
62. Job corps 20/	X 21/						X	
63. Senior community service employment	X						X	
64. Work incentive program (WIN)								X
65. Youth employment Demonstra- tion programs 22/	X 21/	X			X			
66. Foster grandparents	X							X 23/
67. Public service employment 24/	X 21/						X	
68. Senior companions	X							X 23/
<u>SERVICES</u>								
69. Title XX social services 25/					X 2/			
70. Legal services	X							
71. Emergency food distribution and shelter								26/
72. Social services for refugees and Cuban/Haitian entrants					X 2/			
<u>ENERGY AID</u>								
73. Low-income energy aid	X 27/		X 27/		X 27/		X 27/	
74. Weatherization assistance	X				X			

- 
- 1/ Short titles and abbreviations are used in this table. See table of contents for full titles.
  - 2/ Need is decided by State (or locality).
  - 3/ Veteran must swear that he cannot pay for care.
  - 4/ The stated purpose of the Maternal and Child Health (MCH) Services Block Grant law is to enable States to assure access to quality MCH services to mothers and children, particularly those with low income (or limited availability of health services). The law defines low income in terms of the Federal poverty guidelines. This block grant which took effect in FY 1981, includes funding for crippled children's services.
  - 5/ The law limits free care to those below poverty.
  - 6/ All residents of the area served are eligible, but fees must be charged the non-poor.
  - 7/ For basic SSI payment from the U.S.
  - 8/ States decide need for an optional State supplement to SSI.
  - 9/ For a blind or disabled child.
  - 10/ Food stamp eligibility is accepted as documentation of eligibility for the free school lunch and free school breakfast programs.
  - 11/ Regulations provide that income limits shall not be lower than those for free or reduced-price health care, provided these limits are between 100 and 185 percent of poverty.
  - 12/ The law requires preference for those with greatest economic or social need.
  - 13/ Need is decided by a needs analysis system authorized by the Higher Education Act and updated annually by the Secretary of Education.
  - 14/ Need is decided by the educational institution, by use of a needs analysis system approved by the Secretary of Education.
  - 15/ There is no income test. Migratory children and students are presumed to be needy.
  - 16/ Need is decided by the educational institution.
  - 17/ For forgiveness of loans made to needy students who fail to complete studies.

18/ Need for loans is decided by the educational institution, by use of a needs analysis system approved by the Secretary of Education "in combination with other information" about the student's finances. For all health professional scholarships and for loans to students of medicine and osteopathy, Federal regulations define the required "exceptional financial need."

19/ Law makes eligible secondary students who are "economically disadvantaged," but does not define the term. There are no regulations.

20/ Chart shows practices under the Comprehensive Employment and Training Act (CETA), which was replaced by the Job Training Partnership Act (JTPA), effective in FY 1984. The new law uses similar eligibility rules for these programs.

21/ Federal poverty guidelines are used if higher than BLS income standard.

22/ Chart shows practices under CETA. Program was replaced by a block grant, effective in FY 1983.

23/ In States that provide SSI supplements, income limits can exceed 125 percent of poverty.

24/ This program was ended, effective FY 1982. Chart shows practice in 1981.

25/ Before P.L. 97-35, Federal law set an outer eligibility limit related to State median income and required one-half of Federal matching funds to be used for welfare recipients.

26/ Need was decided by voluntary agencies administering the benefits.

27/ States have the option of setting limits below outer Federal ceilings in this category.



POVERTY THRESHOLDS AND OTHER  
MEASURES OF NEED

On the next pages are found:

Estimated weighted average poverty thresholds in 1983, issued by the Census Bureau in January 1984.

Federal poverty income guidelines for 1984, issued by the Department of Health and Human Services in February 1984. 1/

Income eligibility levels for free and reduced price meals for the period July 1, 1984-June 30, 1985 (130 percent and 185 percent, respectively, of 1984 Federal poverty income guidelines).

Annual budgets for a four-person urban family, at three levels of living, autumn 1981, issued by the Bureau of Labor Statistics in April 1982.

Annual budgets for a retired urban couple, at three levels of living, autumn 1981, issued by the Bureau of Labor Statistics in July 1982.

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1/ Public Law 97-35 requires the Secretary of Health and Human Services (HHS) to revise at least annually "the official poverty line (as defined by the Office of Management and Budget). . ." The updating methodology was developed by the Office of Economic and Opportunity, continued by the Office of Management and Budget, and, since enactment of P.L. 97-35, has been used by the HHS Secretary.

TABLE 7. Bureau of the Census Poverty Thresholds  
in 1983

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	Estimated weighted average threshold: 1983 <u>a/</u>
<hr/>	
1 person .....	\$ 5,060
Under 65 years .....	5,180
65 years and over .....	4,770
2 persons .....	6,480
Householder under 65 years..	6,700
Householder 65 years and older	6,020
3 persons .....	7,940
4 persons .....	10,180
5 persons .....	12,060
6 persons .....	13,630
7 persons .....	15,520
8 persons .....	17,260
9 persons or more .....	20,330

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Factor used to update 1982 thresholds: 1.03217

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a/ Census Bureau press release, January, 25, 1984.

TABLE 8. 1984 Federal Poverty Income Guidelines a/Poverty Guidelines for All States Except Alaska and Hawaii


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<u>Size of Family Unit</u>	<u>Guideline</u>
1	\$ 4,980
2	6,720
3	8,460
4	10,200
5	11,940
6	13,680
7	15,420
8	17,160

---

For family units with more than 8 members, add \$1,740 for each additional member.

Poverty Guidelines for Alaska

<u>Size of Family Unit</u>	<u>Guideline</u>
1	\$ 6,240
2	8,410
3	10,580
4	12,750
5	14,920
6	17,090
7	19,260
8	21,430

---

For family units with more than 8 members, add \$2,170 for each additional member.

Poverty Guidelines for Hawaii

<u>Size of Family Unit</u>	<u>Nonfarm Family Guideline</u>
1	\$ 5,730
2	7,730
3	9,730
4	11,730
5	13,730
6	15,730
7	17,730
8	19,730

---

For family units with more than 8 members, add \$2,000 for each additional member.

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a/ Source: 49 Federal Register. No. 39. Feb. 27, 1984, p. 7152.

TABLE 9. Eligibility Levels for Free and Reduced-Price Meals for the Period July 1, 1984-June 30, 1985 a/

Family size	1983 Federal poverty income guidelines	Maximum income levels for free and reduced-price meals	
		Free meals 130%	Reduced-price meals 185%
<hr/>			
<u>48 States, District of Columbia, Territories excluding Guam</u>			
1 .....	\$ 4,980	\$ 6,474	\$ 9,213
2 .....	6,720	8,736	12,432
3 .....	8,460	10,998	15,651
4 .....	10,200	13,260	18,870
5 .....	11,940	15,522	22,089
6 .....	13,680	17,784	25,308
7 .....	15,420	20,046	28,527
8 .....	17,160	22,308	31,746
Each additional family member.....	+1,740	+2,262	+3,219
<hr/>			
<u>Alaska</u>			
1 .....	\$ 6,240	\$ 8,112	\$11,544
2 .....	8,410	10,933	15,559
3 .....	10,580	13,754	19,573
4 .....	12,750	16,575	23,588
5 .....	14,920	19,396	27,602
6 .....	17,090	22,217	31,617
7 .....	19,260	25,038	35,631
8 .....	21,430	27,859	39,646
Each additional family member .....	+2,170	+2,821	+4,015
<hr/>			
<u>Hawaii and Guam</u>			
1 .....	\$ 5,730	\$ 7,449	\$10,601
2 .....	7,730	10,049	14,301
3 .....	9,730	12,649	18,001
4 .....	11,730	15,249	21,701
5 .....	13,730	17,849	25,401
6 .....	15,730	20,449	29,101
7 .....	17,730	23,049	32,801
8 .....	19,730	25,649	36,501
Each additional family member .....	+2,000	+2,600	+3,700

a/ 49 Federal Register. No. 77, April 18, 1984. p. 15590.

TABLE 10. Summary of Annual Budgets for a Four-Person Family at Three Levels of Living, Urban United States, Autumn 1981 a/  
(U.S. Department of Labor Bureau of Labor Statistics--  
issued April 16, 1982)

	Lower budget	Intermediate budget	Higher budget
Total budget .....	\$15,323	\$25,407	\$38,060
Total family consumption .....	12,069	18,240	25,008
Food .....	4,545	5,843	7,366
Housing .....	2,817	5,546	8,423
Transportation .....	1,311	2,372	3,075
Clothing .....	937	1,333	1,947
Personal care .....	397	508	719
Medical care .....	1,436	1,443	1,505
Other family consumption .....	644	1,196	1,972
Other items.....	621	1,021	1,718
Social security and disability ..	1,036	1,703	1,993
Personal income taxes .....	1,596	4,443	9,340

NOTE: Because of rounding, sums of individual items may not equal totals.

a/ Last release of 4-person family budget data. The Labor Department eliminated the program after Congress passed the Omnibus Budget Reconciliation Act of 1981. It said funds were not available to make changes required to continue the program.

TABLE 11. Summary of Annual Budgets for a Retired Couple at Three Levels of Living, Urban United States, Autumn 1981 a/  
(U.S. Department of Labor, Bureau of Labor Statistics-  
issued July 30, 1982)

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Component	Lower budget	Intermediate budget	Higher budget
<hr/>			
Total budget <u>b/</u> .....	\$7,226	\$10,226	\$15,078
Total family consumption .....	6,914	9,611	13,960
Food .....	2,183	2,898	3,642
Housing .....	2,377	3,393	5,307
Transportation .....	553	1,073	1,960
Clothing .....	244	409	629
Personal care .....	198	290	424
Medical care <u>c/</u> .....	1,085	1,091	1,098
Other family consumptions .....	275	457	901
Other items .....	311	615	1,118

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NOTE: Because of rounding, sums of individual items may not equal total.

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a/ Last release of retired couple budget data. The Labor Department discontinued the program after Congress passed the Omnibus Budget Reconciliation Act of 1981. The Department said funds were not available to make changes required to continue the program.

b/ Beginning with the autumn 1973 updating of the budgets for the retired couple, the total budget is defined as the sum of "total family consumption" and "other items." Income taxes are not included in the total budgets.

c/ The estimates for medical care contain a preliminary estimate for "out-of-pocket" costs for Medicare.

CRS-27

CATALOGUE OF PROGRAMS OFFERING  
CASH AND NON-CASH BENEFITS  
TO PERSONS OF  
LIMITED INCOME





# 1. MEDICAID\*

## A. Funding Formula

By law, the Federal Government helps States share in the cost of Medicaid services by means of a variable matching formula that is adjusted biennially. The matching rate, which is inversely related to a State's per capita income, ranges from 50 to 77.63 percent in Fiscal Years (FYs) 1984-85. For FY 1983 the rate averaged slightly more than 54 percent for the Nation as a whole. The Federal share of administrative costs generally is 50 percent but as high as 90 percent for certain items. P.L. 97-35, the Omnibus Budget Reconciliation Act of 1981, provided for a reduction in total Federal funds to which a State is otherwise entitled in FY82-FY84 unless certain conditions are met.

### i. Federal Medical Assistance Percentage (FMAP)

The Federal share of a State's medical vendor payments is called the Federal medical assistance percentage (FMAP). The FMAP is higher for States with lower per capita incomes and lower for States with higher per capita incomes. If a State's per capita income were equal to the national average per capita income, its FMAP would be 55 percent. The law establishes a minimum FMAP of 50 percent <sup>1/</sup> and a maximum of 83 percent (though the highest rate in FY84-85 is 77.63 percent for Mississippi).

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<sup>1/</sup> For FY84 and FY85, 13 States and the District of Columbia must pay the maximum State share of 50 percent because their per capita income in the base period exceeded the national average by more than 5.4093 percent. The States are: Alaska, California, Colorado, Connecticut, Delaware, Hawaii, Illinois, Maryland, Nevada, New Jersey, New York, Washington, and Wyoming.

\* Regulations governing Medicaid are found in 42 C.F.R. 430-456.

The statutory formula for determining the FMAP follows: 2/

FMAP = 100% - State share (with a minimum of 50% and a maximum of 83%)

$$\text{State share} = \frac{(\text{State per capita income})^2}{(\text{National per capita income})^2} \times 45\%$$

By law, between October 1 and November 30 of each even-numbered year, the Secretary of HHS promulgates the percentage that will be in effect for the 2-year period beginning the following October. The percentages are based on the average per capita income of each State and the United States for the 3 most recent calendar years for which satisfactory data are available from the Department of Commerce. 3/

The law provides one exception to the FMAP. Family planning services are federally matched at a 90 percent rate.

#### ii. Administrative Matching Rate

The law specifies a Federal matching rate of 50 percent for administrative costs with the following exceptions: automated claims processing systems (90 percent for development, 75 percent for operation), professional medical personnel used in program administration (75 percent), establishment and operation of State fraud and abuse control units (90 percent for the first 3 years, 75 percent thereafter), and utilization review activities conducted by professional standards review organizations on utilization and quality control peer review organizations under contract (75 percent).

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2/ P.L. 97-35 required the Comptroller General to conduct a study of the FMAP and report the results to Congress by October 1, 1982. The study was to examine the feasibility and consequences of revising the formula to take into account: (1) the relative economic positions and needs of the different States; (2) the different amounts of welfare payments; (3) the relative cost of living and unemployment rates; (4) the relative taxable wealth and amount of taxes raised per capita; and (5) other relevant factors bearing on an equitable distribution of Federal funds. The report was issued on March 9, 1983.

3/ In the FY84-FY85 period the States and the District of Columbia fall into roughly three groups under the Medicaid formula: Federal share between 50 and 55 percent, 19 States; 55-65 percent, 17 States; 65-77.63 percent, 15 States. The rate for American Samoa, Guam, Puerto Rico, the Virgin Islands, and the Northern Mariana Islands is set by law at 50 percent. However, the law establishes annual limits on Federal expenditures in these outlying areas.

### iii. Reductions in Payments to States

P.L. 97-35, the Omnibus Budget Reconciliation Act of 1981, provides for reductions in Federal Medicaid payments to States in the FY82-FY84 period. States can lower the reductions otherwise applicable by meeting certain criteria and/or by spending less than a specified target amount.

The amount of Federal matching payments to which a State is otherwise entitled is to be reduced by 3 percent in FY82, 4 percent in FY83, and 4.5 percent in FY84. A State can lower the amount of its reduction by 1 percentage point for each of the following: (1) operating a qualified hospital cost review program; <sup>4/</sup> (2) sustaining an unemployment rate exceeding 150 percent of the national average; and (3) demonstrating recoveries from fraud and abuse activities, and with respect to FY82, third-party recoveries equal to 1 percent of Federal payments.

A State is entitled to a dollar-for-dollar offset in its reductions if total Federal Medicaid expenditures in a year fall below a specified target amount. In no case can the amount recovered exceed the total amount of reductions. In FY82, the target amount was equal to 109 percent of the State's estimate for FY81. The law specifies that the FY83 and FY84 targets shall equal the FY82 target increased or decreased by the percentage change in the index of the medical care component of the consumer price index over the same period. The FY 1983 target equalled 107.5 percent of the FY 1982 amount, and the FY 1984 target is estimated at 116.5 percent of the FY 1982 amount. A State entitled to an offset will receive payment for such amount during the first quarter of the following fiscal year. The law excludes the following items from the determination of whether a State spends less than its target amount for a year: (1) adjustments with respect to prior year claims; (2) interest paid on disallowances for prior years; (3) any offset payments the State has received for spending less than its target amount in the previous year, and (4) any of the reductions in the Federal funds a State receives that are imposed under the new law.

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<sup>4/</sup> A qualified hospital cost review program is one that has been established by statute, is operated directly by a State, applies to substantially all non-Federal hospitals, and reviews all non-Medicare inpatient revenues or expenses or at least 75 percent of all revenues or expenses including those arising under Medicare. Qualifying programs must assure the Secretary that each entity which pays for hospital services, employees, and patients (including the Medicare and Medicaid programs) is provided substantially equal treatment. For approval of its plan, moreover, a State must show that the annual rate of increase in aggregate hospital inpatient costs per capita or per admission has risen at least 2 percentage points less (using a 1-, 2-, or 3-year base) than the rate of inflation in all States without qualifying programs.

The reduction and offset provisions do not apply to the territories. 5/ They also do not apply to Arizona, which did not have a Medicaid program when the spending reduction provisions were approved. 6/

#### B. Eligibility Requirements

Eligibility for Medicaid is linked to actual or potential receipt of cash assistance under the programs of Aid to Families with Dependent Children (AFDC) and Supplemental Security Income (SSI) for the aged, blind, and disabled; there are two classes of eligibility under Medicaid: categorically needy and medically needy.

All State Medicaid programs cover the "categorically needy." In general, these are persons receiving cash aid from AFDC or SSI. Each State has the option of restricting Medicaid coverage of SSI recipients by requiring them to meet any more stringent eligibility rule that the State applied on January 1, 1972, to Medicaid coverage of needy aged, blind, or disabled adults in programs that preceded SSI. States choosing the more restrictive criteria must allow applicants to deduct medical expenses from income in determining eligibility. 7/ States also may cover additional persons as categorically needy; these include persons receiving State supplement SSI payments (SSP), persons who would be eligible for cash assistance except that they are residents in medical institutions (such as skilled nursing facilities), or children between ages 18 and 20 or any reasonable classification of such children. States may also extend coverage to unemployed fathers and their families or children of unemployed fathers.

States must extend Medicaid eligibility to aged, blind, and disabled persons who were eligible for Medicaid in December 1973 (before the start of SSI on January 1, 1974) as long as they meet the 1973 criteria; persons receiving mandatory State supplementary payments;

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5/ As noted before, a ceiling is imposed on Federal Medicaid funding for the outlying areas; within the ceiling, their FMAP is 50 percent.

6/ Beginning Oct. 1, 1982, Arizona began implementation of a three-year demonstration project under which specified services are to be provided to the indigent on a prepaid basis.

7/ As of Aug. 1, 1983, the following 14 States employed more restrictive criteria than SSI in determining Medicaid eligibility: Connecticut, Hawaii, Illinois, Indiana, Minnesota, Missouri, Nebraska, New Hampshire, North Carolina, North Dakota, Ohio, Oklahoma, Utah, and Virginia.

persons who would be eligible for cash aid except for a State barrier disallowed by Medicaid law; and persons actually receiving SSI and/or SSP payments who lose their eligibility for SSI or SSP solely because of a cost-of-living social security increase. Medicaid coverage also must be extended for 4 additional months to certain families whose AFDC cash assistance has been terminated provided they had received AFDC for at least 3 of the preceding 6 months; this extension applies only to families whose AFDC coverage has been terminated due to increased income from, or increased hours of, employment.

States also may cover the "medically needy" under their Medicaid programs. These are persons whose income and/or resources (as counted under eligibility rules of the relevant program of cash aid) is above the State standard for cash assistance, 8/ provided that: (1) they are aged, blind, disabled, or members of families with dependent children, and (2) their income (after deducting incurred medical expenses) falls below the State medically needy standard. 9/ Prior to enactment of P.L. 97-35, States having medically needy programs were required to offer comparable coverage to all four groups (i.e., aged, blind, disabled, and members of families with children). P.L. 97-35 provides that if a State offers medically needy coverage to any group, it must provide ambulatory services to children and prenatal and delivery services for pregnant women.

### C. Benefits

State Medicaid programs must offer the following services to categorically needy recipients: inpatient and outpatient hospital services; laboratory and X-ray services; skilled nursing facility (SNF) services for those over age 21; home health services for those entitled to SNF care; early and periodic screening, diagnosis, and treatment (EPSDT) for those under age 21; family planning services and supplies; and physicians' services. They also may provide medical services such as drugs, intermediate care facility (ICF) services, eyeglasses, inpatient psychiatric care for individuals under age 21 or over 65. States are permitted to establish limitations

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8/ Participating States set their own medically needy income standards within an outer Federal limit. By law, the limit is 133 1/3 percent of the maximum sum paid in the AFDC program to a unit of the same size.

9/ As of January 1984, the following 35 States and jurisdictions had medically needy programs: Arkansas, California, Connecticut, District of Columbia, Guam, Hawaii, Illinois, Kansas, Kentucky, Louisiana, Maine, Maryland, Massachusetts, Michigan, Minnesota, Montana, Nebraska, New Hampshire, New York, North Carolina, North Dakota, Northern Mariana Islands, Oklahoma, Oregon, Pennsylvania, Puerto Rico, Rhode Island, Tennessee, Utah, Vermont, Virgin Islands, Virginia, Washington, West Virginia, and Wisconsin.

on the amount of care provided under a service category (such as limiting the number of days of covered hospital care or number of physicians' services).

Prior to enactment of P.L. 97-35, States having medically needy programs were required, as a minimum, to offer this population group either all of the mandatory services, or alternatively the care and services listed in 7 of the 17 paragraphs in the law defining covered services, provided they met certain conditions (including offering a mix of institutional and noninstitutional services). P.L. 97-35 specifies that: (1) if a State provides medically needy coverage to any group, it must provide ambulatory services to children and pre-natal and delivery services for pregnant women; (2) if a State provides institutional services for any medically needy group, it must also provide ambulatory services for this population group; and (3) if the State provides medically needy coverage for persons in intermediate care facilities for the mentally retarded (ICF/MRs), it must offer to all groups covered in its medically needy program the same mix of institutional and noninstitutional services as required under prior law.

Federal law, as modified by P.L. 97-248, the Tax Equity and Fiscal Responsibility Act of 1982, permits States to impose cost-sharing charges for all persons for all services with the following exceptions:

- States are barred from imposing such charges on all categorically and medically needy children under age 18; States may provide that no copayments would be imposed for children aged 18 to 21.
- States are barred from imposing copayments on services related to pregnancy (including prenatal, delivery, and post partum services). States may provide that no copayments would be imposed for any service provided to pregnant women. These limitations apply both to the categorically needy and medically needy.
- States are barred from imposing copayments on services provided to categorically and medically needy inpatients in SNFs and ICFs who are required to spend all their income for medical expenses except for the amount exempted for personal needs.
- States may not impose copayments on family planning or emergency services for either the categorically needy or medically needy.
- States are precluded from imposing copayments on categorically needy HMO enrollees. They may also exempt the medically needy from such charges.

All copayment charges must be "nominal" in amount, with one exception. The Secretary may waive the "nominal" requirements in the case of non-emergency services provided in emergency rooms where the State has established, subject to the satisfaction of the Secretary, that alternative sources of nonemergency services are actually available and accessible. In such cases the State may impose a charge up to twice the amount defined as nominal.

In FY 1982, estimated average annual Medicaid payments per recipient were as follows: aged, \$3,222; blind, \$2,048; disabled, \$3,702; children, \$369; and adults in AFDC families, \$772. The estimated average annual payment for all groups was \$1,343.

FY 1983 program costs totaled \$35.0 billion, an increase of 7.7 percent over the \$32.4 billion recorded in FY 1982.

2. MEDICAL CARE FOR VETERANS WITH A NON-SERVICE-CONNECTED DISABILITY

A. Funding Formula

This program is funded 100 percent by the Federal Government. 1/

B. Eligibility Requirements 2/

Potentially, about 5 percent of the U.S. population is eligible to receive free Veterans Administration (VA) medical care. Veterans with access to medical care include four sometimes over-lapping groups: (1) veterans with service-connected disabilities; (2) recipients of veterans' pensions; (3) veterans 65 years and older; (4) veterans of any war, or of service after January 31, 1955, with non-service-connected disabilities for which they swear that they cannot defray medical expenses. (It should be noted that veterans over 65 years of age or in receipt of veterans' pension are not required to state under oath that they are unable to defray the cost of such care.) Based on VA estimates for FY83, approximately 58 percent of medical care is provided to veterans who meet a test of need, 3/ that is, veterans who either receive a cash pension or are medically indigent.

C. Benefit Levels

Benefits include prehospitalization, hospitalization, post hospitalization, prosthetic devices and nursing home care, domiciliary care, medical devices, outpatient care, prescribed drugs and medicine, and transportation services. FY83 outlays totalled \$4.4 billion, up 25 percent from the FY81 total of \$3.5 billion. In this period the estimated average monthly number of recipients (not including outpatients) increased by only 7 percent, from 63.5 thousand to 67.7 thousand.

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1/ However, through grants-in-aid, the VA also assists States that provide care in State veteran homes. The VA makes per diem payments for the care of eligible veterans and participates in the cost of constructing State home facilities.

2/ Eligibility rules of this program are found in 38 C.F.R. § 17.46-17.48 (1982).

3/ Based on VA estimate that 58 percent of veterans receiving VA medical care were below the poverty level of income.



### 3. GENERAL ASSISTANCE (MEDICAL CARE COMPONENTS) 1/

#### A. Funding Formula

No Federal funds are available for this program, which helps persons who do not qualify for Medicaid.

As of late 1982, medical assistance for cash recipients of General Assistance (GA) and for other persons ineligible for Medicaid was fully State funded in 15 States 2/ and the District of Columbia. Twenty-three States provided no funds for local medical aid programs. 3/ Eleven States generally shared the cost of GA medical assistance with localities. 4/ Finally, Arizona, which has never operated a traditional Medicaid program, on October 1, 1982, began a 3-year demonstration project that was judged to be qualified for Federal Medicaid funds. Thus, it now has no GA medical assistance program.

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1/ State data reported here are drawn from a study entitled "Characteristics of General Assistance Programs, 1982," prepared by Urban Systems Research and Engineering, Inc., Cambridge, Massachusetts, for the U.S. Department of Health and Human Services. Contract No. HHS-100-82-0038.

2/ Alaska, Hawaii, Kansas, Louisiana, Maryland, Massachusetts, Missouri, Oklahoma (which gives assistance in the form of limited cash for medical emergencies), Oregon, Pennsylvania, Rhode Island, Vermont, Washington, West Virginia, and Wyoming.

3/ States with very limited county programs: Alabama, Arkansas, Georgia, Kentucky, Mississippi, New Mexico, North Carolina, North Dakota, South Carolina, Tennessee, and Texas. Other States with county-funded aid: Delaware, Florida, Idaho, Indiana, Iowa, Montana, Nebraska, Nevada, New Hampshire, South Dakota, Vermont, and Wisconsin.

4/ In this group are Illinois, which provides 100 percent State funds for medical assistance in Cook County (Chicago) and several downstate townships, but requires local funding elsewhere; Michigan, which provides 100 percent State funds for outpatient care, none for inpatient care; and Maine, which provides 100 percent State funds for aid in unorganized municipalities, but requires other localities to share funding.

### B. Eligibility Requirements

To receive GA medical assistance, a person generally must be deemed needy and must live where such aid is available. Many areas use the same eligibility rules for GA medical assistance as for GA cash aid (see program No. 14). Some have more liberal rules, and will aid the medically needy, whose incomes exceed limits for cash help. When West Virginia stopped paying for GA cash assistance in 1980, it continued to fund medical assistance under its program, General Assistance for Disabled Adults. Some counties offer help only for medical emergencies.

### C. Benefit Levels

The scope of medical assistance varies among States and, often, within them. In counties with very limited aid, help usually takes the form of medical care by county hospitals. As of late 1982, three States reported that their programs of GA medical assistance were more comprehensive than Medicaid: Alaska, Rhode Island, and Wyoming. Connecticut said its program was comparable to that of Medicaid. However, in most areas, GA medical assistance was more limited than Medicaid. For example, the Oklahoma program consisted of adding up to \$70 for emergency medical needs to a person's cash relief grant.

Several States reported cutbacks in GA medical assistance. Effective in January 1982, South Carolina eliminated medical benefits for GA cash recipients. Effective in September 1982, California eliminated from State-only MediCal medically indigent adults (aged 21-64) who were not linked to Federal assistance programs and gave block grants to the counties to establish county medical programs to assist such persons. In 1983 Illinois suspended its program of Aid to the Medically Indigent, which had provided ongoing hospital and physician benefits comparable to Medicaid for persons ineligible for Medicaid through the State. Missouri reported that GA medical services had been "significantly restricted" in 1981-82.

The U.S. Department of Health and Human Services estimated that State-local outlays for GA medical assistance (which it calls "State-only Medicaid") declined 18 percent in FY 1982, from the 1983 record high of \$3.2 billion to \$2.6 billion. Its preliminary estimate of 1983 outlays is \$2.4 billion, down 8 percent from 1982.

4. MATERNAL AND CHILD HEALTH SERVICES, TITLE V OF THE  
SOCIAL SECURITY ACT 1/

A. Funding Formula

1. Previous Authority. For FY 1981 and previous fiscal years, about 90 percent of the title V appropriation had to be made available for maternal and child health (MCH) and crippled childrens (CC) services with the remainder designated for research and training activities. The MCH appropriation was divided into halves, called Fund A and Fund B. Fund A was apportioned among the States by a formula specified in the law and required State matching, dollar for dollar. Each fiscal year, a State received from Fund A a grant of \$70,000, plus that portion of the remainder of Fund A which equalled its proportionate share of live births in the United States. No State matching was required for Fund B.

In each fiscal year, \$10 million was allocated from Fund B to States and institutions of higher learning for establishment of projects to serve the mentally retarded. Of the remainder, at least 75 percent was allocated to States on the basis of State per capita income and the number of live births, with rural births given twice the weight of urban births. These funds were intended to assist States in carrying out their State plans. The remaining 25 percent or less, known generally as "Reserve B" or "RB" funds, was retained at the Federal level for discretionary grants for special projects of regional or national significance.

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1/ P.L. 97-35, the Omnibus Budget Reconciliation Act of 1981, consolidated the MCH and CC programs into an MCH block grant with the following other Federal grant programs: services for disabled children enrolled in the Supplemental Security Income program, lead-based paint poisoning prevention, genetic diseases, sudden infant death syndrome, hemophilia treatment centers, and the adolescent pregnancy program. Effective Oct. 1, 1981, States could begin administering MCH block grants. P.L. 97-35 provided that the Secretary of Health and Human Services would continue matching grants under existing programs until a State assumed authority for the MCH block grant, but stipulated that States must do so before Oct. 1, 1982. As of August 1982, every State and territory had begun implementing the block grant.

## 2. Current Authority

Fifteen percent of the MCH block grant appropriation in FY 1982, and between 10 and 15 percent in FY 1983 and FY 1984, is retained at the Federal level to fund special projects, research, training and genetic disease and hemophilia programs. The remainder of the appropriation is distributed among States to provide services. Each State receives a share of funds equal to the proportion it received in FY 1981 for the consolidated programs, excluding those in the set-aside. States must spend three State dollars for every four Federal dollars received through the block grant.

Between 10 and 15 percent of the block grant appropriation is reserved for MCH projects of regional and national significance, research and training, and genetic disease and hemophilia programs. These programs are federally administered.

### B. Eligibility Requirements

1. Previous Authority. For FY 1981 and previous fiscal years, title V of the Social Security Act authorized States to use Federal funds to extend and improve health services for mothers and children, "especially in rural areas and in areas suffering from severe economic distress." Neither in the law nor in Federal regulation was income defined, and each State determined who was eligible for maternal and child health services. Federal regulations stated that income standards used by the States in determining eligibility for treatment and in setting fee schedules must consider family size and the family's other financial responsibilities. In order to be entitled to its allotment of MCH funds, each State was required to provide a "program of projects." Under this program, States had to implement a project in each of five areas: maternity and infant care, children and youth, family planning dental health, and intensive infant care.

2. Current Authority. For FY 1982 and subsequent fiscal years, States are to use Federal funds to assure mothers and children, particularly those with low income or limited availability of health services, access to quality MCH services. Low-income persons are defined as individuals or families with an income below 100 percent of the poverty level. 2/

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2/ The 1984 Federal poverty guidelines were issued in February by the Department of Health and Human Services, using the methodology of the Office of Management and Budget (OMB). For a family of four, the guideline is \$10,200 in 1984.

C. Benefit Levels

1. Previous Authority. For FY 1981 and previous fiscal years, States determined the level of services. Regulations 3/ defined maternal and child health services as (1) the provision of educational, preventive, diagnostic and treatment services; (2) the development, strengthening and improvement of standards and techniques relating to such services and care; (3) the training of personnel engaged in the provision, development, strengthening, or improvement of such services and care; and (4) administrative services in connection with such services and care.

2. Current Authority. For FY 1982 and subsequent fiscal years, States determine the level of services. The law forbids States to charge fees for services provided to persons whose income is below the poverty guideline.

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3/ 42 C.F.R. § 51a. 101(j) (1981).

## 5. INDIAN HEALTH SERVICES

### A. Funding Formula

This program is 100 percent funded by the Federal Government.

### B. Eligibility Requirements

Persons eligible under regulations of the Public Health Service <sup>1/</sup> are persons of Indian (or Alaskan Native) descent belonging to the Indian, Aleut, or Eskimo community served by the local health facilities and program and the non-Indian wives of such persons. In addition, a person may be regarded eligible if he is regarded as an Indian by the community in which he lives. The program serves Federal reservations, Indian communities in Oklahoma and California, and Indian, Eskimo, and Aleut communities in Alaska. In addition, under the Indian Health Care Improvement Act of 1976, P.L. 94-437, the Indian Health Service contracts with 37 urban Indian organizations to make health services more accessible to the urban Indian population.

### C. Benefit Levels

The Indian Health Service of the Public Health Service provides hospital, medical, and dental care. Included are outpatient services and the services of mobile clinics and public health nurses, as well as preventive care, including immunizations and health examinations of special groups, such as school children. All services are provided free of charge to beneficiaries.

Benefits include inpatient and outpatient health services through 47 hospitals and their outpatient departments, 84 health centers (including school health centers), and 300 small health stations and satellite clinics; contracts with non-Federal hospitals, clinics, private physicians and dentists; and contractual arrangements with State and local health organizations.

FY83 program expenditures totalled \$679.2 million, up 12 percent from the FY83 total of \$606.3 million. The annual number of recipients rose 10 percent during this same time, from approximately 750,000 to an estimated 883,000.

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<sup>1/</sup> 42 C.F.R. § 36.12 (1983).

## 6. COMMUNITY HEALTH CENTERS

### A. Funding Formula

Under section 330 of the Public Health Service (PHS) Act, centers are funded and administered by the Federal Government. Starting in FY 1983, States have had the option, under the authority of the Primary Care Block Grant created by P.L. 97-35, to administer the community health centers program themselves. <sup>1/</sup> Under this option, States receive block grant allotments based on the proportion of funds awarded to community health centers in the State in FY 1982. In order to be eligible for grants under this block grant, States are required to match Federal funds. For FY 1983, the matching rate is 20 percent of a State's allotment; for FY 1984 it is 33-1/3 percent.

In States which do not choose to administer this block grant themselves, the Federal Government continues to administer the community health centers under the authority of section 330 of the PHS Act.

### B. Eligibility Requirements

Section 330 of the PHS Act provides support for the community health centers, a term that includes family health centers, community health networks, neighborhood health centers, and other similar projects previously funded under the Economic Opportunity Act and other laws. The law makes eligible for service all residents of an area served by a community health center, but regulations limit free service to those with family income below CSA poverty guidelines.

The law says that centers should be located in "medically underserved" areas, to be designated by the Secretary of Health and Human Services (HHS). By regulation, medically underserved areas are designated by taking into consideration such factors as: (1) ratio of primary care physicians to population, (2) infant mortality rate,

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<sup>1/</sup> West Virginia and the Virgin Islands assumed administration of the block grant in FY 1983.

(3) percentage of population aged 65 and over, and (4) percentage of population with family income below the poverty level. 2/

C. Benefit Levels

PHS regulations 3/ limit free service to those with family income at or below the most recent CSA poverty income guidelines. The 1984 Federal poverty income guideline is \$10,200 for a family of four, plus or minus \$1,740 per person for bigger or smaller family sizes). 4/ Nominal fees may be collected from such individuals and families, under certain circumstances. Individuals and families with annual incomes greater than the poverty index but below 200 percent of it are required to pay for services from a discount fee schedule adjusted on the basis of the patient's ability to pay. Full payment, to cover reasonable costs, is required from those with income that exceeds twice the poverty level.

The centers provide a range of primary health services on an ambulatory basis, including diagnostic, treatment, preventive, emergency, transportation, and preventive dental services and can arrange and pay for hospital and other supplemental services in certain circumstances if approved by the Secretary.

FY83 costs totalled \$360 million, up 11 percent from the FY81 total of \$323.6 million. The annual number of recipients dropped 10 percent in this period, from 5 million to 4.5 million.

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2/ 42 C.F.R. § 51c. 102(e) (1983).

3/ 42 C.F.R. § 51c. 303(f) (1983).

4/ The 1984 guidelines were issued in February by the Department of Health, Education, and Welfare, using the methodology of the Office of Management and Budget (OMB).



## 7. MEDICAL ASSISTANCE TO REFUGEES AND CUBAN/HAITIAN ENTRANTS

### A. Funding Formula

The Refugee Act (P.L. 96-212) authorizes 100 percent federally funded medical assistance for needy refugees during their first 3 years in the United States. Title V of the Refugee Education Assistance Act (P.L. 96-422), popularly referred to as the Fascell-Stone amendment, authorizes similar assistance for certain Cubans and Haitians who have recently entered the United States. The Federal refugee assistance program reimburses States 100 percent for the non-Federal share of Medicaid payments to refugees and entrants who qualify for that program. It also provides "refugee medical assistance" to needy refugees and entrants who are not categorically eligible for Medicaid. Medical assistance to refugees and entrants is authorized through FY 1984.

### B. Eligibility Requirements <sup>1/</sup>

A person must (a) have been admitted to the U.S. as a refugee under provisions of the Immigration and Nationality Act, or (b) be a Cuban or Haitian paroled into the United States between April 10 and October 10, 1980, and designated "Cuban/Haitian entrant," or (c) be a Cuban or Haitian national who arrived in the U.S. after October 10, 1980, who has an application for asylum pending or is subject to exclusion or deportation and against whom a final order of deportation has not been issued.

If a needy refugee or entrant is eligible for Medicaid, he may receive assistance under that program. If a refugee or entrant meets the income and assets tests prescribed by his State of residence for Medicaid eligibility but does not otherwise qualify for that program because of its categorical requirements, the refugee or entrant is eligible for "refugee medical assistance."

Effective April 1, 1981, only refugees or entrants in the U.S. 3 years or less qualify for fully-reimbursed medical assistance. Effective April 1, 1982, the special "refugee medical assistance" made available to those refugees and entrants categorically ineligible for Medicaid ends 18 months after the refugee or entrant's entry

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<sup>1/</sup> Regulations governing this program are found in 45 C.F.R. 400-401.

into the U.S. For the next 18 months States can be reimbursed for any medical assistance provided to a refugee or entrant under a State or local general assistance program. Income limits for GA are generally lower than for medicaid and services may be less extensive.

C. Benefit Levels

Medical benefits consist of payments made on behalf of needy refugees to doctors, hospitals, and pharmacists. Federal law requires State Medicaid programs to offer certain basic services, but authorizes States to determine the scope of services and reimbursement rates, except for hospital care.

## 8. MIGRANT HEALTH CENTERS

### A. Funding Formula

The centers are funded 100 percent by the Federal Government.

### B. Eligibility Requirements

Section 329 of the PHS Act authorizes grants to support migrant health centers. Eligible for services are both migratory farm workers and their families (and former migratory agricultural workers who are aged or disabled) and seasonal farm workers. The law defines "migratory farm worker" as a person whose principal employment is in agriculture on a seasonal basis, who has been so employed within the last 2 years, and who establishes a temporary abode for the purpose of this work. "Seasonal farm worker" is defined as a person whose principal employment is in agriculture on a seasonal basis and who is not a migratory agriculture worker.

Centers are targeted to service "high migrant impact" areas, which are counties or other political subdivisions of a State in which at least 4,000 migratory farm workers and members of their families and/or seasonal workers and their families live for more than 2 months in a calendar year. In fiscal year 1981 migrant health centers served 557,000 persons, of whom 368,000 were migrants and 189,000 were seasonal farm workers.

### C. Benefit Levels

PHS regulations 1/ limit free service to those with family income at or below the most recent Community Service Administration (CSA) poverty income guidelines. 2/ The 1984 Federal poverty income guideline is \$9,900 for a family of four, plus or minus \$1,740 per person for bigger or smaller family sizes. Nominal fees may be collected from such individuals and families. Individuals and families with annual incomes greater than the poverty index but below 200 percent of it are required to pay for services from a discount fee

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1/ 42 C.F.R. § 56.303(f)(1983).

2/ The 1984 Federal poverty guidelines were issued in February by the Department of Health and Human Services, using the methodology of the Office of Management and Budget (OMB).

schedule adjusted on the basis of the patient's ability to pay. Full payment, to cover reasonable costs, is required from those with income that exceeds twice the poverty level.

The centers provide primary health care services, including diagnostic, therapeutic, preventive, and emergency services. The law stipulates that preventive care includes children's eye and ear examinations and dental care for all groups. The centers have also developed "linkages" with other programs, such as the Department of Agriculture's Women, Infant and Children (WIC) nutrition program and Alcohol, Drug Abuse, and Mental Health Administration projects.

Fiscal year 1983 costs totalled \$38.1 million, down 11.8 percent from the fiscal year 1981 total of \$43.2 million. In fiscal year 1983, annual recipients totalled 394,000.

## 9. MEDICAL ASSISTANCE TO CERTAIN CUBAN REFUGEES

### A. Funding Formula

The Migration and Refugee Assistance Act of 1962 authorized Federal reimbursement for the costs of providing medical assistance to needy Cuban refugees. The Refugee Act of 1980 repealed this authority and phased out Federal cost sharing by stages, ending on September 30, 1981. However, the Refugee Act authorized the indefinite continuation of 100 percent Federal reimbursement for the non-Federal share of the costs of Medicaid for aged, blind, or disabled Cuban refugees whose Medicaid entitlement is a result of their enrollment in the Supplemental Security Income (SSI) program. The phased-out reimbursements were for the non-Federal share of Medicaid benefits to Cuban refugees receiving cash assistance other than SSI under the Cuban refugee program, and for State administrative costs. The rates of Federal reimbursements for those costs were as follows: FY 1979, 85 percent; FY 1980, 75 percent; FY 1981, 60 percent.

### B. Eligibility Requirements

Currently, only those Cuban refugees who received SSI payments as of September 30, 1978 and continue to receive these benefits are eligible. Before FY 1982, Cuban refugees who were receiving other cash aid under the Cuban refugee program before October 1, 1978, were also eligible.

### C. Benefit Levels

Medical benefits consist of payments made on behalf of needy refugees to doctors, hospitals, and pharmacists. Federal law requires State Medicaid programs to offer certain basic services, but authorizes States to determine the scope of services and reimbursement rates, except for hospital care.

10. CRIPPLED CHILDREN'S SERVICES, TITLE V OF THE SOCIAL SECURITY ACT 1/

A. Funding Formula

1. Previous Authority. For FY 1981 and previous fiscal years, about 90 percent of the title V appropriation was required to be made available for MCH and CC services, with the remainder designated for research and training activities. Grant funds for CC services were divided into two halves, called Fund A and Fund B. Fund A was apportioned among the States in accordance with criteria in the law and required State matching, dollar for dollar. Each fiscal year a State received from Fund A a grant of \$70,000, plus that portion of the remainder of Fund A which equalled its proportionate share of the number of children under 21 in the United States. No State matching was required for Fund B. In each fiscal year, \$10 million was allocated from Fund B to States and institutions of higher learning for establishment of projects to serve mentally retarded crippled children. Of the remainder, at least 75 percent was allocated to States on the basis of State per capita income and the number of children under 21, with rural children given twice the weight of urban children. These funds were intended to assist States in carrying out their State plans. The remaining 25 percent or less, known generally as "Reserve B" or "RB" funds, were retained at the Federal level for discretionary grants for special projects of regional or national significance.

2. Current Authority

For FY 1982 and later years between 85 and 90 percent of the MCH block grant appropriation is allotted among States based on

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1/ P.L. 97-35, the Omnibus Budget Reconciliation Act of 1981, consolidated the MCH and CC programs into an HCM block grant with the following other categorical programs: services for disabled children enrolled in the Supplemental Security Income program, lead-based paint poisoning prevention, genetic diseases, sudden infant death syndrome, hemophilia treatment centers, and the adolescent pregnancy program. Effective Oct. 1, 1981, States could begin administering MCH block grants. P.L. 97-35 also provided that the Secretary of Health and Human Services would continue matching grants under existing programs until a State assumed authority for the MCH block grant, but stipulated that States must do so before Oct. 1, 1982. As of August 1982, every State and territory had begun implementing the block grant.

the State's proportion of total funds allotted to all States in FY 1981 under certain categorical programs now included in the block. These categorical programs include maternal and child health and crippled children's services, supplemental security income services for disabled children, lead-based paint poisoning prevention programs, genetic disease, sudden infant death syndrome, hemophilia treatment centers, and adolescent pregnancy. States must spend three State dollars for every four Federal dollars received through the block grant.

Between 10 and 15 percent of the block grant appropriation is reserved for MCH projects of regional and national significance, research and training, and genetic disease and hemophilia programs. These programs are administered at the Federal level.

#### B. Eligibility Requirements

1. Previous Authority. For FY 1981 and previous fiscal years, title V of the Social Security Act authorized States to use Federal funds to extend and improve services to crippled children "especially in rural areas and in areas suffering from severe economic distress." Regulations defined a crippled child as one under 21 years of age, "who has an organic disease, defect, or condition 2/ which may hinder the achievement of normal growth or development." Diagnostic services had to be provided without any eligibility requirements. States determined who received aid.

2. Current Authority. For FY 1981 and subsequent fiscal years, States are to use Federal funds to assure mothers and children, particularly those with low income or limited availability of health services, access to quality MCH services. The Act defines low income persons as individuals or families with an income below 100 percent of the poverty level. 3/

#### C. Benefit Levels

1. Previous Authority. Federal law and DHHS regulations described types of services that could be provided. Grants were used for locating crippled children and providing medical, surgical, corrective, and other services for diagnosis, hospitalization, and

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2/ 42 C.F.R. § 51a. 101(f) (1981).

3/ The 1984 Federal poverty guidelines were issued in February by the Department of Health and Human Services, using the methodology of the Office of Management and Budget (OMB). For a family of four, the guideline is \$10,200 in 1984.

aftercare for such children. States decided the level of services. Regulations defined crippled children services as: (1) the early location of crippled children; (2) the provision for such children of preventive, diagnostic and treatment services; (3) the development, strengthening and improvement of standards and techniques relating to such care and services; (4) the training of personnel engaged in the provision, development, strengthening, or improvement of such care and services; and (5) administrative services in connection with such care and services. 4/

2. Current Authority. States determine the level of services. The law forbids State to charge fees for services provided to persons whose income is below the poverty guideline.

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4/ 42 C.F.R. § 51a. 101(k) (1983).



# 11. AID TO FAMILIES WITH DEPENDENT CHILDREN (AFDC)

## A. Funding Formula 1/

The Federal Government pays at least 50 percent of each State's benefit payments 2/ and more than 70 percent in 9 States. 3/ Federal matching for AFDC varies from State to State, depending, within limits, on per capita income. Under matching formulas in the law, about 54 percent of each AFDC benefit dollar is paid by the Federal Government and 46 percent is paid by the States, some of which require local governments to share costs. The Federal share varies among States, ranging from 50 percent to 77.63 percent, and it is inversely related to State per capita income. 4/ The Federal Government pays 50 percent of administrative costs in all States (90 percent for development and installation of automated systems of management information).

The Federal share of a State's AFDC payments is determined by the matching formula specified for medicaid in title XIX of the Social Security Act. (States may choose an alternate formula, specified for AFDC only in title IV of the act, but in early fiscal year 1984 none did so.)

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1/ For a history of the AFDC matching formulas, and for a discussion of alternative formulas, see "Analysis of Federal-State Cost-Sharing in the Aid to Families With Dependent Children Program," March 1982 (CRS Report 82-62 EPW).

2/ If a State's per capita income exceeds the national average by more than 5.4093 percent, the State must pay the maximum share of 50 percent. In fiscal years 1984 and 1985, 13 States and D.C. are in this position. The 14 jurisdictions are: Alaska, California, Colorado, Connecticut, Delaware, District of Columbia, Hawaii, Illinois, Maryland, Nevada, New Jersey, New York, Washington, and Wyoming.

3/ Alabama, Arkansas, Kentucky, Maine, Mississippi, South Carolina, Tennessee, Utah, and West Virginia.

4/ In FY 1984-1985 the States and the District of Columbia fall roughly into three groups under the Medicaid formula: Federal share between 50 and 55 percent, 19 States; 55-65 percent, 17 States; and 65-77.63 percent, 15 States.

Unlike the Medicaid formula, this "regular" AFDC formula places a ceiling on average benefits eligible for Federal funds.)

The medicaid cost-sharing formula used to determine the State and Federal shares of AFDC benefit payments is as follows:

State share = State per capita income squared/national  
per capita income squared x 45 percent

Federal share = 100 percent - State share (with a minimum  
of 50 percent and a maximum of 83 percent)

For the outlying areas, Guam, Puerto Rico, and the Virgin Islands, 75 percent Federal matching is provided for AFDC benefits and administration, but the law imposes a ceiling on Federal funds.

States decide whether their localities must help pay for AFDC. At the start of FY 1982, 10 States required their localities to pay some portion of benefit cost, 5/ and 13 States required them to help pay administrative costs. 6/

In FY 1983 Federal funds paid \$7.3 billion of the nation's \$13.6 billion bill for AFDC benefits (53.6 percent). For AFDC administrative costs, which totaled \$1.792 billion (including training costs), the Federal share was slightly above 50 percent.

#### B. Eligibility Requirements

Title IV of the Social Security Act permits States to give AFDC cash to needy children (and their mothers or other caretaker relatives) who have been deprived of support or care of one parent because:

- their fathers are absent from home continuously (86.9 percent of the children), are incapacitated (5.3 percent), dead (2.2 percent), or unemployed (4.1 percent); or
- their mothers are incapacitated, absent, dead, or unemployed (1.5 percent). 7/

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5/ These States were California and New York, the two leading AFDC States, plus Colorado, Indiana, Minnesota, Montana, New Jersey, North Carolina, North Dakota, and Ohio.

6/ The 13 States were the 10 shown in footnote No. 5, plus Mississippi, Nebraska, and Virginia. Further, Arizona required localities to contribute office space and Arkansas required 27 of its 79 counties to help pay AFDC administrative costs.

7/ These percentages are from March 1979 AFDC Study, conducted by the U.S. Department of Health, Education and Welfare.

Before October 1, 1982, when P.L. 97-248 took effect, a needy child whose father was absent for military service could receive AFDC, and 0.3 percent of AFDC children qualified on this basis in March 1979.

Children must be under the age of 18 or, at State option, under 19 if still in high school or technical school. Before P.L. 97-35, States could extend eligibility until a student's 21st birthday and college students could qualify. All States aid needy families without able-bodied fathers in the home, but as of September 1983 only 23 States (plus the District of Columbia and Guam) offered AFDC to children with two able-bodied parents at home, one of whom was "unemployed." <sup>8/</sup> These AFDC-UP States paid relatively high benefits, and held more than two-thirds of the Nation's AFDC caseload. Federal regulations define an unemployed parent as one working fewer than 100 hours a month, but require that the parent have a specified history of previous work in order to qualify for AFDC. Under P.L. 97-35, AFDC on grounds of a parent's unemployment is allowed only if the unemployed parent is the family's "principal earner."

To receive AFDC, families must be "needy" by State standards and must meet a test of counted resources, established by the State within outer Federal limits. State need standards for an AFDC family of 3 persons ranged in January 1984 from \$179 in Tennessee to \$696 in Alaska and \$816 in Vermont. In all States except Vermont and Alaska need standards were below the 1983 Census Bureau poverty threshold for a 3-person family, \$662. In judging an applicant family's eligibility, all of its income is counted except for a portion of earnings: \$75 flat allowance for expenses and child care costs, up to \$160 per child.

AFDC countable income limits (payment standards) are set by States. In 29 jurisdictions payment standards in January 1984 were below need standards. As a result, in most States a family could be denied aid on income grounds, even though it was deemed needy by the State. For a family of three, countable income limits ranged in January 1984 from \$118 monthly in Alabama to \$530 in Vermont, \$579 in Suffolk County, New York, and \$696 in Alaska.

P.L. 97-35 established a Federal gross income limit for AFDC for the first time. It is 150 percent of the State's standard

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<sup>8/</sup> Congress authorized aid for a child needy because of a parent's unemployment in 1961, but limited it to families of unemployed fathers in 1967. In 1979 the U.S. Supreme Court ruled that the program must be open to children of unemployed mothers on terms equal to those for children of unemployed fathers, and so it again became an unemployed parent program. See Califano v. Wescott, 443 U.S. 76 (1979). In 1981, in the Omnibus Budget Reconciliation Act, Congress restricted AFDC-UP to families whose principal earner was unemployed.

of need; in more than one-half of the States this is below the poverty threshold. This law also set a counted resource limit: \$1,000 (equity value) per family. Excluded are the home (by law); an auto (limited by regulation to \$1,500 in equity value, or a lower State limit); and, by regulation and at State option, items of personal property deemed essential to daily living. <sup>9/</sup> Prior Federal regulations set outer resource limits eligible for Federal matching, namely: home, personal effects, automobile used for transportation income-producing property, plus \$2,000 per AFDC recipient in real and personal property.

Federal law requires almost all able-bodied AFDC recipients to register for training and employment services (which may include job search for no more than 8 weeks per year) unless they are school children or mothers of preschool children. In March 1979, 43 percent of AFDC mothers had no preschool child. P.L. 97-35 allows <sup>10/</sup> States to establish community work experience programs in which AFDC recipients are required to work on public projects in exchange for their AFDC benefits (known as work relief or workfare). For such programs, States are permitted to require participation of mothers whose youngest child is three, provided child care is available.

Federal law also requires AFDC mothers to assign their child support rights to the State and to cooperate with welfare officials in establishing the paternity of a child born outside of marriage in obtaining support payments from the father.

P.L. 97-35 requires States to consider as available to an AFDC child part of the income of a stepparent who lives with him.

### C. Benefit Levels

States set benefit levels. In January 1984 maximum payments per family of three without countable income (State AFDC guarantees) ranged from \$96 per month in Mississippi to \$696 in Alaska (and to \$530 in Vermont and \$579 in Suffolk County, New York). For families of four, the range was from \$120 in Mississippi to \$775 in Alaska (and to \$625 in California and \$676 in Suffolk County, New York). In December 1983 benefits averaged \$320 per family (2.9 persons), \$307 for 1-parent families, and \$470 for AFDC-UP families. Most AFDC recipients also are eligible, on income and asset grounds, for food stamps; and all automatically are eligible for Medicaid.

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<sup>9/</sup> Regulations implementing the 1981 AFDC law are found at 45 C.F.R. § 205, 206, 233, 234, 235, 237, and 238.

<sup>10/</sup> The President's budget for FY 1982, 1983, 1984 and 1985, proposed to require States to establish community work experience programs.

Because maximum food stamp benefits are uniform for the 48 contiguous States and D.C. and because actual benefits are inversely scaled to income, they reduce the range among States in potential income benefits available to AFDC families. For example, the gap between Mississippi and California in maximum benefits for a 3-person family is reduced from \$430 (cash only) to \$336 monthly when food stamps are added (January 1984 data).

During the first 4 months of a job undertaken by an AFDC recipient, Federal law requires States, in calculating the family's AFDC grant, to disregard a portion of the recipient's earnings: a flat expense allowance, \$75 monthly, for full-time work, prorated for part-time work; child care costs up to a ceiling of \$160 monthly per child; \$30 earned monthly, plus one-third. 11/

The imposition of an overriding gross income limit at 150 percent of the State's need standard prevents full use of the work incentive bonus (disregard of \$30 plus 1/3 in earnings) in many States. After an AFDC recipient spends 4 months on a job, her work incentive disregard expires; then all her earnings except the flat expense allowance and capped child care costs are subtracted from the family's welfare grant. At that point any increase in "net" earnings (gross wages minus flat allowance and child care costs) causes an equal cut in the AFDC check.

P.L. 97-35 permits States to treat the value of food stamps and housing subsidies as income, up to the value for food or shelter that is included in the State's need standard. 12/

The Tax Equity and Fiscal Responsibility Act of 1982 (P.L. 97-248) reduced AFDC benefits for most recipients by requiring States to round benefits down to the next lower dollar. That law also permits States to reduce benefits for AFDC families in shared housing by pro-rating shelter and utility costs.

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11/ Before passage of P.L. 97-35, AFDC law required States to give AFDC recipients a permanent work incentive bonus. Prior law required States to disregard the first \$30 earned monthly, plus one-third of the remainder, plus all reasonable work expenses, in that order. Because of these deductions, AFDC families remained eligible for a declining cash welfare payment and full Medicaid benefits until gross earnings equalled 150 percent of their State's payment standard, plus 150 percent of work expenses, plus \$30 monthly. Under the rules, most mothers in the AFDC program could not expect to earn their way off welfare, although they could lessen their dependence on it. Average monthly earnings of AFDC mothers were far below AFDC exit points in most States for 3- and 4-person families.

12/ The President's FY 1983 budget proposed to require States to count Federal energy assistance as income for AFDC, up to the value for utilities in the standard of need. Congress rejected this recommendation.

## 12. SUPPLEMENTAL SECURITY INCOME (SSI)

### A. Funding Formula

Since its January 1974 beginning, SSI has provided a minimum income floor, financed by U.S. general revenue and administered by the Social Security Administration (SSA), to persons eligible under Federal rules. States may provide additional payments to SSI recipients at their own expense. In addition, a "grandfather" clause requires States to provide supplements to a small number of persons, previously enrolled in the pre-SSI programs of Federal-State cash aid for needy adults, whose income otherwise would fall short of its December 1973 level. 1/

If a State chooses to have the Federal Government administer its supplements, it must agree to provide supplements for all Federal SSI recipients of the same class. If SSA administers State supplements to SSI, Federal funds pay all administrative costs, plus, until 1985, a share of the cost of supplementary benefits of Wisconsin and Hawaii. 2/ If States administer their own supplements, they must pay all their costs but are generally free to design their own supplementary programs and may adopt more restrictive eligibility rules than those of SSI. In December 1983 the Federal Government administered supplements for 27 jurisdictions.

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1/ The Department of Health and Human Services estimated the number of recipients of mandatory State supplementary payments at 10,188 in May 1984.

2/ These States are eligible for Federal funding of the costs of passing through to recipients of SSI State supplements the annual cost-of-living rise in the basic Federal SSI grant, provided their own spending for supplements (to provide benefits equal to "adjusted payment levels" of the pre-SSI program plus the cost-of-living increases in the Federal benefit since 1977) exceeds their CY 1972 spending on cash aid to the aged, blind, and disabled. This is because they had "hold-harmless" status, qualifying them for Federal reimbursement of additional SSI expenditures caused by caseload growth, as of July 1, 1977. Effective on that date, two provisions of P.L. 94-585 took effect: (1) requirement that States maintain their aggregate spending on SSI supplements after a rise in the basic Federal benefit and (2) provision of Federal funds for this pass-through rule in States that then possessed hold-harmless protection. The 98th Congress voted to phase out these "hold-harmless" payments, and they are scheduled to end in 1985 (P.L. 97-248).

In FY83, Federal funds paid 78.5 percent of total SSI benefits of \$9.2 billion. <sup>3/</sup> The Federal share ranged from 46 percent in California and 58 percent in Massachusetts, States with large supplements, to 100 percent in Georgia, Tennessee, Texas, and West Virginia, where no recipient received a supplement.

#### B. Eligibility Requirements

Title XVI of the Social Security Act entitles to Federal payments persons who are (1) aged 65 and over, blind, or disabled; (2) whose counted income and resources fall within limits set by law and regulations, and (3) who live in one of the fifty States, the District of Columbia, or the Northern Mariana Islands.

For basic Federal benefits, countable income limits (calendar year 1984) are \$942 quarterly per individual and \$1,416 per couple. These income ceilings equal maximum Federal benefits of the program (see below for benefit details). For State supplementary SSI benefits, countable income limits are higher, ranging up to \$1,698 quarterly per individual in Alaska.

Countable resources may not exceed \$1,500 per individual and \$2,250 per couple. Excluded assets include a home; the first \$2,000 in equity value of household goods and personal effects; the full value of an auto if needed for employment or medical treatment, or if modified for use by a handicapped person, otherwise, the first \$4,500 in market value of the auto; and a life insurance policy not exceeding \$1,500 in cash surrender value and, under terms of P.L. 97-248, burial plots and funds, subject to a limit. <sup>4/</sup>

P.L. 98-21 requires the Social Security Administration (SSA), when notifying social security beneficiaries aged 64 about their approaching eligibility for Medicare, to inform them also about SSI. The law also required SSA, before July 1984, to notify all elderly social security beneficiaries with low benefits about the availability of SSI.

#### C. Benefit Levels

The Social Security Act establishes benefit levels and requires that whenever social security benefits are increased because of an automatic cost-of-living adjustment (COLA), SSI benefits be increased at the same time and by the same percentage.

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<sup>3/</sup> These data represent 12 monthly payments. The U.S. Budget shows <sup>13</sup> payments for 1983 and 11 for 1984.

<sup>4/</sup> SSI resource rules are found in 20 C.F.R. § 416. Subpart L (1983).

SSI basic monthly guarantees: 5/

	<u>1984</u>	<u>1985</u> <u>(estimate) 6/</u>
Individual	\$314	\$328
Couple	\$472	\$492

From 1975 through 1982, cost-of-living adjustments (COLA) were paid each July. In passing the Social Security Amendments of 1983, Congress accepted President Reagan's proposal to delay the 1983 COLA for 6 months, to January 1984, and thereafter to adjust benefits each January. At the same time it voted an increase of \$20 monthly in SSI benefits (\$30 per couple), payable in July 1983.

States that supplement SSI benefits are required to "pass through" to recipients an increase in the Federal basic benefit. 7/ However, when Congress deferred the 1983 COLA and instead enacted the \$20 benefit increase (about 7 percent), it required States to pass through only about half this amount (the 3.5 percent increase that the regular COLA would have yielded).

State supplements for aged persons living independently were offered in 26 States plus the District of Columbia and ranged from \$2 in Oregon to \$252 in Alaska and \$163 in California, as of January 1984.

To assure some gain from work, SSI disregards a portion of recipients' earnings, namely, \$65 per month, plus 50 percent of

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5/ The law requires a one-third SSI benefit reduction for those who live in another person's household and receive support and maintenance in kind from him.

6/ February 1, 1984 estimate of the Social Security Administration, which assumed a 4.3 percent rise in the Consumer Price Index for urban wage earners (CPI-W) from the third quarter of 1983 to the same quarter of 1984. However, the law requires the CPI-W to rise at least 3 percent in this period for an automatic COLA to be paid. As of early June, 1984, it appeared that this trigger level of inflation might not be reached.

7/ The requirement for pass-through is satisfied if a State's total spending for SSI supplements during the relevant 12-month period is not below that for the preceding 12 months (P.L. 94-585).



the balance. 8/ Because of this rule, aged SSI recipients without social security benefits or other unearned income who work remain eligible for a declining SSI payment until gross earnings equal double their basic benefit plus \$85 monthly. 9/ In a State that does not supplement the basic Federal benefit, the gross income limit in 1984 for an aged SSI recipient is \$713 monthly in earnings. In Alaska the limit is \$1,217 monthly in earnings.

In all but 14 States 10/ SSI recipients automatically are eligible for Medicaid. In the 14 States with more restrictive eligibility rules, States must deduct medical expenses of SSI recipients in determining their countable income.

Disabled SSI recipients whose counted earnings exceed the "substantial gainful activity" test that determines disability status (\$300 monthly) are eligible for special cash benefits (calculated as though they still had disability status), as long as their gross earnings are below the regular SSI ceiling (\$713 in a State without supplementation). The special cash benefit preserves medicaid eligibility for the disabled worker.

In January 1984 federally administered SSI benefits averaged \$162 to aged recipients, \$264 to the blind, and \$253 to the disabled. Half of the Nation's 3.9 million SSI recipients also receive social security, and about 3 percent also have earnings. As of December 1982, SSI checks were supplementary to social security benefits for 70 percent of aged SSI recipients, 38 percent of blind recipients, and 36 percent of disabled recipients. In that month income was earned by 1.4 percent of aged recipients and by 6.5 and 4.4 percent, respectively, of the blind and disabled. Social security benefits of dual recipients averaged \$231. Earnings of SSI recipients with jobs averaged \$108. 11/

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8/ For blind or disabled recipients, the law provides additional deductions from earnings. Blind: disregard the first \$65 earned, plus one-half of the rest, plus reasonable work expenses. Disabled: disregard the first \$65 earned, work and living expenses caused by the disability, plus one-half of the rest. For both blind and disabled SSI recipients, income needed for the fulfillment of a self-support plan approved by the HHS Secretary also is disregarded. (The special expense deduction for the disabled was enacted in June 1980 as a provision of P.L. 96-265.)

9/ The \$85 disregard consists of the first \$20 of any income plus \$65 in earnings.

10/ Connecticut, Hawaii, Illinois, Indiana, Minnesota, Missouri, Nebraska, New Hampshire, North Carolina, North Dakota, Ohio, Oklahoma, Utah, and Virginia.

11/ DHHS. Social Security Administration. Office of Policy. Office of Research, Statistics, and International Policy. Program and Demographic Characteristics of Supplemental Security Beneficiaries. December 1982.

### 13. PENSIONS FOR NEEDY VETERANS, THEIR DEPENDENTS, AND SURVIVORS

#### A. Funding Formula

The Federal Government provides 100 percent funding for veterans' pensions.

#### B. Eligibility Requirements

Under Title 38 of the United States Code, chapter 5, veterans are eligible for pensions provided: they served honorably for at least 90 days, including at least 1 day of wartime service, they are totally and permanently disabled for reasons not related to their military service <sup>1/</sup> and not caused by "willful misconduct or vicious habits," and have income below prescribed limits (listed in section below on benefit levels). At age 65 veterans are deemed to be disabled, regardless of physical condition. Survivors of veterans who were disabled by a non-service cause also are eligible for pensions if they meet the income test.

Virtually all private income of a veteran and his family, including Social Security benefits and adult earnings, is counted as available. Excluded from countable income are current earnings of a child that are below the child's Federal income tax threshold (\$3,300 yearly in 1984), amounts paid by a child for postsecondary education or vocational rehabilitation training expenses, and cash welfare aid. Also excluded are proceeds from the sale of non-business property and amounts of family income equal to unreimbursed medical expenses that exceed 5 percent of the basic annual benefit rate (those exceeding \$276 in January-December 1984 for a single veteran, for example). <sup>2/</sup>

#### C. Benefit Levels

The Veterans' and Survivors' Pension Improvement Act of 1978 (P.L. 95-588) increased maximum pension rates, effective January 1, 1979. The law provided that thereafter, whenever social security benefits were increased because of an automatic cost of living adjustment (COLA), veterans' pensions would be increased at the same time and by the same percentage. Thus, benefits were increased 14.3 percent

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<sup>1/</sup> Veterans disabled because of military service are eligible for compensation payments, for which there is no income test.

<sup>2/</sup> Eligibility rules of this program are found in 38 C.F.R Part 3.

effective June 1980, 11.2 percent effective June 1981, and 7.4 percent effective June 1982 (paid in July each year). However, in passing the Social Security Amendments of 1983, Congress accepted President Reagan's recommendation to delay the 1983 COLA in social security benefits, until January 1984, and thereafter to adjust benefits each January. Since COLAs for veterans' pensions are tied to those for social security, COLAs for veterans' pensions also have been shifted to January for the future. The January 1984 COLA was 3.5 percent.

The maximum benefit schedule:

Family Size <u>a/</u>	June 1982 - Dec. 1983		Jan. 1984 - Dec. 1984	
	Veteran	Widow(er)	Veteran	Widow(er)
1	\$5,328	\$3,570	\$5,515	\$3,695
2	6,980	4,677	7,225	4,841
3	7,883	5,580	8,160	5,776
4	8,786	6,483	9,095	6,711
5 <u>b/</u>	9,689	7,386	10,030	7,646

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a/ This column refers to the veteran plus dependents, and to the widow(er) plus children.

b/ For each additional child, add \$903 for June 1982-December 1983 and \$935 for calendar year 1984.

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Veterans who served before World War I receive an extra \$1,245 payment annually.

The veterans' pension schedule guarantees a 1984 income above the Census Bureau's 1983 poverty thresholds for veterans with no more than two dependents. For widows and widowers, and for veterans with three or more dependents, the program's maximum benefits are below the poverty threshold. 3/

In fiscal year 1983 pensions averaged \$3,157 per case to veterans, \$1,494 per case to veterans' survivors (\$263 and \$125 monthly, respectively). FY 1983 pension benefits totalled \$3.9 billion, up 3 percent from the FY 1981 total of \$3.8 billion. In the same period the number of recipients declined by 17.5 percent.

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3/ Estimated average poverty thresholds of the Census Bureau in 1983 (issued Jan. 1984): single non-aged person \$5,180; single aged person, \$4,770; family of two, \$6,480, family of three, \$7,940; family of four, \$10,180; family of five, \$12,080.

#### 14. GENERAL ASSISTANCE (NON-MEDICAL CARE COMPONENT) 1/

##### A. Funding Formula

No Federal funds are provided for General Assistance (GA). GA is a general name for State and local programs that help persons who do not qualify for Aid to Families with Dependent Children, Supplemental Security Income, or Emergency Assistance to Needy Families with Children. In many States GA is known as "General Relief." 2/

As of late 1982, 25 jurisdictions, including D.C. and the three outlying areas, operated Statewide GA programs, fully funded by the State. 3/ Nineteen States provided no funds for local relief programs, although four of these States required their localities to offer GA. 4/ One State (West Virginia) had no cash GA program, having ended State funding for it in 1980. The remaining nine States generally shared GA costs with localities.

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1/ State data reported here are drawn from a study entitled "Characteristics of General Assistance Programs, 1982," prepared by Urban Systems Research and Engineering, Inc., Cambridge, Massachusetts, for U.S. Department of Health and Human Services. Contract No. HHS-100-82-0038.

2/ Seven States use the term, General Relief: Alaska, Arkansas, California, Iowa, Missouri, Ohio, and Virginia. Other names include: home relief (New York), poor relief (Indiana and some Tennessee counties); pauper's fund (some Tennessee counties); direct assistance (Nevada), and direct relief (New Hampshire).

3/ The 25 jurisdictions: Alaska, Arizona, Arkansas, Delaware, D.C., Guam, Hawaii, Kansas, Louisiana, Maryland, Massachusetts, Michigan, Missouri, New Mexico, Oklahoma, Oregon, Pennsylvania, Puerto Rico, South Carolina, Rhode Island, Utah, Vermont, Virgin Islands, Washington, and Wyoming.

4/ Alabama, California, Colorado, Florida, Georgia, Idaho, Indiana, Iowa, Kentucky, Mississippi, Montana, Nebraska, Nevada, New Hampshire, North Carolina, South Dakota, Tennessee, Texas, and Wisconsin. Although California provided no State funds for General Relief, it helped counties finance AFDC-Non-Federal (AFDC-NF), a program for families ineligible for federally aided grants.

## B. Eligibility Requirements

To receive GA, a person must be judged in financial need and must live where such aid is offered. Further, in many areas one must be disabled or otherwise deemed unemployable. In jurisdictions that allow GA for employables, eligibility often is restricted to persons with dependent children, and recipients usually must participate in work programs, if available.

Definitions of need vary among States and even within them. In the 19 States where localities must pay all GA costs, counties, townships, and municipalities decide who is aided and how much. Availability of GA varies within these States, as follows: All counties--California, 5/ Indiana, Montana, 5/ Nebraska, New Hampshire 5/ and South Dakota; more than one-half of the counties--Florida, Idaho, 5/ Iowa, Texas, and Wisconsin; between one-fourth and one-half of the counties--Mississippi, North Carolina, Colorado; fewer than one-fourth of the counties--Georgia, Kentucky, and Nevada; unknown proportion, Alabama and Tennessee.

In the nine States with shared funding, GA is available throughout the State, except in Virginia, where a few counties have no programs. Eligibility terms are generally uniform in Minnesota, New Jersey and New York, but they vary among localities in Connecticut, Illinois, Maine, North Dakota, and Virginia.

As of late 1982, 30 jurisdictions reported that most of their GA cash recipients were single adults. Of these jurisdictions, 15 either restricted aid to unemployables or concentrated aid on them, 6/ 4 States said most of their recipients were employables, 7/ and the other 11 States did not characterize their caseload by employability.

Four States reported that most of their GA recipients were intact families with children 8/

Seven States reported that they had programs of work relief ("workfare," in which recipients work in exchange for that aid) or work training in all counties: Hawaii (program called

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5/ State law requires localities to have local relief programs. However, not all counties in Idaho did so in late 1982.

6/ Arizona, Colorado, Connecticut, District of Columbia, Kansas, Louisiana, Maryland, Minnesota, Missouri, New Hampshire, New Mexico, Oregon, Rhode Island, South Carolina, and Washington.

7/ Illinois, New Jersey, Ohio, and Pennsylvania.

8/ Alaska, Nebraska, North Dakota, and Oklahoma.

Temporary Labor Force); Kansas; Michigan (work experience or work training) New Jersey; New York (public works projects); Ohio; and Rhode Island (Work Training Program).

California and Wisconsin said most of their counties had work relief programs for employable GA recipients. Illinois, Indiana and New Hampshire, said many of their counties had such programs; Idaho, Iowa, Maryland, Maine, Montana, Nebraska, North Dakota, Pennsylvania, and Virginia said some of their counties had such programs. Utah, which bars GA for fully employable persons, said it had a small work relief program limited to partially disabled persons.

Many States use non-Federal funds to continue cash aid to families who lose AFDC eligibility upon their youngest child's 18th birthday (19th birthday in some States). <sup>9/</sup> Some States offer GA to two-parent families with an unemployed parent who fails the work history requirement or the primary earner test of AFDC <sup>10/</sup> Some States use GA funds to aid disabled persons pending their SSI applications (and are reimbursed by the Social Security Administration for persons found eligible).

In addition, Maryland, Minnesota, and some counties in Wisconsin and Iowa have special aid programs for needy veterans' and Wisconsin provides relief to needy Indians who live on tax-free land.

GA benefit levels vary among States and, often within them. They range from small one-time emergency payments to regular payments similar to those of AFDC or SSI. For example, California's maximum monthly payment for an individual ranged in late 1982 from a low of \$40 to a high of \$250. The range in New York was from \$177 to \$299, with the difference reflecting differences in area shelter maximums. Arkansas State law sets a ceiling of \$40 on monthly payments for an individual, but county welfare directors sometimes increased payments at their discretion.

Most jurisdictions generally provided basic aid in the form of cash; some used combinations of cash and vendor payments; some used vouchers.

During FY 1981, the U.S. Department of Health and Human Services stopped collecting dollar data about GA programs.

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<sup>9/</sup> Some 20 States permit cash payments to continue for the mother, 16 for the child.

<sup>10/</sup> California, one of these States, has a special non-federally funded program for such cases, called "AFDC-NF." New York and Michigan make such families potentially eligible for their regular GA programs.

The U.S. Census Bureau reports that direct cash assistance by States and localities totaled \$1.7 billion in 1981 and \$1.9 billion in 1982. The preliminary estimate for 1983, based on a Congressional Research Service survey of States with large programs, is \$2.1 billion.

Most GA programs offer medical assistance as well as cash. For medical aid provided under State-local GA programs, see program No. 3.

15. EARNED INCOME TAX CREDIT (EITC) 1/

A. Funding Formula

This benefit is 100 percent federally funded.

B. Eligibility Requirements

The Earned Income Tax Credit (EITC) is available to a parent 2/ (or parents) with earnings whose adjusted gross income is not above \$10,000 annually and who maintains a household 3/ for a child who can be claimed as his tax dependent. To receive the credit, a person need not owe or pay any income tax. However, he must apply for the credit, either by filing an income tax return at the end of the tax year or by filing an earned income eligibility certificate with his employer for advance payments of the credit. 4/ To be eligible for EITC, married couples must file a joint income tax return.

C. Benefit Levels

The Earned Income Tax Credit, as amended by the Revenue Act of 1978 (P.L. 95-600), equals 10 percent of the first \$5,000 of earnings, including net earnings from self-employment, but may not exceed \$500 per

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1/ Called Earned Income Credit (EIC) in tax forms and literature.

2/ The Senate approved a floor amendment to the tax bill in July 1981 to bar illegal aliens from EITC eligibility but the House did not, and the provision died in conference.

3/ The Internal Revenue Service has ruled that those who use AFDC funds to pay part of the cost of maintaining a home for a child may not count these welfare benefits as their own contribution. Thus, an AFDC parent is ineligible for the credit if the family's AFDC grant equals or exceeds half the cost of keeping up the house in the tax year. Generally, the parent's earnings must exceed the AFDC benefit.

4/ The option for advance payments by addition to paychecks became available in July 1979.



family. <sup>5/</sup> The size of credit is unrelated to the number of dependents of a worker. Between earnings of \$5,000 and \$6,000, the maximum credit of \$500 is received. For each dollar of adjusted gross income (or, if higher, earned income) above \$6,000 the credit is reduced by 12.5 cents. As a result, it ends when adjusted gross income reaches \$10,000.

Before January 1, 1980, EITC benefits could not be taken into account for purposes of determining eligibility of the recipient for benefits or assistance under any Federal program or under any State or local program financed in whole or in part with Federal funds. Effective January 1980, the EITC was treated as earned income when received.

The maximum EITC was raised from \$400 to \$500, effective for 1979 earnings, and advance payments of the credit were permitted beginning on July 1, 1979. Since October 1981, P.L. 97-35 has required welfare offices to assume that an AFDC family considered eligible for EITC is receiving it on an advance-basis (as an addition to the paycheck), regardless of whether it is so paid.

In FY 1983 earned income credits (generally earned in 1982) totalled \$1.8 billion, of which about \$1.2 billion represented Treasury payments in excess of current year tax liability and \$0.6 billion offset tax liability. Some 6.4 million families claimed the credit, which averaged about \$284 per family. Of total recipients, 4.6 million received direct EITC payments in the form of Treasury checks.

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<sup>5/</sup> Originally, the maximum credit was \$400 per family, phased out by 10 percent of earnings between \$4,000 and \$8,000. The maximum credit was raised to \$500 by the Revenue Act of 1978 (P.L. 95-600). EITC was enacted in 1975 as a temporary measure and made permanent in 1978.

## 16. FOSTER CARE

Note: The program described here started on October 1, 1980, established in a new part (Part IV-E) of the AFDC title of the Social Security Act. Previously, foster care was a separate component of the regular AFDC program.

### A. Funding Formula

The Medicaid matching formula (see program No. 1) decides the Federal funding share in each State. Under the Medicaid formula, Federal funds pay 55 percent of foster care program costs in a State with average per capita income. For others, the Federal share ranges from 50 to more than 77 percent, with the share inversely related to per capita income.

In years through 1984, a State-by-State ceiling on funds applies if the appropriation for child welfare services reaches a specified trigger amount. The ceiling applied in FY81, but not in FY82, FY83 or FY84.

### B. Eligibility Requirements <sup>1/</sup>

A child must meet AFDC eligibility rules. See AFDC (program No. 11). In some States, those that have implemented prescribed child welfare and foster care procedures, eligibility extends to children placed in foster care under a voluntary placement agreement between the welfare agency and parents (through FY84 only). Elsewhere children are eligible only if removed from home as a result of a judicial determination that this was required for their welfare.

### C. Benefit Levels

States determine payments to foster parents and institutions, and children automatically are eligible for Medicaid. The law setting up this program (Adoption Assistance and Child Welfare Act of 1980, P.L. 96-272) requires that States provide preventive and reunification services for each foster child by October 1, 1983. It required States (by October 1, 1982) to set goals for the maximum proportion of foster children to be in foster care for more than 2 years.

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<sup>1/</sup> Regulations of this program are found in 45 C.F.R. 1355, 1356, and 1357. See Federal Register, Vol. 48, No. 100, May 23, 1983, 23104-23119.

17. ASSISTANCE TO REFUGEES AND CUBAN/HAITIAN ENTRANTS  
(CASH COMPONENT)

A. Funding Formula

The Refugee Act of 1980 authorizes 100 percent federally funded cash assistance for needy refugees during their first years in the United States. Title V of the Refugee Education Assistance Act P.L. 96-422) authorizes similar assistance for certain Cubans and Haitians who have recently entered the U.S. The Federal refugee assistance program reimburses States 100 percent for the non-Federal share of Aid to Families with Dependent Children (AFDC) payments to refugees and entrants, and for any State supplementary payments to refugees and entrants under the Supplementary Security Income (SSI) program. It also provides "refugee cash assistance" to needy refugees and entrants who are categorically ineligible for AFDC or SSI. The refugee and entrant program cash assistance is authorized through FY84.

B. Eligibility Requirements 1/

A person must (a) have been admitted to the U.S. as a refugee under provisions of the Immigration and Nationality Act, or (b) be a Cuban or Haitian paroled into the United States between April 20 and October 10, 1980 and designated "Cuban/Haitian entrant," or (c) be a Cuban or Haitian national who arrived in the United States after October 10, 1980, who has a pending application for asylum or is subject to exclusion or deportation, and against whom a final order of deportation has not been issued.

If a needy refugee is aged, blind or disabled he is eligible for SSI cash benefits on the same basis as citizens or permanent resident aliens (see SSI program description). Refugees or entrants who meet the income and asset tests prescribed by their State for AFDC, as well as the categorical requirements of the State's AFDC program, are eligible for AFDC cash benefits. Those who meet the State's income and asset tests but who are not categorically eligible for AFDC or SSI qualify for "refugee cash assistance." (For example, a single refugee or a childless or employed couple could receive refugee cash assistance if deemed needy by State AFDC standards). The law requires employable refugees and entrants to accept "appropriate" job offers and to register for employment to receive cash assistance.

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1/ Regulations of this program are found in 45 C.F.R. 400-401.

Effective April 1, 1981, only refugees or entrants in the United States three years or less qualify for cash assistance reimbursements. Effective April 1, 1982, the special "refugee cash assistance" made available to those refugees or entrants who are categorically ineligible for AFDC or SSI ends 18 months after the individual's entry into the U.S. For the next 18 months, States may be reimbursed 100 percent by the refugee program for any cash aid made available to these refugees and entrants through a State or local general assistance (GA) program. The eligibility limits and benefit levels for GA programs are generally lower than those of AFDC and SSI.

#### C. Benefit Levels

Benefit levels for refugees and entrants who qualify for AFDC and SSI are the levels established for those programs. "Refugee cash assistance" payments are based on the State's AFDC payment to a family unit of the same size. For example, an able-bodied non-aged couple would receive a refugee cash assistance benefit equal to that of a two-person AFDC family.

## 18. EMERGENCY ASSISTANCE TO NEEDY FAMILIES WITH CHILDREN (EA)

### A. Funding Formula

The Social Security Act provides 50 percent Federal funding for Emergency Assistance to needy families with children.

### B. Eligibility Requirements

The Social Security Act permits States to give Emergency Assistance (cash, in-kind aid, medical aid) to needy families with children, including migrant families, for no more than 30 days per calendar year, to "avoid destitution" of the children or to provide living arrangements for them. 1/ In fiscal year 1983, 27 jurisdictions made such payments. 2/ Several States terminated Emergency Assistance (EA) programs in 1975-77, 3/ a period during which court suits challenged States' rights to restrict the kinds of emergencies for which EA was available. On June 6, 1978, the U.S. Supreme Court held that States could limit eligibility for EA more narrowly than the outer bounds established in the Social Security Act. 4/

As of October 1, 1981, according to State plans on file with DHHS, the three classes of emergencies covered by most of the 25 jurisdictions then having EA programs were natural disasters (16 States), unspecified crisis threatening family or living arrangements (9 States), and homelessness (11 States). Other qualifying causes of need specified by various States included death, civil disorders, eviction or potential eviction, illness, utility shut-off or fuel shortage, "manmade disasters" (peacetime radiological incident, chemical disaster), appliance failure, theft, wage garnishment, accident, divorce or desertion, and mass care and assistance situations.

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1/ Federal rules for Emergency Assistance are found in C.F.R. 45 § 233.120 (1983).

2/ Arkansas, California, Delaware, D.C., Georgia, Illinois, Kansas, Maine, Maryland, Massachusetts, Michigan, Minnesota, Montana, Nebraska, New Jersey, New York, Ohio, Oklahoma, Oregon, Pennsylvania, Puerto Rico, Vermont, Virginia, Washington, West Virginia, Wisconsin, and Wyoming.

3/ Alaska, Illinois, South Dakota, Utah, Vermont, and Wisconsin.

4/ Quern v. Mandley. 436 U.S. 725 (1978).

### C. Benefit Levels

Eighteen States reported to DHHS that they pay EA in both cash and vendor payments. Three said they use only cash, and another three said that they use only vendor payments.

In FY 1983 a total of \$110 million in EA funds was paid to a monthly average of 29,400 families, yielding average monthly benefits of \$312, compared to \$281 in 1982 and \$184 in 1981. The number of families aided was down 3 percent from 1982, down 43 percent from 1981. Outlays were up 8 percent from 1982, but down 4 percent from 1981. Some States said that in 1982 they increased their use of Low-Income Energy Assistance funds, which are 100 percent federally funded, for emergency aid and thus decreased their use of EA funds, which are 50 percent federally funded.

19. DEPENDENCY AND INDEMNITY COMPENSATION FOR PARENTS OF VETERANS

A. Funding Formula

The Federal government provides 100 percent funding for dependency and indemnity compensation.

B. Eligibility Requirements

Under Title 38 of the United States Code, section 415, parents of veterans who died from a service-connected cause are eligible for Dependency and Indemnity Compensation (DIC) if their counted income is below limits in Federal law and regulations. Countable annual income limits (December 1983-December 1984) are \$6,273 for one parent alone and for each of two parents not living together; \$8,435 for two parents living together, or for a remarried parent living with his spouse. These amounts are up 3.5 percent from those effective on June 1, 1982, reflecting the rise in the Consumer Price Index (CPI) from the first quarter of CY 1982 to the same quarter of 1982. Chief exclusions from countable income are 10 percent of Social Security payments and cash welfare payments. 1/

C. Benefit Levels

The Veterans' and Survivors' Pension Improvement Act of 1978 (P.L. 95-588) established DIC rates for parents effective January 1, 1979, and required that thereafter, whenever social security benefits were increased by an automatic cost-of-living adjustment (COLA), pension rates would be adjusted by the same percentage and at the same time.

The Social Security Amendments of 1983 (P.L. 98-21) delayed the 1983 COLA in social security benefits until January 1984 and scheduled future benefit adjustments for January, and changed the measuring period used to decide benefit changes. Since DIC benefit adjustments are tied to the COLA for social security, the DIC COLA also has been shifted to January.

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1/ Eligibility rules are found in 38 C.F.R. Part 3.

## Maximum monthly DIC benefit for parents:

	June 1982 - Dec. 1983	Jan. 1984 - Dec. 1984
One parent	\$248	\$257
Two parents together (each)	166	172
Two parents not together (each)	176	183

As countable income climbs, benefits are reduced by a progressively rising percentage of the extra income, ranging from 3 percent to 8 percent 2/. The minimum payment is \$5.00. In FY 1983 monthly benefits averaged \$96 per parent.

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2/ This percentage is known as the marginal benefit-loss rate. The benefit-loss rate for one parent alone is 8 percent; for two parents not living together the rate ranges from 5 to 8 percent of extra income; for two parents living together, from 3 to 8 percent.



## 20. GENERAL ASSISTANCE TO INDIANS

### A. Funding Formula

The Snyder Act provides 100 percent Federal funding for General Assistance to Indians, which is operated by the Bureau of Indian Affairs (BIA).

### B. Eligibility Requirements 1/

Eligible are needy Indians (descended from a member of a tribe that is recognized by the United States Government) and Alaskan Natives. Effective March 4, 1977, Interior Department regulations also require that the head of the household in Alaska and Oklahoma have at least a one-fourth degree or more Indian or Native blood quantum for eligibility. 2/ Recipients must live in Alaska or Oklahoma or on (or near) an Indian reservation in one of 14 other States. 3/

Persons must be deemed "needy" by State standards, and they cannot be enrolled in the other federally aided cash welfare program for families with children, Aid to Families with Dependent Children (AFDC), or in the Federal program of Supplemental Security Income. However, they may receive General Assistance (GA) to Indians while their applications are pending for AFDC or SSI. They must accept available employment that they are "able and qualified" to perform.

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1/ Regulations are found in 25 C.F.R. §20.21 (1982).

2/ When an Indian (or Native) is married to a non-Indian, the Indian members of the family are eligible for General Assistance to Indians.

3/ The 14 other States are Arizona, Colorado (Southern Ute Reservation), Idaho, Kansas, Minnesota (Red Lake Reservation), Mississippi, Montana, Nebraska, Nevada, New Mexico, North Carolina, North Dakota, South Dakota, and Wyoming.

### C. Benefit Levels

Since 1944 BIA has set maximum payments of this program equal to 100 percent of the standard of need established by the relevant State for the same size family enrolled in AFDC. This has been the policy even in States that failed to pay the full need standard to their AFDC families.

However, Congress in December 1982 directed BIA to bring payments of the program of General Assistance to Indians "into conformance" with AFDC payments in those States where the need standard exceeded actual benefits. 4/ Congress acted after some States increased their standards of need, but not actual payment levels, in apparent response to a new law (P.L. 97-35) that barred AFDC for families whose gross income exceeded 150 percent of their State need standard. (Many States paid AFDC families less than full "need" before the 1981 law, also.)

In January 1984 BIA proposed regulations to implement the Congressional directive that GA for Indians not exceed maximum AFDC benefit levels. In 6 of the 16 States with the Indian program, the proposed rules would reduce benefits: Colorado, Idaho, Mississippi, Montana, Nevada, and North Carolina. The sharpest cut would come in Mississippi, where the AFDC need standard (\$286) is almost triple the AFDC maximum benefit (\$96) for a family of three persons. 5/

The proposed regulations would permit recipients in the six States where AFDC benefits are below need standards to add to their GA cash payment earnings or other income, as long as it did not exceed the gap between need standard and actual payment level.

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4/ Statement of managers. Conference report on H.R. 7356. House Report 97-978. December 17, 1982.

5/ The initial proposed regulation, issued January 11, 1984 (Federal Register, p. 1331-2) provided a floor level of protection, namely, a maximum benefit equal to one-third of the national poverty threshold; but this was withdrawn in a January 19 revision (Federal Register, p. 2267). The original proposal would have provided an Indian family of three persons a guarantee of \$221, one-third of the 1983 poverty threshold. This compares with actual AFDC maximum benefits, as of January 1, 1984, of \$96 in Mississippi and \$202 in North Carolina. A BIA official said the original proposal was disapproved by the Office of Management and Budget (OMB) and had been published in error.

On January 1, 1984, maximum payments of GA for Indians still equalled State standards of need. For families of three persons, they ranged from \$233 in Arizona to \$554 in Idaho 6/ and \$696 in Alaska.

Fiscal year 1983 payments averaged \$74 monthly per recipient.

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6/ The Idaho payment was 81 percent above the maximum benefit (\$305) paid to an AFDC family of three persons.

21. ADOPTION ASSISTANCE

Note: This program was established in 1980. States were required to have an adoption assistance program by October 1, 1982 in order to continue receiving AFDC matching funds.

A. Funding Formula

The Medicaid matching formula (see program No. 1) decides the Federal funding share in each State. This formula provides 55 percent Federal funding to a State with average per capita income. For others, the Federal share ranges from 50 to more than 77 percent, with the share inversely related to per capita income.

B. Eligibility Requirements 1/

A child must be eligible for AFDC (see program No. 11), or SSI (see program No. 12), must be legally free for adoption, and must have "special needs" that prevent adoption without assistance payments. Such special needs include mental or physical handicap, age, ethnic background, or membership in a sibling group.

C. Benefit Levels

The State adoption assistance agency, by agreement with the adoptive parents, decides the amount of adoption payment, but the sum cannot exceed what would have been paid to maintain the child in a foster family home. Children receiving adoption assistance automatically are eligible also for Medicaid. Benefits can continue until the child reaches age 18 or, in some cases, 21.

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1/ Regulations for this program are found in 45 C.F.R. 1355, 1356, 1357 (See Federal Register Vol. 48, No. 100, May 23, 1983, p. 23104-23119).

## 22. ASSISTANCE TO CERTAIN CUBAN REFUGEES (CASH COMPONENT)

### A. Funding Formula

The Migration and Refugee Assistance Act of 1962 authorized reimbursement for the costs of providing cash assistance to needy Cuban refugees. The Refugee Act of 1980 repealed this authority, and phased out Federal cost sharing by stages, ending on September 30, 1981. However, the Refugee Act authorized the indefinite continuation of 100 percent Federal reimbursement to States for any supplementary payments they provide to certain aged, blind or disabled Cuban refugees under the Supplemental Security Income (SSI) program. The phased-out reimbursements were for the following: (a) aid given to refugees ineligible for Supplemental Security Income (SSI) or Aid to Families with Dependent Children (AFDC); (b) the non-Federal share of AFDC payments; and (c) State administration costs. The rates of Federal reimbursement for those costs were as follows: FY79, 85 percent; FY80, 75 percent; FY81, 60 percent.

### B. Eligibility Requirements

Currently, only those Cuban refugees who received SSI payments as of September 30, 1978 and continue to receive those benefits are eligible. Before FY82, Cuban refugees who were receiving other cash aid under the Cuban refugee program before October 1, 1978 were also eligible.

### C. Benefit Levels

Benefit levels for Cuban refugees are the same as those used in each State for recipients of AFDC. Before FY82, they were the same as those used for AFDC if the refugee qualified for that program. For those needy refugees who were ineligible for SSI or AFDC prior to FY82, benefits were based on their State's maximum AFDC payment to a family unit of their size. Thus, an able-bodied non-aged couple received the benefit of a two-person AFDC family.

## 23. FOOD STAMPS

### A. Funding Formula 1/

The Food Stamp Act provides 100 percent Federal funding for food stamp benefits. Federal funds also pay Federal administrative costs and from 50 to 60 percent of most State and local administrative expenses, depending on the rate of error in a State's administration of the program. 2/ State and local costs associated with computerization and fraud control activities are eligible for 75 percent Federal funding. In Puerto Rico, where the Food Stamp program was replaced by a nutritional assistance block grant effective July 1982, Federal funds provide an annual grant of \$825 million to fund benefit levels set by the Commonwealth and 50 percent of the Commonwealth's administrative costs.

### B. Eligibility Requirements \*

The Food Stamp program imposes three major tests for eligibility: income limits, an assets limitation, and work registration and job search requirements. 3/

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1/ Federal appropriations for the programs authorized under the Food Stamp Act--the Food Stamp program and Puerto Rico's nutritional assistance program--are limited by authorization ceilings of \$12.9 billion in fiscal year 1983, \$13.1 billion in fiscal year 1984, and \$13.9 billion in fiscal year 1985. Federal costs in fiscal years 1983 and 1984 are estimated at \$12.7 billion and \$12.3 billion, respectively.

2/ A State qualifies for a Federal matching rate of 60 percent if it has reduced its rate of erroneous payments below 5 percent and has met certain other requirements. A State is penalized with a partial loss of Federal funding for administrative costs if it does not achieve specified annual reductions in its rate of erroneous payments.

3/ The Commonwealth of Puerto Rico's nutritional assistance program, which replaced food stamps in the Commonwealth effective July 1982, provides benefits to low-income residents using eligibility tests that are similar to, but more restrictive than those used for food stamps.

\* Food stamp regulations are found in 7 C.F.R. 271 et seq.

Income. All households must have countable monthly income below the Federal poverty levels, as adjusted each July to reflect inflation measured by the Consumer Price Index (CPI). Households without an elderly or disabled member 4/ must also have gross monthly income below 130 percent of the Federal poverty levels (as adjusted each July) in order to qualify.

Gross income includes all cash income of the household, except energy assistance, a portion of some types of student aid, reimbursements for expenses, and certain other income required to be disregarded by other Federal laws. Countable income excludes from gross income: (1) an inflation-indexed standard deduction standing at \$89 per household per month until October 1984 5/; (2) 18 percent of any earned income; (3) work-related expenses for the care of a dependent; (4) out-of-pocket medical expenses of elderly or disabled household members, to the extent they exceed \$35 per month; and (5) shelter expenses, to the extent they exceed 50 percent of the income remaining after all other potential deductions and excluded expenses have been subtracted out. However, for households without elderly or disabled members, shelter and dependent-care deductions, when combined, may not exceed an inflation-indexed ceiling standing at \$125 per month until October 1984 5/; for households containing an elderly or disabled member the amount of the allowable shelter deduction is unlimited, although the dependent-care deduction may not exceed the \$125 ceiling applied to other households.

The following tables set out the monthly countable and gross income limits effective through June 1984 in the 48 contiguous States, the District of Columbia, the Virgin Islands, and Guam. 6/ In July 1984, these limits are scheduled to be increased by approximately 3 percent.

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4/ "Elderly" is defined as age 60 or older. "Disabled" is defined as being a recipient of disability payments from the Disability Insurance program of the Social Security Act or from the Supplemental Security Income (SSI) program, or being a veteran (or a veteran's survivor) who meets certain disability tests prescribed by the Veterans' Administration or the Social Security Administration.

5/ The amount of the standard deduction, and the ceiling on shelter/dependent-care deductions varies in Alaska, Hawaii, the Virgin Islands, and Guam.

6/ Limits are higher in Alaska and Hawaii, by 25 and 15 percent, respectively. Puerto Rico's nutritional assistance program uses a gross income test only, set substantially below that used in the 48 States and D.C.

<u>Household Size:</u>	<u>Monthly Countable Income Limits 7/</u> June 1983-June 1984
1 person .....	\$ 405
2 persons .....	545
3 persons .....	685
4 persons .....	825
5 persons .....	965
6 persons .....	1,105
7 persons .....	1,245
8 persons .....	1,385
Each additional member .....	+ 140

<u>Household Size:</u>	<u>Monthly Gross Income Limits 8/</u> June 1983-June 1984
1 person .....	\$ 527
2 persons .....	709
3 persons .....	891
4 persons .....	1,073
5 persons .....	1,255
6 persons .....	1,437
7 persons .....	1,619
8 persons .....	1,801
Each additional member .....	+ 182

Assets. An eligible household's liquid assets may not exceed \$1,500, or \$3,000 for households of two or more with an elderly member. This liquid assets test excludes the value of a residence, a portion of the value of motor vehicles, business assets, household belongings, and certain other resources. Aid to Families with Dependent Children (AFDC) recipients need not meet the food stamp assets test so long as they meet the income test.

Work Registration and Job Search. In order to retain household eligibility, abled-bodied adults must register for, seek, and accept suitable employment, if offered, unless they are caring for a dependent (disabled, or under age 6), working at least 30 hours per week (or earning the minimum-wage equivalent), among the limited number of post-secondary students who are otherwise eligible, residents of a drug addiction or alcoholic treatment program, or under age 18 or age 60 or older. In addition, if a locality opts to operate a "workfare" program, non-working, able-bodied adults may also be required to work off their household's food stamp benefit.

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7/ Applied to all households. Limits are higher in Alaska and Hawaii, by 25 and 15 percent, respectively.

8/ Applied only to households without an elderly or disabled member. Limits are higher in Alaska and Hawaii, by 25 and 15 percent, respectively. Puerto Rico's nutritional assistance program uses a gross income test only; its limits are approximately one-third lower than those applied in the food stamp program.



Other Limitations. Categorical eligibility restrictions include: (1) a ban on eligibility for households in which the primary wage-earner has voluntarily quit a job without good cause, for 90 days from the voluntary quit; (2) a ban on eligibility for households containing striking members, unless eligible prior to the strike; (3) a ban on eligibility for most non-working post-secondary students without families; (4) a ban on eligibility for illegally or temporarily resident aliens and rules limiting the eligibility of legally present aliens who have sponsors; (5) a ban on eligibility for persons living in institutional settings, except for those in special small group homes for the disabled, persons living in drug addiction or alcoholic treatment programs, and persons in temporary shelters for battered women and children; and (6) a ban on eligibility for SSI recipients in California and Wisconsin. 9/

Under these eligibility rules, it is estimated that about 30 million persons are eligible for food stamps, nationwide, at any point during the year. As of December 1983, 21.2 million persons were participating in the Food Stamp program, with an additional 1.6 million persons receiving benefits under Puerto Rico's nutritional assistance program.

### C. Benefit Levels

The Food Stamp Act specifies that a household's maximum food stamp allotment shall, through fiscal year 1985, be 99 percent of the cost of a nutritionally adequate low-cost diet, as determined by the U.S. Department of Agriculture's Thrifty Food Plan and adjusted periodically for changes in food prices. 10/ A participating household's actual monthly allotment is determined by subtracting, from the maximum allotment for that household size, an amount equal to 30 percent of its countable monthly income, on the assumption that it can afford to spend that amount of its own income on food. Minimum benefits for households of one and two persons are legislatively set at \$10 per month; minimum benefits for other household sizes are generally somewhat higher.

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9/ Cash SSI payments have been increased in these States to include an estimated value for food stamp benefits.

10/ After fiscal year 1985, maximum allotments are to be the full cost of a low-cost adequate diet as shown by the Thrifty Food Plan. Although food price adjustments to benefits are to occur annually, each October, regularly scheduled adjustments have been postponed at times. Benefits under Puerto Rico's nutritional assistance program are calculated in a manner similar to food stamps but are set approximately 10 percent lower than those in use for the 48 contiguous States and the District of Columbia.

Maximum monthly allotments until the next scheduled adjustment for food price changes in October 1984 are as follows:

Maximum Monthly Food Stamp Allotments a/

Household Size:	48 States & D.C.	Alaska (urban) <u>b/</u>	Hawaii	Virgin Islands	Guam
1 person .....	\$ 76	\$109	\$108	97	\$111
2 persons .....	139	200	198	178	204
3 persons .....	199	286	283	255	293
4 persons .....	253	364	360	324	372
5 persons .....	301	432	427	385	442
6 persons .....	361	518	513	462	530
7 persons .....	399	573	567	511	586
8 persons .....	457	655	648	584	670
Each additional person .....	+57	+82	+81	+73	+83

In fiscal year 1984, benefits for the expected 21 million monthly food stamp recipients are estimated to average \$43 per person per month, excluding smaller benefits for the 1.6 million recipients of aid in Puerto Rico's nutritional assistance program.

a/ Under provisions for a specially designed Food Stamp program, the Commonwealth of the Northern Marianas operates a program similar to the regular Food Stamp program.

b/ Maximum allotment levels in rural Alaska are generally almost 3 percent higher than the urban Alaska allotments noted above.

24. SCHOOL LUNCH PROGRAM (FREE AND REDUCED-PRICE SEGMENTS)

A. Funding Formula

Federal law provides a guaranteed Federal subsidy for each free or reduced-price lunch served to needy children in participating schools and residential child care institutions. The subsidy for free and reduced price lunches consists of two parts: A basic payment authorized under section 4 of the National School Lunch Act for every lunch served, without regard to family income; and an additional special assistance payment authorized under section 11 of this Act only for lunches served free or at reduced price to low-income children. State and local government funds and, in some cases, children's payments, help finance these lunches. No charge may be made for a free lunch, but a charge of up to 40 cents may be imposed for a reduced-price lunch.

All school lunches, including "paid" lunches served to children ineligible for free or reduced-price lunches, receive a uniform basic Federal subsidy. The law requires that State revenues make up an amount equal to 30 percent of the total section 4 Federal funding provided in the school year beginning July 1, 1980. <sup>1/</sup> However, no matching funds are required for the extra Federal subsidy provided for free and reduced-price lunches, under section 11 of the Act.

B. Eligibility Requirements

All children are eligible to receive at least a partially subsidized lunch in participating schools and institutions. All public and most private non-profit schools and residential child-care institutions are eligible to participate and receive Federal subsidies if they serve meals that meet USDA nutrition requirements. \*

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<sup>1/</sup> There is no matching requirement for Federal funds provided under section 11 of the Act.

\* School lunch regulations are found in 7 C.F.R. 210.

By law, children whose gross family income is at or below 130 percent of the poverty guidelines of the Office of Management and Budget are eligible for a free lunch 2/; those children whose family income is not more than 185 percent of the guidelines are eligible for a reduced-price lunch. 3/ Countable income limits per family of four 4/ for the 1983-84 school year: for free lunch, \$12,870; for reduced price lunch, \$18,315. Corresponding limits in the 1984-85 school year: \$13,260 and \$18,870.

No income deductions are permitted. The law requires school lunch authorities to determine a family's eligibility on the basis of its current rate of income.

### C. Benefit Levels

The National School Lunch Act provides a guaranteed Federal subsidy ("reimbursement") to participating schools and institutions for each lunch served. In 1972, Congress established minimum reimbursement rates and specified that they be adjusted semi-annually to reflect changes in the cost of producing lunches. In 1981, the frequency of such inflation adjustments was limited to one each year, on July 1. For the 1983-84 school year, the total Federal cash reimbursement for each free lunch served was \$120.25 and the total reimbursement for each reduced price lunch was 80.25 cents. 5/ Other lunches, those served to children regardless of family income, and commonly called "paid" lunches, were reimbursed at the basic minimum rate of 11.5 cents per lunch. 5/

In addition, the Federal Government provides commodity assistance for all meals served in participating schools and child-care institutions. For the 1983-84 school year this assistance was valued at 11.5 cents per lunch. This assistance rate is adjusted for inflation each July 1 to reflect changes in the Price Index for foods used in schools and institutions.

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2/ Effective July 1, 1983, the law required the income limit for free school lunches to be identical to the gross income standard used by the food stamp program (currently, 130 percent of the Federal poverty guidelines).

3/ P.L. 97-35 established these limits.

4/ These limits are for the 48 contiguous States, District of Columbia, Puerto Rico, and the Virgin Islands. Higher limits apply in Alaska, Hawaii, and Guam.

5/ An additional 2 cents is provided for each lunch served in school districts where 60 percent or more of the school lunch participants are receiving free and reduced price lunches.

An average of 23 million children participated in the school lunch program daily during the first 9 months of the 1982-83 school year, 45 percent of whom received free lunches and 7 percent, reduced-price lunches. The remaining 48 percent of the children were classified as non-needy and received school lunches subsidized at the basic rate of reimbursement.

25. SPECIAL SUPPLEMENTAL FOOD PROGRAM FOR WOMEN, INFANTS  
AND CHILDREN (WIC)

A. Funding Formula

Federal law provides 100 percent Federal funding.

B. Eligibility Requirements 1/

The Child Nutrition Act (section 17) makes eligible "low-income" mothers, infants, and children judged to be at "nutritional risk," from among these groups: infants, children up to 5 years old, pregnant women, non-nursing mothers up to 6 months after childbirth, and nursing mothers up to 1 year after childbirth. A competent professional authority on the staff of a participating local public or private nonprofit health or welfare agency that offers supplemental foods must certify that the recipient is at nutritional risk through a medical or nutritional assessment.

Under the law, the Secretary is to specify the income criteria to be used in conjunction with national risk criteria for determinations of eligibility. However, the law specifies that WIC limits may not exceed those for reduced price lunches under the school lunch program (185 percent of OMB poverty guideline). Regulations provide that WIC income limits shall be no less than those set by States or local agencies for free or reduced price health care as long as they are not greater than 185 percent nor less than 100 percent of the OMB poverty guidelines. For the year ending June 30, 1984, income limits for a family of four must be not more than \$18,315 nor less than \$9,900. 2/ The corresponding limits for the year ending June 30, 1985: \$18,870 and \$10,200.

State health departments or comparable agencies approve local health or welfare agencies for participation or expansion in order

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1/ WIC regulations are found in 7 C.F.R. 246.

2/ In general, because of limited funds, family income of participants is well below the maximum. A 1978 profile of WIC participants by USDA indicated that annual family income averaged \$5,500, about 54 percent below the outer limit of \$11,880 that a 4-person family could have without losing eligibility for reduced-price lunches in July 1977-June 1978.

of greatest need based on economic and health statistics, and available funding. In fiscal 1983, an average of almost 2.5 million women, infants, and children received WIC benefits each month.

### C. Benefit Levels

Beneficiaries receive selected supplemental foods, as specified in regulations of the Department of Agriculture, either in the form of food or as vouchers valid for specific food items in stores. <sup>3/</sup> According to the Agriculture Department, 88 percent of WIC benefits are given as vouchers, 9 percent as home-delivered food, and 3 percent as food picked up by the recipient. Regulations require that certain types and quantities of food be made available and that the categories of these so-called food packages be based on the varying nutritional needs of infants, children, and pregnant and post partum women, participating in the program. In FY 1983, the national average monthly value of food in a WIC food package was 31.50.

The law requires that participants also receive nutrition education.

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<sup>3/</sup> Items included in the WIC package are milk, cheese, eggs, infant formula, cereals, and fruit and vegetable juices.

## 26. SPECIAL FOOD DONATIONS

### A. Funding Formula

Federal funds pay the cost of acquiring foods (through farm price support and surplus removal operations) and distributing them to States. State funds finance distribution within the State and local administration. In FY 1983 Federal funds helped pay some intrastate storage and transportation costs.

### B. Eligibility Requirements

States set eligibility rules and determine eligible outlets. Federal rules permit distribution of donated foods to charitable institutions, summer camps for the needy, and, beginning in FY 1982, to other outlets serving needy persons, such as soup kitchens and food banks.

### C. Benefit Levels

The kinds and amounts of food offered by this program depend on Federal farm price support operations and inventories, on Agriculture Department decisions about other uses for the commodities, such as foreign food aid, donations to schools and donations for the elderly, and on State decisions. Upon State request, the Federal Government distributes available special food donations to selected distribution points within the State.

In FY 1982, it is estimated that at least 10 million needy persons received special food donations through State-approved outlets. Most FY 1982-1983 donations were dairy products, such as cheese.



## 27. NUTRITION PROGRAM FOR THE ELDERLY

### A. Funding Formula

The Older Americans Act (Title III) specifies that the Federal share of a State's allotment for congregate and home-delivered meal services 1/ for the elderly may cover up to 85 percent of the cost of developing and/or operating local projects. 2/ The non-Federal matching share can be paid in cash or in-kind contributions. Federal funds are allotted to the States on the basis of their share of the U.S. total population aged 60 and over, except that the minimum State allotment is 0.5 percent of the U.S. appropriation for the year. (Minimums are smaller for Guam, the Virgin Islands, Trust Territory of the Pacific Islands, American Samoa, and the Northern Mariana Islands.)

### B. Eligibility Requirements

The Older Americans Act makes eligible persons aged at least 60 and their spouses. In addition, congregate meals may be provided to handicapped or disabled persons under 60, who reside in housing facilities occupied primarily by the elderly where congregate nutrition services are provided. Eligible for home-delivered meals are persons who are homebound by reason of illness or disability, or who are otherwise isolated. The law requires that preference be given to those with the "greatest" (1) economic need or (2) social need. Regulations 3/ define Group 1 to be persons whose income is at or below the Census Bureau's poverty threshold (the preliminary 1983 threshold issued in January 1984, was \$4,770 for a person aged at least 65) and Group 2 to be persons whose need for services is caused by non-economic factors 4/ that restrict their ability to perform normal daily tasks or that threaten their capacity for independent living.

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1/ Funds for home-delivered meals under the Older Americans Act were first available under a separate allotment in FY 1980.

2/ Prior to FY 1981, this was 90 percent.

3/ 45 C.F.R. § 1321.3.

4/ Listed as such factors are "physical and mental disabilities, language barriers, cultural or social isolation including that caused by racial or ethnic status."

The rules require that congregate meal service be located as close as possible to where the majority of eligible older persons reside, preferably within walking distance. Means tests are prohibited. In FY 1983, approximately 56 of the congregate program participants were classified as economically needy, and approximately 61 percent of the home-delivered program participants were classified as economically needy.

#### C. Benefit Levels

Federal regulations require providers to offer at least one meal daily, five or more days per week. Each meal is to assure a minimum of one-third of the daily recommended dietary allowances established by the Food and Nutrition Board of the National Academy of Sciences-National Research Council. Nutrition services funds also may be used to provide support services such as outreach and nutrition education.

Regulations require that providers give participants an opportunity to contribute toward the cost of the meal. Service providers may establish suggested contribution schedules; but each participant is to decide for himself/herwhat, if anything, he/she is able to pay. A service provider may not deny any older person nutrition services for failure to contribute to the cost of the service.

28. SCHOOL BREAKFAST PROGRAM (FREE AND REDUCED-PRICE SEGMENTS)

A. Funding Formula

Federal law provides a guaranteed Federal subsidy for each free or reduced price breakfast served to a needy child in a school or institution participating in the school breakfast program. 1/ Certain schools, those designated as "severe need" schools by the State educational agency, receive a subsidy rate that exceeds the regular one. 2/ In most schools, state and local government funds as well as children's payments 3/ help finance the cost of the breakfast program, although there is no formal matching requirement. No charge may be made for a free breakfast, but up to 30 cents may be charged for a reduced-price breakfast.

B. Eligibility Requirements 4/

All children are eligible to receive a subsidized breakfast in a participating school. 5/ By law, children whose gross family

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1/ For-profit and private non-profit schools or institutions charging average annual tuition in excess of \$1,500 are not eligible to participate in this program.

2/ Severe need schools are defined as schools in which 40 percent or more of all lunches are served free or at reduced-price. In FY 1983, approximately 48 percent of reduced price breakfasts and 59 percent of free breakfasts served under the program were subsidized at the severe need rate.

3/ Children's payments are derived from meal charges for "paid" breakfasts as well as from charges for reduced-price breakfasts.

4/ School breakfast regulations are found in 7 C.F.R. 220.

5/ A smaller basic Federal subsidy is provided for all breakfasts served through this program regardless of the family income of the participant. Children not eligible for free or reduced price breakfasts have the cost of their breakfast subsidized at this lower "paid" rate. Free and reduced-price breakfasts receive a separate higher subsidy.

income is at or below 130 percent of the Office of Management and Budget's poverty guidelines are eligible for a free breakfast; 6/ those children whose family income is not more than 185 percent of the guidelines are eligible for a reduced-price breakfast. 7/ Countable income limits 8/ per family of four for the 1983-84 school year: for free breakfast, \$12,870; for reduced-price breakfast \$18,315. The corresponding limits for the 1984-85 school year: \$13,260 and \$18,870.

The law requires school breakfast authorities to judge a family's eligibility on the basis of its current rate of income.

### C. Benefit Levels

Federal law provides a guaranteed Federal subsidy for each breakfast served. In 1973 Congress established a minimum rate and specified that it must be adjusted semi-annually to reflect the change in the Consumer Price Index (CPI) series for food away from home. In 1981, Congress lowered the subsidy rate, effective September 1, 1981, and provided for annual inflation adjustments each July 1, beginning July 1, 1982. 9/ For the period July 1, 1983-June 30, 1984 the rates were:

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	<u>School breakfast rates (in cents)</u>	
	<u>Regular</u>	<u>Severe need</u>
Free	62.75	75.50
Reduced	32.75	45.50
Paid (no income test)	9.00	9.00

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6/ Since July 1, 1983, the law has required the income limit for free school breakfasts to be identical to the gross income standard in use for the food stamp program (currently, 130 percent of the Federal poverty guidelines).

7/ P.L. 97-35 established these limits.

8/ These limits are for the 48 contiguous States, District of Columbia, Puerto Rico, and the Virgin Islands. Higher limits apply to Alaska, Hawaii, and Guam.

9/ P.L. 97-35 lowered the existing subsidy rates and reduced the frequency of inflation adjustments of these rates from semi-annual to annual.

## 29. CHILD CARE FOOD PROGRAM

### A. Funding Formula

The law provides Federal funding for this program in the form of set reimbursement rates for meals and snacks served in participating child care centers and family day care homes. There is no requirement for matching funds from non-Federal sources.

### B. Eligibility Requirements 1/

Children aged 12 and under 2/ receiving care in eligible non-residential public or private non-profit institutions or in certain for-profit institutions that receive title XX social service funds 3/ are eligible for subsidized meals. In programs operated in child care centers, the law makes eligible for free meals children whose counted family income is not above 130 percent of the Office of Management and Budget poverty guideline; those children whose family income is not more than 185 percent of the poverty guideline are eligible for a reduced-price meal. 4/ Countable income limits for a family of four for the 1983-84 school year: \$12,870 for free meals and \$18,315 for reduced-price meals. The corresponding limits for the 1984-85 school year: \$13,260 and \$18,870. 5/ A family's

1/ Regulations for this program are found in 7 C.F.R. 226.

2/ Meals for handicapped children of all ages, and for migrant children up to age 15 may also be subsidized with Federal funds. The age limitations were enacted under P.L. 97-35. The average age of child care food recipients is between 4 and 5 years.

3/ P.L. 96-499, the Budget Reconciliation Act of 1980, for the first time allowed for-profit institutions to participate in this program. P.L. 97-35 (the Omnibus Budget Reconciliation Act of 1981) limited eligibility for sponsorship by such for-profit agencies to those in which at least 25 percent of the children receive compensation under title XX.

4/ These eligibility criteria were enacted under the Omnibus Budget Reconciliation Act of 1981 (P.L. 97-35).

5/ These limits are for the 48 contiguous States, District of Columbia, Puerto Rico, and the Virgin Islands. Higher limits apply in Alaska, Hawaii, and Guam.

eligibility is to be based on current rate of income. For the most part, there is no income test for child care food program meals provided in family day care homes or group homes, for which a separate reimbursement rate system and administrative funding are provided. However, the children of family day care home providers may not receive meals that are federally subsidized if their family income exceeds 185 percent of the OMB income poverty guidelines.

### C. Benefit Levels

Federal law provides a guaranteed Federal subsidy for each U.S. Department of Agriculture approved meal and "supplement" (snack) served in participating child care institutions. P.L. 94-105 established the child care center rates to be the same as those in the lunch and breakfast programs. For home, a separate rate is provided.

For the period July 1, 1983, through June 30, 1984, 6/ the Federal cash subsidy rates were:

	Per Lunch <u>a/</u>	Per Breakfast (in cents)	Per Supplement (snack)
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o Child care centers			
- Free meal	120.25	62.75	33.0
- Reduced-price meal	80.25	32.75	16.5
- "Paid" meal--served to non-needy child	11.5	9.0	3.0
- Family or group home rates (no income test)	103.0	52.5	30.75
<hr/>			

In addition, the Federal Government provides donated commodities or cash in lieu of commodities for lunches and suppers served in such institutions. For the 1983-84 school year this rate was 11.5 cents per meal.

The Agriculture Department estimates that in FY 1983 just over 66 percent of the meals served in child care centers through the child care food program were free and just over 11 percent reduced-price. The remaining 23 percent were served to non-needy children in child care centers. Approximately 33 percent of all meals reimbursed through the child care food program were provided through family or group day care homes in FY 1983.

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6/ These rates are to be adjusted for inflation each July 1.

30. SUMMER FOOD SERVICE PROGRAM FOR CHILDREN

A. Funding Formula

The law provides Federal funding in the form of set reimbursement rates for all meals served under this program. No matching funds are required from non-Federal sources.

B. Eligibility Requirements <sup>1/</sup>

There are no individual income requirements for participation. Eligibility for benefits is tied to the location and type of sponsor operating a program. Beginning in FY 1982, programs may be only in areas where at least 50 percent of the children are from families with incomes that meet the eligibility criteria for free and reduced price school lunches. In addition, sponsorship is limited to public or private non-profit school food authorities; local, municipal or county governments and residential non-profit summer camps.

C. Benefit Levels

The law provides Federal reimbursement for the full cost of obtaining, preparing, and serving food, up to specified maximums which are adjusted annually for changes in the Consumer Price Index (CPI) for food away from home. The summer 1984 reimbursement rates are 146.5 cents per lunch or supper, 81.75 cents per breakfast, and 38.5 cents for supplemental food (snacks).

Sponsoring agencies also receive funds for approved administrative costs up to a maximum set by the Secretary of Agriculture. Rates of administrative reimbursement in summer 1984 for regular sponsors were 11.5 cents per lunch or supper, 6.0 cents per breakfast, and 3.0 cents for snacks. Higher rates applied to self-preparatory sponsors and to those at rural sites: 14.0 cents per lunch or supper, 7.5 cents per breakfast, and 3.75 cents for supplemental food.

The number of reimbursable meals served is limited to two per day, either lunch and breakfast, or lunch and a supplement, except in summer camps and programs primarily serving migrant children.

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<sup>1/</sup> Regulations for this program are found in 7 C.F.R. 225.

### 31. FOOD DISTRIBUTION PROGRAM FOR NEEDY FAMILIES

#### A. Funding Formula

Federal law provides 100 percent Federal funding for the cost of donated price-support and surplus foods (commodities) distributed to low-income individuals and families in eligible localities. States, localities, and, in a number of cases, Indian tribes are expected to pay most storage, and transportation costs, other than those associated with initial processing, packaging, and delivery.

#### B. Eligibility Requirements

Recipients must be needy, as determined by locally set standards that usually correspond to cash welfare or food stamp eligibility rules. They also must live in an area that offers the program. Since most localities may not offer both food stamp and commodity assistance and almost all qualified jurisdictions now operate a food stamp program, regular commodity assistance is limited to Indian reservations 1/ and certain outlying territories. As of September 1983, the program was operating on some 153 Indian reservations and in the Trust Territory of the Pacific Islands. 2/

#### C. Benefit Levels

Between 20 and 30 commodities, out of a potential of some 30 to 35, are included in a typical monthly package of Federally donated foods. Approximately 60-70 pounds of foods (per person per month) are distributed, with an average value of between \$16 and \$38 per person per month in fiscal year 1983.

Note: The U.S. Department of Agriculture also operates other food donation programs whereby food commodities acquired by the Federal Government through its farm-price-support and surplus removal activities are donated to charitable institutions, summer camps, certain hospitals and penal institutions, food banks, and other agencies and organizations serving needy persons. See discussion under "Other Food Donation Programs."

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1/ On those Indian reservations that request it, both food stamps and the food distribution program may be available.

2/ In the Trust Territory of the Pacific Islands, food stamps are not available.



## 32. SPECIAL MILK PROGRAM (FREE SEGMENT)

### A. Funding Formula

Federal law provides 100 percent Federal funding for this program.

### B. Eligibility Requirements 1/

All children in participating schools and residential child care institutions are eligible to receive partially or fully subsidized milk under the special milk program, but the program itself operates only in those schools and institutions that do not participate in Federally subsidized meal programs. 2/ Schools may receive full cost reimbursement for the cost of a half pint of milk if they choose to provide such milk free to qualifying children. Unlike the other institutionally operated child nutrition programs, schools have the option of serving free milk to income-eligible children, but are not required to do so. To qualify for free milk, a child must be income-eligible for a free school lunch or breakfast. That is, his family's income must not exceed 130 percent of the Office of Management and Budget (OMB) poverty guidelines, \$12,870 for a family of four in the 1983-84 school year, (\$13,260 in the 1984-85 school year). 3/

Regulations require school lunch authorities to judge a family's eligibility on the basis of its current rate of income.

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1/ Regulations for this program are found in 7 C.F.R. 215.

2/ This limitation was effected under the provisions of the Omnibus Budget Reconciliation Act of 1981. Previously, all schools could participate in this program. The change eliminated approximately 90 percent of the schools participating in the 1980-81 school year.

3/ These limits were set under the provisions of the Omnibus Budget Reconciliation Act of 1981. They apply to the 48 contiguous States, District of Columbia, Puerto Rico, and the Virgin Islands. Higher limits operate in Alaska, Hawaii, and Guam. Prior to this change, income eligibility for free milk was set at 125 percent of the Secretary of Agriculture's poverty guidelines. The USDA poverty guidelines included an additional inflation update of the OMB poverty guidelines.

Non-needy children, and needy children in schools that do not offer free milk, must pay part of the cost of their special milk.

In the 1983-1984 school year, the average reimbursement for a free half pint was expected to be 14.82 cents. The reimbursement for non-free milk for this period was estimated at 9.2 cents. This non-free rate, which is provided without regard to family income, is adjusted each July 1 to reflect changes in the Producer Price Index for Fresh Processed Milk. Free milk is reimbursed at full cost.

33. SECTION 8 LOWER-INCOME HOUSING ASSISTANCE

A. Funding Formula

This program is funded 100 percent by the Federal Government.

B. Eligibility Requirements

The law makes eligible for Section 8 rent subsidies families 1/ and single persons 2/ with incomes below 80 percent of the area median, classified as "lower-income" households. However, a housing agency may make available only a small share of its units to those with income at or above 50 percent of the area median and to single persons who are not aged, disabled, handicapped, or the remaining member of a tenant family.

The Housing and Community Development Amendments of 1981 (Title III of the Omnibus Budget Reconciliation Act of 1981, Public Law 97-35) specified that not more than 10 percent of units being re-rented and not more than 5 percent of units contracted for after July 1981 could be rented to households with incomes above 50 percent of the area median (and below 80 percent). Remaining units were reserved for "very low-income" households, those with income at or below 50 percent of the area median. However, P.L. 98-131, the Housing and Urban-Rural Recovery Act of 1983, increased from 10 percent to 25 percent the maximum share of re-rentals that could go to households above the very low-income threshold.

The Housing Authorization Act of 1978, P.L. 95-557, increased the maximum share of units that could be made available to nonaged singles from 10 to 15 percent. Implementing regulations took effect on October 7, 1982.

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1/ The law defines families to include two or more related persons, single persons who are at least 62 years old, and younger single persons who are disabled, handicapped, displaced by governmental action or natural disaster, or the remaining member of an eligible tenant family.

2/ Admission of nonaged singles was authorized by P.L. 94-375, enacted on August 3, 1976.

The program's median income ceilings are adjusted by regulation for family size, with a 4-person family the standard. Thus, a lower-income 1-person household may have income equal to 50 percent of the area median; 4 persons, 80 percent; and 8 or more persons, 100 percent.

The 1983 Act defines "adjusted income" as annual gross income minus: \$480 for each household member (except the head or the head's spouse) who is under 18 years old, or older and disabled or a full-time student; \$400 for an elderly family; medical expenses over 3 percent of gross income for an elderly family; and child care expenses necessary to enable a member of the family to work or to further his/her education. 3/

For section 8 families with net family assets above \$5,000, Federal regulations include in "income" used to decide eligibility (a) actual income from all net family assets, or (b) 10 percent of their value, whichever is greater. Net family assets are defined as the equity value of real property, savings, stocks, bonds, and other forms of investment. Not included are such "necessary items" as furniture and automobiles. 4/

Eligible tenants may rent from private owners, cooperatives, or public housing agencies who own a Section 8 project. Recertification is required annually. 5/ Eligibility and rental charges are based on countable family income expected in the 12 months following the date of determination.

### C. Benefit Levels

By law, most eligible tenants in late 1981 paid a rent equal to 25 percent of their adjusted income 6/ (that remaining after

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3/ Regulations implementing the 1983 law were issued on May 10, 1984 (49 Federal Register. No. 92. p. 19926). Previous regulations had provided these deductions: \$300 for each minor child, medical expenses that exceeded 3 percent of annual income, and unusual expenses. 24 C.F.R. § 889.102 (1983). The 1983 rules excluded some items from "income" by definition, among them: irregular gifts; amounts that reimburse medical expenses; lump-sum additions to family assets; educational scholarships and veterans' educational benefits. 24 C.F.R. § 889.104 (1983).

4/ 24 C.F.R. § 889.103 (1983).

5/ P.L. 97-35 eliminated a special exception for the elderly that had permitted their biennial recertification.

6/ P.L. 96-153 authorized HUD to increase this to 30 percent for families with income between 50 and 80 percent of the median, but HUD did not use this authority in 1981.

deductions), but not less than 15 percent of the family's gross income; for lower-income families who joined the program after January 1, 1980, the minimum was raised to 20 percent of gross income. However, P.L. 97-35 established family gross rent as the higher of (a) 30 percent of counted income or (b) 10 percent of gross income. 7/ The law provided that new tenants were to pay the higher amount immediately. For tenants who joined the program before August 13, 1981, when the new law took effect, the increase is being phased in over a 5-year period, and no tenant's rental increase is to exceed 10 percent in any 12-month period, except for increases due to higher income. The phase-in schedule: Tenants with lease renewal or income redetermination between August 1, 1982 and September 30, 1983, 27 percent of income; between October 1, 1983 and September 30, 1984, 28 percent; between October 1, 1984 and September 1985, 29 percent; and after October 1, 1985, 30 percent. 8/

The Federal Government pays the difference between contract rent and the rent paid by the tenant. The contract rent charged by the owner of section 8 housing must be within limits established by a HUD survey of fair market rents for standard modest existing, substantially rehabilitated, and new construction units in each metropolitan area or non-metropolitan county of the Nation, except that HUD can permit up to 20 percent higher rents if necessary.

Federal expenditures per unit in FY 1983 averaged about \$2,900 (about \$240 per month).

NOTE: The Administration proposed in 1981 that the section 8 existing housing program be replaced by a voucher program, with no restrictions on rents that tenants could pay. In 1983 Congress established a demonstration voucher program 9/ and authorized funds for 15,000 vouchers in 1984. The voucher amount is based on a payment standard reflecting relative area rental costs and the tenant's income level.

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7/ A third alternative applies to families who receive a cash welfare grant that includes a sum designated for actual rent. Such families must pay that "welfare rent" if it exceeds either of the other two measures.

8/ 24 C.F.R. § 889.105 (1983).

9/ Section 8 (o).

34. LOW-RENT PUBLIC HOUSING 1/

A. Funding Formula

This program is funded 100 percent by the Federal Government. However, an indirect local contribution results from the difference between full local property taxes and payments in lieu of taxes that are made by local housing authorities.

B. Eligibility Requirements

Federal law makes eligible for rental units in conventional public housing low-income families and single persons, 2/ but permits no more than 30 percent 3/ of units under the jurisdiction of the housing agency to go to singles who are not aged, disabled, handicapped, or the remaining member of a tenant family. The law defines eligible "families" to include single persons who are at least 62 years old and younger singles who are disabled, handicapped, displaced by governmental action, or the remaining member of a tenant family.

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1/ The low-rent public housing program was included in the overall suspension of subsidized housing programs in Jan. 1973, pending a review and evaluation of the programs. In Sept. 1973 the program resumed under revised regulations. Except as necessary to meet bona fide commitments under prior public housing programs, new approvals were made under the revised Section 23 leasing procedure until that program was replaced by Section 8 in the Housing and Community Development Act of 1974. In the 1974 Act conventional public housing was reinstated.

2/ Admission of nonaged singles was authorized by P.L. 94-375.

3/ P.L. 95-557, the Housing Authorization Act of 1978, increased the maximum share of such singles from 10 to 15 percent. Implementing regulations took effect Oct. 7, 1982. P.L. 98-181, the Housing and Urban-Rural Recovery Act of 1983, authorizes the HUD Secretary to increase the maximum proportion of non-elderly singles to 30 percent on a finding that the units are not and are not likely to be occupied by eligible families or other eligible persons.

Until passage of the Housing and Community Development Amendments of 1981, (Title III of the Omnibus Budget Reconciliation Act of 1981, P.L. 97-35) the law required that at least 20 percent of each project's units be rented to families whose incomes did not exceed 50 percent of the area median family income, adjusted for family size. HUD regulations, in conformity with statutory language directing selection criteria which would "assure . . . a broad range of incomes," required that tenants be selected so as to have a tenant body "representative of the range of incomes" eligible for admission.

The 1981 Act changed the designation of public housing from "low income" to "lower income" and specified that no more than 10 percent of units being re-rented and no more than 5 percent of units that became available after July 1981 could be rented to households with incomes above 50 percent of the area median (and below 80 percent). Remaining units were reserved for "very low-income" families, those with income at or below 50 percent of the area median. However, P.L. 98-131, the 1983 Act, increased from 10 percent to 25 percent the maximum share of re-rentals that could go to households above the very low-income threshold.

The 1983 Act defines "adjusted income" as annual gross income minus: \$480 for each household member (except the head or the head's spouse) who is under 18 years old, or older and disabled or a full-time student; \$400 for an elderly family; medical expenses over 3 percent of gross income for an elderly family; and child care expenses necessary to enable a member of the family to work or to further his/her education. 4/

Eligibility and rental charges are based on countable family income expected in the 12 months following admission or recertification. Recertification is required annually. 5/

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4/ Regulations implementing the 1983 law were issued on May 21, 1984 (49 Federal Register No. 99. p. 21476). Previous regulations had provided these deductions: 5 percent of gross income of adult family members (10 percent for the elderly); the first \$300 earned by the spouse of the breadwinner, \$300 for each family member other than the head or spouse who was a child, a disabled or handicapped adult, or a full-time student; medical expenses that exceeded 3 percent of family income before deductions; dependent care expenses, if needed to enable the family head or spouse to work, and foster care payments. Further, income of full-time students other than the head or spouse and temporary, non-recurring or sporadic income was excluded from countable income by definition. 24 C.F.R. 860.403 (1983).

5/ P.L. 97-35 eliminated a special exception for the elderly that had permitted their biennial recertification.

### C. Benefit Levels

By law, eligible tenants in late 1981 paid a rent equal to 25 percent of adjusted income 6/ (that remaining after deductions), but at least 5 percent of the family's gross income; or if higher, that portion of its cash welfare payment, if any, specifically designated for housing. 7/ However, P.L. 97-35 established family gross rent as the highest of (a) 30 percent of counted income, (b) 10 percent of gross income, or (c) that portion of a family's welfare payment, if any, designated for housing. The law provided that new tenants were to pay the higher amount immediately. For tenants who entered public housing before August 13, 1981, when the new law took effect, the increase is being phased in over a 5-year period, and no tenant's rental increase is to exceed 10 percent in any 12-month period, except for increases due to higher income. The phase-in schedule: Tenants with lease renewal or income reexamination between August 1, 1982 and September 30, 1983, 27 percent of income; between October 1, 1983 and September 1984, 28 percent; between October 1, 1984 and September 1985, 29 percent; and after October 1, 1985, 30 percent. 8/

Regulations require that aggregate rents charged equal at least 20 percent of the aggregate income of tenants in a local housing authority's jurisdiction. The Federal Government makes annual payments to local authorities to assure the low-rent character of projects, to achieve and maintain adequate operating and maintenance service and reserve funds, and to provide debt service payments.

Public housing outlays, including operating subsidies, averaged about \$2,600 per unit in FY 1983, roughly \$217 monthly.

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6/ 24 C.F.R. § 860.405 (1981).

7/ 24 C.F.R. § 860.404 (1981).

8/ 24 C.F.R. § 860.404 (1983).



35. SECTION 502 RURAL HOUSING LOANS

A. Funding Formula

This program is funded 100 percent by the Federal Government.

B. Eligibility Requirements

The law permits loans for owners or potential owners of a farm, or owners of a home or nonfarm tract in a rural area, who are without decent, safe, and sanitary housing and unable to obtain credit elsewhere on reasonable terms. Both "very low" and "low" income families are eligible for Section 502 loans and interest credits. 1/ The 1983 Housing and Urban-Rural Recovery Act requires that at least 40 percent of units nationwide and 30 percent of the units in each State financed under this program be occupied by very low income families or persons.

The law defines very low income as below 50 percent of the median income and requires area and family size adjustments. 2/ Agriculture Department regulations have established dollar limits by county or district groupings for each State and outlying area. 3/ The range in eligibility limits is from \$5,000 to \$11,500 (adjusted annual income) for very low income and from \$11,500 to \$18,000 for low income families in the 48 contiguous States.

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1/ P.L. 96-399, the Housing and Community Development Act of 1980, required that credits be made available to moderate-income borrowers, but P.L. 97-35 made this a discretionary provision, and the Secretary of Agriculture in December 1981 determined that such credits were not needed.

2/ P.L. 98-181.

3/ USDA says that its schedule of low-income limits reflects 80 percent of area medians, but that the actual limits are "not less than 60 percent nor greater than 80 percent of the non-metro census regional income with some adjustment for housing cost."

The peak limit is \$17,100 for very low income and \$27,500 for low income families in Juneau, Alaska. 4/

Other eligibility requirements are set by the Farmers Home Administration (FmHA). Families must have sufficient income to make mortgage payments, and to pay premiums, taxes, maintenance, and other necessary living expenses.

By regulation, adjusted annual income (countable housing income) is 95 percent of all income of family members including cash welfare, but excluding food stamps and the earnings or benefit income of a fulltime student (who is not the applicant or his spouse), reduced by \$300 for each minor child and by work-related expenses for dependent care, up to \$400 monthly. 5/

### C. Benefit Levels

The law restricts loans to the size "necessary to provide adequate housing, modest in size, design, and cost." FmHA regards this as precluding a house of more than 1,300 square feet. The actual size of the mortgage varies from place to place depending on construction costs.

In FY 1983 loans averaged almost \$43,000.

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4/ The schedule of "maximum adjusted incomes" for rural housing programs is found at 7 C.F.R. § 1944, Exhibit C (1982). See 46 Federal Register, No. 244, Dec. 21, 1981. p. 62015-62028.

5/ Other exclusions: foster care payments, stipends from foster Grandparents, or Older American Community Service Programs, ACTION payments, and CETA training allowances. 7 C.F.R. § 1944.8 (1982). See 46 Federal Register, No. 244, Dec. 21, 1981. p. 61993.

36. SECTION 515 RURAL RENTAL HOUSING LOANS

A. Funding Formula

This program is funded 100 percent by the Federal Government.

B. Eligibility Requirements

The law permits loans for rural rental and cooperative housing units to be occupied by persons at least 62 years old and by families with "low" or "moderate" income. The law requires that at least 40 percent of units nationwide and 30 percent of units in each State financed under this program be occupied by very low-income families or persons.

The law defines very low income as below 50 percent of the median income and requires area and family size adjustments. 1/ Agriculture Department regulations have established [dollar limits] by county or district groupings for each State and outlying area. 2/ The range in eligibility limits is from \$5,000 to \$11,500 (adjusted annual income) for very low income and \$11,500 to \$18,000 for low income families in the 48 contiguous States. The peak limit is \$17,100 for very low and \$27,500 for low income families in Juneau, Alaska. 3/ (Regulations define moderate-income as \$5,500 over the low-income level.)

By regulation, adjusted annual family income (countable housing income) is 95 percent of all income of family members (excluding temporary and nonrecurring income and earnings of members under 21 years old), reduced by \$300 for each minor child.

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1/ P.L. 98-181.

2/ USDA says that its schedule of low-income limits reflects 80 percent of area medians, but that the actual limits are "not less than 60 percent nor greater than 80 percent of the non-metro census regional income with some adjustment for housing cost."

3/ The schedule of "maximum adjusted incomes" for rural housing programs is found at 7 C.F.R. § 1944, Exhibit C (1982). See 46 Federal Register, No. 244, Dec. 21, 1981. p. 62015-62028.

Sponsors can be nonprofit, profit oriented, or "limited profit," must be unable to obtain credit elsewhere on reasonable terms that would enable them to rent the units for amounts within the payment ability of eligible tenants, and must have sufficient initial capital to make loan payments and meet costs. Applicants must conduct market surveys to determine the number of eligible occupants in the area who are willing and financially able to occupy the housing at the proposed rent levels; this does "not preclude occupancy by eligible occupants who are receiving welfare assistance." The Farmers Home Administration (FmHA) determines whether applicants meet requirements set in the law.

#### C. Benefit Levels

Nonprofit sponsors and State and local public agencies are eligible for loans up to 100 percent of the appraised value or development cost, whichever is less. Purchase loans for buildings less than 1 year old are limited to 80 percent of the appraised value. Loan amounts and terms can be determined by FmHA. In FY 1983 loans averaged about \$33,200 each.

37. SECTION 236 INTEREST REDUCTION PAYMENTS 1/

A. Funding Formula

This program is funded 100 percent by the Federal Government.

B. Eligibility Requirements

The Housing and Community Development Act of 1974 makes eligible for Section 236 housing assistance tenants whose incomes are not in excess of 80 percent of the area median income. Originally, in 1968, the limit was 135 percent of public housing limits, except that up to 20 percent of payments then could be for tenants whose incomes were not above 90 percent of limits established for Section 221 (d)(3) housing. The program is open to families and to single persons without regard to age, but the law limits to 15 percent 2/ the proportion of units available to non-elderly singles.

Until December 2, 1979, the law excluded from "income" for the purposes of determining eligibility and subsidy levels 5 percent of gross incomes, all earnings of minor children living at home, plus \$300 for each child. For tenants admitted after December 21, 1979, P.L. 96-153 provided that income should be defined in accordance with procedures of Section 8 (program No. 33).

The Housing and Urban-Rural Recovery Act of 1983 (P.L. 98-131) defines "adjusted income" for section 8 housing as annual gross income minus: \$480 for each household member (except the head or the head's spouse) who is under 18 years old, or older and disabled or a full-time student; \$400 for an elderly family; medical expenses over 3 percent of gross income for an elderly family; and child

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1/ Section 236 was suspended with other major subsidized housing programs on Jan. 4, 1973. Except as necessary to meet bona fide commitments, new contracts for additional projects will not be made under the program.

2/ P.L. 95-557 increased the maximum share for non-aged singles from 10 to 15 percent.

care expenses necessary to enable a member of the family to work or to further his/her education. 3/

For families with net family assets above \$5,000, Federal regulations include in "income" used to decide eligibility (a) actual income from all net family assets, or (b) 10 percent of their value, whichever is greater. Net family assets are defined as the equity value of real property, savings, stocks, bonds, and other forms of investment. Not included are such "necessary items" as furniture and automobiles. 4/

Income recertification is required annually. Eligibility and subsidy amounts are based on anticipated income in the year ahead, but a shorter accounting period is permitted by regulations.

### C. Benefit Levels

A basic monthly rental charge is established for each unit on the basis of the costs of operating the project with the debt service requirements of a mortgage bearing a 1-percent interest rate. HUD makes payments to reduce the effective interest rate to 1 percent. A fair market rental charge is established for each unit based on costs of operation with the debt service requirements of a mortgage at the full market rate. The law provides that the tenant family shall pay the basic rent or an amount equal to 30 percent of "adjusted gross income," 5/ (countable housing income, as defined above), whichever is greater, but not more than the market rent. However, 20 percent

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3/ Regulations implementing the 1983 law were issued on May 10, 1984 (49 Federal Register No. 92. p. 19926). Previous regulations had provided these deductions for section 235 interest reduction payments: \$300 for each minor child, medical expenses that exceeded 3 percent of annual income, and certain unusual expenses (dependent care costs). 24 C.F.R. 236.2 (1983). The 1983 rules excluded some items from "income" by definition, among them: irregular gifts, amounts that reimburse medical expenses; lump-sum additions to family assets; educational scholarships and veterans' educational benefits. 24 C.F.R. § 236.2 (1983).

4/ 24 C.F.R. § 236.2 (1983).

5/ Percentage of adjusted gross income was raised from 25 to 30 percent by P.L. 97-35, which was enacted on August 13, 1981. For tenants then in the program, this increase is being phased in, with completion scheduled by September 30, 1985.

of tenants who cannot afford the basic rent are to be provided additional help to lower their rental payment to 25 percent of income. 6/ Further, elderly and handicapped families paying more than 50 percent of their income for rent can receive Section 8 assistance. 7/

Benefits averaged \$1,240 per dwelling unit in FY 1983, \$103 monthly.

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6/ Provision was added by P.L. 93-383. Before this legislation, up to 40 percent were eligible for rent supplements, but only 10-20 percent received them.

7/ Provision was added by P.L. 96-399.

38. SECTION 235 HOMEOWNERSHIP ASSISTANCE FOR LOW-INCOME FAMILIES 1/

A. Funding Formula

This program is fully funded by the Federal Government.

B. Eligibility Requirements 2/

HUD regulations make eligible for the revised section 235 program families (two or more related persons) and singles who are elderly (at least 62 years old), displaced by governmental action or natural disaster, or handicapped; and whose adjusted annual incomes do not exceed 95 percent of the median family income for the area, adjusted for family size. 3/ The Secretary of the Department of

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1/ The Section 235 program was suspended with other major subsidized housing programs on Jan. 5, 1973. In Oct. 1975, \$264.1 million that had not previously been used for the Section 235 program was released, to be used according to revised regulations discussed above.

2/ Described in this report are terms of the regular Section 235 program. In addition, the 96th Congress authorized a special program, Section 235 (q), applicable only to mortgages executed or committed after April 21, 1980 and before March 1, 1981, to help reduce the inventory of unsold houses and stimulate new construction. This program, for which funds were not appropriated, would have made payments to the mortgagee to reduce the homeowner's payment for principal, interest, taxes, and insurance to 20 percent of his income, or to an effective interest rate of 11 percent, whichever was less. Under these terms, the estimated income limit for eligibility could have been as high as \$39,000.

3/ P.L. 94-375, the Housing Authorization Act of 1976, established the income limit at 95 percent of the area median. This replaced a limit of 80 percent of the area median, which had been set by P.L. 93-383, the Housing and Community Development Act of 1974. The original income limit, established by P.L. 90-448, the Housing and Urban Development Act of 1968, had been 135 percent of public housing limits, except that 20 percent of payments then could be for families whose income was not above 90 percent of the limits of section 221 (d)(3) housing, which were set by regulations of the Secretary.



Housing and Urban Development may establish different income limits for certain areas characterized by high construction costs, unusually low median incomes, or other factors.

HUD regulations exclude from "income" for the purposes of determining eligibility and subsidy levels 5 percent of gross income, all earnings of minor children living at home, plus \$300 for each such child. <sup>4/</sup> Only that part of the mortgagor's income that can be expected to continue for approximately the first 5 years of the mortgage is counted as effective income.

Eligible housing units are limited to new or substantially rehabilitated single family units, under construction or rehabilitation on or after October 17, 1975. Condominium units that have never been occupied, or a family unit in an existing condominium project where the mortgagor qualifies as a displaced family, also are eligible.

### C. Benefit Levels

HUD has determined that aid will be in the form of monthly payments to the mortgagee on behalf of the assisted home buyer, to reduce interest costs on an insured market rate home mortgage to as low as 5 percent. The borrower must be able to pay toward his mortgage payments at least 20 percent of his "adjusted gross income" (countable housing income, as defined above). Mortgage amounts are limited to \$40,000 for single family and condominium units with three bedrooms or less, and \$47,500 for units with four or more bedrooms. These limits may be raised by as much as \$7,500 in high cost areas, and additionally, by 10 percent for a dwelling to be occupied by a physically handicapped person, if the larger mortgage is needed to make the dwelling accessible and usable to him.

Any assistance payment made pursuant to a commitment issued after May 8, 1981, is subject to recapture upon (1) disposition of the subsidized property, (2) a 90-day cessation of payments on its mortgage, or (3) its rental for longer than one year. The law provides that the amount recaptured shall be equal to the assistance actually received or at least 50 percent of the net appreciation in the value of the property, whichever is less. <sup>5/</sup>

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<sup>4/</sup> 24 C.F.R. § 235.5 (1983). The 5 percent income exclusion was established by regulation. It is not required by law.

<sup>5/</sup> The recapture provision was added by P.L. 96-399, the Housing and Community Development Act of 1980.

Benefits averaged \$1,224 per dwelling unit in FY 1983, \$102 monthly. For homebuyers aided by the original program, annual benefits averaged about \$720; for those in the revised program, which commenced in late 1975, benefits averaged \$1,890. Ninety per-cent of homebuyers aided were enrolled in the pre-1975 program.

39. SECTION 101 RENT SUPPLEMENTS 1/A. Funding Formula

This program is funded 100 percent by the Federal Government.

B. Eligibility Requirements

Until December 21, 1979, the law made eligible for rent supplements tenants whose incomes were within the limits prescribed for admission to local public housing and who were: aged 62 or over or handicapped; displaced by governmental action or natural disaster; occupants of substandard housing; or military personnel serving on active duty, or their spouses. The Housing and Community Development Amendments of 1979 (P.L. 96-153) changed income limits for new tenants only 2/ to those of Section 8 (annual "income" ceiling: 80 percent of the median income for the area) and eliminated the special restrictions, except to give priority to those in substandard housing or involuntarily displaced.

Until December 21, 1979, the law excluded from "income" for purposes of determining eligibility and supplement levels \$300 per minor child and all earnings of minor children. For tenants admitted after that date, P.L. 96-153 provided that income should be defined in accordance with procedures of section 8 (program No. 33).

The Housing and Urban-Rural Recovery Act of 1983 (P.L. 98-131) defines "adjusted income" for section 8 housing as annual gross income minus: \$480 for each household member (except the head or the head's spouse) who is under 18 years old, or older and disabled or a full-time student; \$400 for an elderly family; medical expenses over 3 percent of gross income for an elderly family; and

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1/ The rent supplement program was suspended with other major subsidized housing programs on Jan. 5, 1973. Except as necessary to meet bona fide commitments, commitments for additional projects will not be made under the program.

2/ Most of the contract authority for the rent supplement program has been allocated to the Section 221(d)(3) market rate program; the remainder has been used in conjunction with section 236 projects, in which up to 40 percent of the units may receive rent supplements.

child care expenses necessary to enable a member of the family to work or to further his/her education. 3/

For families with net family assets above \$5,000, Federal regulations include in "income" used to decide eligibility (a) actual income from all net family assets, or (b) 10 percent of their value, whichever is greater. Net family assets are defined as the equity value of real property, savings, stocks, bonds, and other forms of investment. Not included are such "necessary items" as furniture and automobiles. 4/

Income recertification is required annually, except for the elderly.

### C. Benefit Levels

The Department of Housing and Urban Development is authorized to make periodic subsidy payments to owners of private housing rented to poor families. A basic rent sufficient to cover total housing costs is established for each rental unit, and eligible tenants must pay at least 30 percent of their "adjusted gross income" (countable income, as defined above), 5/ or 30 percent of the market rent, whichever is higher, toward the established rental rate. The deficit is covered by a rent supplement payment made directly to the owner by the Department of Housing and Urban Development. By regulation such rent supplements cannot exceed 70 percent of the basic rent. For all but the elderly, regulations require annual review of income. Families may remain in the project as their incomes rise by paying a higher rent and receiving a lower subsidy. However, an aged person is not subject to rental increases because of higher income until

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3/ Regulations implementing the 1983 law on May 10, 1984 (49 Federal Register No. 92. p. 19926). Previous regulations had provided these deductions for rent supplement payments: \$300 for each minor child, medical expenses that exceeded 3 percent of annual income, and certain (dependent care costs) unusual expenses. 24 C.F.R. § 215.21 (1983). The 1983 rules excluded some items from "income" by definition, among them: irregular gifts, amounts that reimbursed medical expenses; lump-sum additions to family assets; educational scholarships and veterans' educational benefits. 24 C.F.R. § 215.20 (1983).

4/ 24 C.F.R. § 215.15 (1983).

5/ Percentage of income paid toward rent was raised from 25 percent to 30 percent by P.L. 97-35, which was enacted on August 13, 1981. For tenants then in the program, this increase is being phased in, with completion scheduled on September 30, 1985.

his income equals 3.33 times the market rent. 6/ At that point an aged person, like all other tenants, loses the rent supplement and must pay full market rent.

Benefits averaged about \$2,500 in FY 1983, \$208 monthly.

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6/ This eligibility limit reflects the 1981 rule that basic rent shall equal 30 percent of adjusted gross income.

40. SECTION 504 RURAL HOUSING REPAIR LOANS AND GRANTSA. Funding Formula

This program is funded 100 percent by the Federal Government.

B. Eligibility Requirements

The law permits repair loans at a very low interest rate for "very low-income" owners of a farm or rural home who cannot obtain credit on reasonable terms elsewhere. Their income must be insufficient to qualify for a Section 502 loan, but adequate, including any "welfare-type" payments, to repay a Section 504 loan, as determined by the Farmers Home Administration. The income eligibility ceiling is \$11,500 in areas where median income exceeds \$23,000. Elsewhere it is 50 percent of the area median or \$5,000, whichever is higher. 1/ Regulations base eligibility on annual income expected in the year ahead, minus 5 percent and minus \$300 per dependent minor child who is a member of the household, but not a foster child. 2/ Grants are made, with or without loans, to low-income elderly homeowners, aged 62 or older. 3/ To be eligible for a grant only, an elderly homeowner must have an annual income so low that he cannot repay any part of a loan.

C. Benefit Levels

By law the maximum amount of a repair loan or grant cannot exceed \$5,000. The loan interest rate is one percent. Home improvement loans may be used for additional improvements such as adding a room or remodeling a kitchen. These loans are for a term of up to 25 years with a maximum of \$7,000.

In FY 1983 aid averaged \$4,055 per dwelling unit.

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1/ 7 C.F.R. § 1944.458 (a)(4). 48 Federal Register. No. 43 Mar. 3, 1983. p. 8988.

2/ 7 C.F.R. 1944.453, 47 Federal Register. No. 178. Sept. 14, 1982. p. 40400.

3/ The restriction of Section 504 grants to those aged at least 62 is required by appropriation language.

41. SECTION 514 FARM LABOR HOUSING LOANS AND SECTION 516  
FARM LABOR HOUSING GRANTS

A. Funding Formula

This program is fully funded by the Federal Government.

B. Eligibility Requirements

The law permits loans for low-rent housing for farm workers. Eligible for farm labor housing loans and grants are individual farm owners, associations of farmers, State or political subdivisions, broadbased public or private nonprofit organizations, or nonprofit organizations of farm workers. Housing aided by the program must be operated on a non-profit basis. Applicants must have sufficient income to pay operating costs and sufficient operating capital to pay costs such as property and liability insurance payments and other basic initial expenses not included in the loan or grant. The Farmers Home Administration (FmHA) county supervisor determines applicant eligibility on the basis of the criteria in the law.

C. Benefit Levels

Section 514 loans are available at 1 percent interest, for a term up to 33 years, or the useful life of the security, whichever is less. The loans are designed to assure that rents will be low enough to be within reach of the farm workers. Where there is a strong possibility that such housing will not be built without extra aid, Section 516 grants are available. The amount of the grant is limited to 90 percent of the development costs of a farm labor housing project, less the amount that FmHA determines can be obtained from other sources, including Section 514 loans.

In FY 1983 loans averaged \$20,500 each, and grants \$7,600.

42. INDIAN HOUSING IMPROVEMENT GRANTS

A. Funding Formula

This program is funded 100 percent by the Federal Government.

B. Eligibility Requirements

Pursuant to the Snyder Act, regulations of the Bureau of Indian Affairs (BIA) make eligible for housing improvement grants Indians (or Alaskan natives) descended from a member of a tribe that is federally recognized. Priority is given to families living in inadequate or substandard housing and unable to obtain help from other sources.

C. Benefit Levels

Maximum grants permitted by BIA regulations: to temporarily repair substandard housing, \$2,500 for any one dwelling; to repair or renovate housing that will become standard, \$20,000 for any one dwelling; to provide a down payment for a housing loan, \$5,000 (\$6,000 in Alaska). The regulations define maximum family size in "standard" housing as four persons for a 2-bedroom house and seven persons for a 3-bedroom house and state that four bedrooms are adequate "for all but the very largest families."

Grants averaged \$5,400 each in FY 1983.



43. SECTION 523 RURAL HOUSING SELF-HELP TECHNICAL ASSISTANCE GRANTS

A. Funding Formula

This program is funded 100 percent by the Federal Government.

B. Eligibility Requirements

Technical Assistance (TA) grants may be made to State or political subdivisions, and public or private nonprofit corporations with the legal, administrative, and technical capacity to provide supervisory assistance to help low-income families build homes in rural areas by the mutual self-help method. TA grants may be used for hiring personnel (director, coordinator-trainer, construction supervisor, and secretary-bookkeeper), paying office and administrative expenses, obtaining power and specialty tools, and paying fees for training self-help group members in construction techniques or for other needed professional services. TA funds may not be used to hire construction workers, or to buy real estate or building materials. 1/

Beneficiaries must be low-income rural families who agree to build their houses by the mutual self-help method. 2/

C. Benefit Levels

An initial TA grant will usually provide no more than \$200,000 to an organization. Applicants must demonstrate that the TA will result in a net savings per house of at least \$500. 3/

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1/ TA grant applicants may simultaneously apply for site loans under Sec. 523 or 524 to option, purchase, and/or develop sites. Participating families also may apply for loans under Section 502 to purchase sites and pay for housing construction.

2/ If a Sec. 523 grant is used in connection with a Section 502 interest credit loan, the "low-income" limits of Section 502 apply. See program No. 35.

3/ 7 C.F.R. § 1933.407 (1982).

#### 44. GUARANTEED STUDENT LOANS

##### A. Funding Formula

Before FY 1979, interest subsidies on guaranteed student loans were available only to students whose adjusted annual family income was below \$25,000 unless the school determined a student with higher income to be "in need" of a loan. The Middle Income Student Assistance Act (P.L. 95-566) repealed the income test for subsidized loans, effective with FY 1979. The Guaranteed Student Loan (GSL) program remained without any need requirements for the period FY 1979 through FY 1981 (1980-81 academic year). Effective October 1, 1981, however, the Omnibus Budget Reconciliation Act of 1981 (P.L. 97-35) established a need test for a subsidized loan in the case of a student whose family adjusted gross income exceeds \$30,000. For students whose family income is under \$30,000, GSL's remain available without proof of financial need.

##### B. Eligibility Requirements

On June 1, 1983, the Secretary of Education published the FY 1984-85 "family contribution schedule" for the GSL program for instruction periods beginning not later than July 1, 1984. (Federal Register, vol. 48, no. 108 pages 24584-24619).

As outlined in this "family contribution schedule," the expected family contribution to the cost of education for a GSL applicant whose family income exceeds \$30,000 is to be determined in the following way:

- (1) If the student has been awarded financial assistance for award year 1984-85 (July 1, 1984-June 30, 1985) under the Supplemental Education Opportunity Grant (SEOG), College Work-Study (CWS), or National Direct Student Loan (NDSL) Program, at the time he or she applies for a Guaranteed Student Loan, the student's expected family contribution is his or her expected family contribution calculated for the SEOG, CWS, or NDSL program.

- (2) If the student has not been awarded financial assistance under the SEOG, CWS, or NDSL program for the 1982-83 award year at the time he applies for a Guaranteed Student Loan, the institution shall calculate the student's expected family contribution under either--

(a) any need analysis system which has been approved by the Secretary for the SEOG, CWS, or NDSL programs; or

(b) the reference tables published in the FR, if the effective annual income of the student and his or her family does not exceed \$65,000.

Use of reference tables in the Federal Register (March 20, 1984 p. 10467) for the 84-85 academic year provides the quickest way to determine a student's potential eligibility for a GSL--as well as the maximum amount of such a loan. Such a determination might be made by subtracting from the estimated "cost of attendance" at the institution the total of the expected family contribution and other estimated Federal student financial aid. 1/ Any positive balance left would represent the amount of a GSL for which a student might apply, subject to the appropriate annual ceilings (\$2,500 for undergraduates and \$5,000 for graduate and professional students). 2/

As of June 1, 1983, GSL regulations indicate, however, not all students are eligible to use the reference tables to determine their expected family contribution. In particular, students who have received an SEOG, CWS, or NDSL award for the 1982-83 award year must use the same expected family contribution as calculated for these programs. For their calculations these programs use a need analysis system that takes into account various family income, asset, and expense criteria. Although this system does not lend itself to the type of summary provided by the GSL reference tables, the Secretary of Education does publish annually "sample cases and bench mark figures" for the SEOG, CWS, and NDSL programs, which help to provide a quick guide to the estimated average expected family contribution for these programs at various income and asset levels.

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1/ Other Federal student financial aid includes the Pell Grants, Supplemental Education Opportunity Grants, College Work Study, National Direct Student Loans, certain Veterans' Education (i.e., the GI bill), and Social Security Student Benefit programs.

2/ Section 428(a)(2)(F) of the Higher Education Act provides that if this subtraction results in a maximum potential GSL between \$500 and \$1,000, the amount of such loan for which the student qualifies shall be \$1,000.

### C. Benefit Levels

Loans may be obtained in amounts up to \$2,500 a year for undergraduates (the aggregate not to exceed \$12,500) and \$5,000 a year for graduate and professional students (not to exceed an aggregate of \$25,000). The borrower's interest rate for a student loan is 7 percent or 9 percent for a student who had earlier student loans at either of these two rates, and 8 percent for all other student borrowers (as of September 13, 1983). All student borrowers are subject to a 5 percent loan origination fee. The Federal Government pays the interest on subsidized loans while borrowers are in school. The repayment period is from 5 to a maximum of 10 years. The average loan per recipient was estimated at \$2,525 in FY 1983.

45. PELL GRANTS (Formerly Basic Educational Opportunity Grants)

A. Funding Formula

This program is funded 100 percent by the Federal Government.

B. Eligibility Requirements

The Higher Education Act of 1965, (HEA), as amended, entitles to Pell Grants college undergraduates (1) who are enrolled on at least a half-time basis and in good standing, or accepted for enrollment, and (2) whose "expected family contribution" for postsecondary education is below the maximum award level for a given year.

The Pell Grant program uses a need analysis system authorized under section 482 of the HEA to determine a student's eligibility for a Pell Grant. The central component of this system is a schedule of expected family contributions, which is updated annually by the Secretary of Education using criteria provided under section 482.

Under final regulations issued by the Secretary of Education for the 1984-85 award year, the "expected family contribution" for a dependent student refers to the amount that the student and his or her family may reasonably be expected to contribute toward the cost of his or her education for an award period. For an independent student, the term refers to the amount that the student and his or her spouse may reasonably be expected to contribute.

In determining the "expected family contribution" for a dependent student, the following elements of financial strength are considered:

- (1) the "effective income" of the student, the student's spouse, and the student's parents;
- (2) the number of dependents in the student's family;
- (3) the number of family members enrolled on at least a half-time basis in a program of postsecondary education;
- (4) the assets of the student, his or her spouse, and the student's parents;
- (5) the marital status of the student;
- (6) unusual medical expenses;
- (7) additional expenses incurred when both parents are employed or when a family is headed by a single parent who is employed; and

(8) the tuition paid by the student's parents for dependent children, other than the student, who are enrolled in an elementary or secondary school.

For an independent student, the same basic financial elements are considered, but they are applied only to the student and his or her spouse (not to the student's parents).

For the 1984-85 award year, "effective income" for a dependent student includes:

(1) the parents' adjusted gross income for the previous tax year, plus investment and other income on which no Federal income tax is paid (e.g., child support, welfare benefits, etc.), minus Federal income taxes paid or payable for such year; and

(2) the adjusted gross income of the student (and his or her spouse), plus investment and other income on which no Federal income tax is paid, minus Federal, State, and local income taxes paid or payable for such year.

In the case of an independent student, "effective income" excludes paragraph (1) above (parents' adjusted gross income).

Pell Grant regulations specify the extent to which each of the eight elements of family and student financial strength (outlined earlier) is to be used to reduce "effective income" to a remaining amount of "discretionary income," a portion of which is considered to be available for meeting the costs of a student's postsecondary education as the "expected family contribution." In recent years, 10.5 percent of discretionary income has been the expected family contribution rate. For the 1984-85 award year, however, the percentage of discretionary income assessed to yield the expected family contribution is as follows:

- (1) 11 percent on the first \$5,000 of discretionary income;
- (2) 13 percent on \$5001-\$10,000;
- (3) 18 percent on \$10,001-\$15,000; and
- (4) 25 percent on \$15,001 and above.

To qualify as an "independent student" for the 1984-85 award year, a single student in 1983 and 1984 must not have: lived for more than 6 weeks in his or her parent's home, been claimed as a dependent for Federal income tax purposes by the parents in either the current or previous year, or received financial aid of more than \$760 in either year from his or her parents. Similar provisions apply in the case of a married student.

### C. Benefit Levels

The Education Amendments of 1980 (Public Law 96-374) authorized a maximum Pell Grant of \$1,900 for 1981-82 and \$2,100 for 1982-83, with continuing annual increases to a level of \$2,600.

With respect to any eligible student's Pell Grant for a particular award year, the actual award received is the lowest resulting amount from the following three calculations:

- (1) the maximum Pell Grant entitlement for such year (i.e., \$1,900 for 1984-85) minus the "expected family contribution," or
- (2) 50 percent of the student's "cost of attendance" for such year, or
- (3) the student's "cost of attendance" minus the "expected family contribution" and 100 percent of any social security student benefits and/or veterans education (i.e., GI bill) benefits that the student receives.

The Pell Grant authorizing legislation defines the "cost of attendance" as the normal charges for tuition, fees, room and board, books, and other specified expenses. The family contribution schedule assesses a family's financial strength, providing an "eligibility index" for each applicant. The Department of Education publishes a payment schedule for each award year that is used by each participating postsecondary institution to match its cost of attendance with the student's eligibility index. The result of this match determines the amount of a student's Pell award at that institution, in accordance with the criteria outlined in the preceding paragraph.

For the 1979-80 and 1980-81 academic years, an estimated 2,538,000 and 2,800,000 students, respectively, received average Pell Grants of \$987 and \$882. For the academic year 1981-82 an estimated 2,700,000 students received Pell Grants averaging \$882. For the 1982-83 academic year, an estimated 2,600,000 students will receive grants averaging \$980. In each of the four fiscal years, the maximum Pell Grant award was as follows: \$1,800, \$1,750, \$1,670, and \$1,800.

Appropriations legislation since FY 1981 have generally established a lower maximum grant level than provided in authorizing law with the maximum grant level for academic year 1984-85 set at \$1,900.

46. HEADSTART 1/A. Funding Formula

The law sets the Federal share at 80 percent of program costs, but permits a larger share if the Secretary of Health and Human Services determines this to be necessary for Headstart's purposes. Federal regulations permit a higher Federal share for a Headstart agency which is located in a relatively poor county 2/ or one that "has been involved" in a major disaster if the Secretary finds that the agency is "unable" to pay a 20 percent share despite a "reasonable effort" to do so. Also, if a Headstart agency received more than an 80 percent Federal share for any budget period within fiscal years 1973 or 1974, it is entitled by regulation to continue to receive the larger share. The non-Federal share may be paid in cash or in kind. It may be paid by the Headstart agency or by another party. A Headstart agency is a local public or private non-profit agency designated to operate a Headstart program. Headstart funds are allocated to States by formula. 3/

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1/ Although Headstart is classified here as an educational program, it should be noted that it provides many other services. It is administered by DHHS rather than the Department of Education.

2/ A county with personal per capita income below \$3,000 annually ( 45 C.F.R 1301.21, 1981).

3/ The Headstart allotment formula, as amended by the Omnibus Budget Reconciliation Act of 1981, P.L. 97-35, provides that 13 percent of the Headstart appropriation shall be reserved by the Secretary for: (1) Indian and migrant programs, (2) payments to the territories; (3) training and technical assistance; and (4) discretionary payments by the Secretary. The remaining 87 percent is distributed to the States as follows: each State receives the amount it received in FY81; one-third of the remainder is distributed on the basis of each State's share of children receiving payments under the Aid to Families with Dependent Children program; and the rest on the basis of each State's share of children aged 0-5 living in poverty.



#### B. Eligibility Requirements 4/

The law makes eligible for Headstart children from families with incomes below the "poverty line" or from families who, without child care, potentially would qualify for AFDC; plus, under certain conditions, some non-poor children. Regulations adopted on April 7, 1978, by the Department of Health and Human Services (DHHS), then the Department of Health, Education, and Welfare, provide that no more than 10 percent of the children, including handicapped children, in each Headstart program shall be from non-poor families. These regulations make eligible children from families whose total before-tax annual income is not above the poverty line established by the Office of Management and Budget (\$10,200 for a nonfarm family of four in 1984). 5/ In 1975 at least 10 percent of total Headstart enrollment opportunities had to be available for handicapped children. Beginning in 1976, this standard was changed to 10 percent of Headstart enrollment in each State.

In 1978 certain small, remote communities were permitted to establish their own eligibility criteria as long as at least half of the families were eligible under the income guidelines. To qualify for this authority, communities must have a population no greater than 1,000, be medically underserved, and lack other preschool programs or medical services within a reasonable distance.

#### C. Benefit Levels

Headstart is a comprehensive preschool program that operates both year-round and summer sessions. Services include educational, dental, medical, nutritional, and social services to children and their families. Headstart children from non-poor families may volunteer to pay part or all of the cost of participation. However, Headstart agencies are forbidden by regulations from soliciting, encouraging, "or in any other way" conditioning a child's enrollment upon payment of a fee.

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4/ Headstart eligibility rules are found in 45 C.F.R. § 1305. (1981).

5/ This is the 1984 Federal poverty income guideline, issued in February 1984 by the Department of Health and Human Services, on the basis of the methodology of the Office of Management and Budget.

47. COLLEGE WORK-STUDY PROGRAM

A. Funding Formula

The Higher Education Act of 1965, as amended, authorizes Federal funding for up to 80 percent of the compensation paid to participating students. The remaining portion (a minimum of 20 percent) is provided by participating educational institutions.

B. Eligibility Requirements \*

The law authorizes federally subsidized wages for (1) undergraduate, graduate, or professional students, (2) particularly those who are in "need" of earnings to pursue a course of study at the institution. Under terms of the Education Amendments of 1980 (P.L. 96-374), up to 10 percent of college work-study funds may be used for those who are less than half-time students, 1/ and a student's need for funds is to be decided by use of a Federally approved need analysis system.

C. Benefit Levels

A student's earnings are limited to his need, as determined by a Federally approved need analysis system. By regulation, jobs must pay at least the applicable Federal minimum wage. Regulations limit the number of hours of work per week to an average of 20 during the academic year and to 40 during regular vacation periods. An estimated 720,978 students earned an average of \$700 under the program during the 1982-83 school year.

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1/ Previously, the college work-study program required all participants to be enrolled on at least a half-time basis.

\* Regulations for the College Work-Study program are found in 34 C.F.R. part 675.

48. SUPPLEMENTAL EDUCATIONAL OPPORTUNITY GRANTS

A. Funding Formula

This program is funded 100 percent by the Federal Government.

B. Eligibility Requirements

The Higher Education Act of 1965, as amended by the Education Amendments of 1980 (P.L. 96-374), authorizes supplemental grants for postsecondary undergraduate students who are in good standing, or accepted for enrollment, and who demonstrate need under a Federally approved need analysis system. The Education Amendments of 1980 make up to 10 percent of the funding available for less than halftime students. 1/2/

C. Benefit Levels

The law limits individual grants to \$2,000. An estimated 650,000 students received grants averaging \$525 under the program during the 1983-84 school year.

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1/ Previously, the Supplemental Educational Opportunity Grant program required all recipients to be enrolled on at least a half-time basis.

2/ Federal regulations for this program are found in 34 C.F.R. 676.

49. CHAPTER 1 MIGRANT EDUCATION PROGRAMA. Funding Formula

This program is funded by the Federal Government under Chapter 1 of the Education Consolidation and Improvement Act. The Department of Education (DE) makes annual formula grants to State educational agencies for programs designed to meet the special needs of migratory children of migratory agricultural workers or migratory fishermen based upon annual counts of certain of these children who participate in a State program. In addition, DE makes discretionary grants to improve coordination of the programs within and among States and negotiates an annual contract to support the Migrant Student Record Transfer System.

B. Eligibility Requirements 1/

Eligible are currently and formerly 2/ migratory children of migratory agricultural workers or migratory fishermen. Priority must be given to children enrolled in kindergarden or grades 1 through 12, but preschool children also participate. There is no income test, but migratory children may be presumed to need special educational and other services.

Regulations define a currently migratory child as a child whose parent or guardian is a migratory agricultural worker or a migratory fisher and who, in general, has moved within the past 12 months from one school district to another to enable a member of the immediate family to obtain temporary or seasonal employment in an agricultural or fishing activity.

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1/ Regulations are found in 34 C.F.R. § 204 and 205.

2/ The law permits services for formerly migratory children for up to 5 years. The Department of Education has proposed to reduce this to 2 years.

### C. Benefit Levels

State educational agencies are responsible for migrant education programs, but generally local school district both design and administer them. Programs commonly provide regular academic instruction, remedial or compensatory instruction, bilingual and multicultural instruction, vocational and career education, testing, guidance and counseling, and medical and dental screening. In calendar year 1982 programs served approximately 590,000 children (approximately 490,000 full-time equivalent children) in 49 States (all but Hawaii), the District of Columbia, and Puerto Rico. School year 1982-1983 allocations (made from fiscal year 1982 appropriations) totaled \$248,673,400 for the programs themselves, plus \$7,065,600 for coordination projects and the Migrant Student Record Transfer System. The amount of support per child varied substantially.

## 50. NATIONAL DIRECT STUDENT LOANS

### A. Funding Formula

The Higher Education Act of 1965, as amended by the Education Amendments of 1980 (P.L. 96-374), authorizes 90 percent Federal matching for revolving loan funds at public, other nonprofit, and proprietary institutions of higher education. Institutions receiving these Federal contributions must contribute to the loan fund an amount equal to at least one-ninth of the Federal sum. The Education Amendments authorize a second method of funding through Federal borrowing, subject to authority provided by appropriations acts.

### B. Eligibility Requirements \*

The law authorizes low-interest, long-term loans for (1) undergraduate, graduate, or professional students enrolled on at least a half-time basis, or accepted for enrollment, (2) who are "in need" of the amount of the loan to pursue a course of study, and (3) who maintain good standing. A student's need for a loan is determined by a Federally approved need analysis system.

### C. Benefit Levels

Effective October 1, 1981, the law authorizes loans at a 5 percent interest rate. <sup>1/</sup> Loans are to be repaid over a 10-year period beginning 6 months after the end of study on at least a half-time basis. No interest is charged until repayment of the principal begins, unless the payment is deferred, as permitted under certain conditions. In addition, all or a portion of the loans may be cancelled for those who enter specific teaching jobs or military service. The law permits total aggregate loans of up to \$3,000 for students in their first 2 years of college, \$6,000 for students who have completed their first 2 years of undergraduate study, and \$12,000 for graduate or professional students. An estimated 840,000 students borrowed loans averaging \$800 under the program in the 1983-84 school year.

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<sup>1/</sup> The interest rate was 3 percent until July 1, 1981, when it was raised to 4 percent. Effective Oct. 1, 1981, P.L. 97-35 increased it to 5 percent.

\* Regulations for National Direct Student Loans are found in 34 C.F.R. 674.

51. SPECIAL PROGRAMS FOR STUDENTS FROM DISADVANTAGED  
BACKGROUNDS (TRIO PROGRAMS)

Note: Special Programs for Students from Disadvantaged Backgrounds consist of 5 programs authorized by title IV of the Higher Education Act of 1965, as amended: Upward Bound, Special Services for Disadvantaged Students, Talent Search, Educational Opportunity Centers, and Staff Development. The first three were the original "Trio" programs and are described in summary form below. The centers serve as a clearinghouse for information on financial and postsecondary institutions in low-income areas, and the staff development programs provides short-term training for Trio instructors.

A. Funding Formula

These programs are 100 percent federally funded.

B. Eligibility Requirements

1. Upward bound

Eligible are potential first-generation college students between the ages of 13 and 19 (unless they are veterans) who (1) at the time of initial selection are from low-income families and (2) need academic support in order to successfully pursue an education beyond high school. Participants must have completed grade 8 but not entered grade 12 (unless they are veterans). For veterans there is no age limit or school class requirement. <sup>2/</sup>

Regulations issued in 1982 (for Upward Bound, Special Services for Disadvantaged Students, and Talent Search) define a low-income family as one whose income does not exceed 150

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<sup>1/</sup> The Education Amendments of 1972 (P.L. 92-318) added the final two programs, but the enlarged group of five programs still is known as the "Trio" group.

<sup>2/</sup> Upward Bound eligibility rules are found in 34 C.F.R. § 645.3.

percent of the Census Bureau's poverty threshold for their family size in the calendar year preceding the year of program participation. For a family of four, the Census Bureau's estimated 1983 poverty threshold (issued in January 1984) was \$10,180. The regulations also define a "first-generation" college student as one whose mother and father did not receive a bachelor's degree.

## 2. Special Services for Disadvantaged Students

Eligible are students enrolled, or accepted for enrollment, in a postsecondary educational program who (1) at the time of initial selection are from low-income families (as defined above) and are either first-generation college students or physically handicapped and (2) need academic support in order to successfully pursue the educational program. 3/

## 3. Talent Search

Eligible are persons (1) who have completed the 6th grade or are at least 12 years old and (generally) not older than 27 years and (2) who need one or more of the services provided by the Talent Search project to undertake a program of postsecondary education and to complete the program (or, for dropouts, to reenter and complete a program at the secondary or postsecondary level). Dropouts must have the "ability" to succeed in school. For veterans there is no age rule 4/. Regulations require at least 2/3's of participants to be from low-income families (defined above) and to be potential first-generation college students.

## C. Benefit Levels

Upward Bound and Special Services for Disadvantaged Students provide such services as: instruction in reading, writing, study skills, mathematics, and other subjects needed for success in education beyond high school; personal counseling; academic advice and assistance in course selection; tutorial services; exposure to cultural events and academic programs not usually available to disadvantaged students; and activities designed to acquaint students with the range of career options available to them. Special Services for

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3/ Eligibility rules for Special Services are found at 34 C.F.R. § 646.3.

4/ Talent Search eligibility rules are found at 34 C.F.R. § 643.3.



Disadvantaged Students also helps students secure admission and financial aid for enrollment in graduate and professional programs.

Talent Search publicizes the availability of student financial aid and encourages qualified students to complete high school and to undertake postsecondary education (or, if dropouts, to re-enter school). A Talent Search project may provide tutoring to a student who is not enrolled in Upward Bound.

In FY 1983, a total of 650,000 participants were enrolled in the five TRIO programs, as follows:

- Upward Bound--32,608;
- Special Services--150,293;
- Talent Search--190,825;
- Educational Opportunity Centers--104,300;
- Staff Training--1,500.

52. FOLLOW THROUGHA. Funding Formula

The law sets the Federal share at 80 percent of program costs (in some cases the Secretary of the Department of Education may approve a larger Federal share). 1/ The non-Federal share may be paid in goods or services.

B. Eligibility Requirements 2/

By law children from "low-income" families are eligible for Follow Through. Regulations define eligible recipients as children in families whose income is below the poverty guidelines of the Office of Management and Budget (\$10,200 for a family of four in 1984. 3/ The Secretary of Education may allow non-low-income children to join the program. At least 50 percent of Follow Through entrants must have participated previously in full-year Headstart programs or similar quality preschool programs with an instructional component.

C. Benefit Levels

Follow Through is an experimental program designed to test various models of primary education that might increase the achievement level of children previously enrolled in Headstart or similar programs. Fees for non-instructional services of the program may be charged for children from non-low-income families and paid by the local educational agency.

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1/ In FY 1980, 77 percent of Federal funds went to local educational agencies, and the rest to project sponsors and resource centers.

2/ Regulations governing Follow Through are found in 34 C.F.R. § 215 (1982).

3/ This is the 1984 Federal poverty income guideline, issued in February 1984 by the Department of Health and Human Services, on the basis of the methodology of the Office of Management and Budget.

53. VOCATIONAL EDUCATION WORK-STUDY PROGRAMA. Funding Formula

Federal funds available to the States for basic grants under the Vocational Education Act of 1963, as amended, may be used for grants to local educational agencies for work-study programs. (States must distribute basic grants to local educational agencies and other eligible recipients according to economic, social, and demographic factors relating to the need for vocational education among the various populations and the various areas of the State, and according to the relative financial ability of recipients to meet the vocational education needs of the students they serve. Federal payments to States may not exceed 50 percent of the cost of carrying out the annual program plan meeting the requirements of the Vocational Education Act.)

B. Eligibility Requirements 1/

Eligibility for a federally-subsidized work study program offered by a local educational agency is available only for a student who: (1) has been accepted for enrollment as a full-time student in a vocational education program, or is enrolled in such a program and is in good standing and in full-time attendance; (2) is in need of the earnings from employment to commence or continue the vocational education program; and (3) is between the ages of 15 and 21 at the beginning of employment and is capable of maintaining good standing in the vocational education program while employed under the work-study program. No student shall be employed under the program for more than 20 hours in any week in which classes are in session.

C. Benefit Levels

No student employed under a work-study program shall be compensated at a rate that exceeds the hourly rate prevailing in the area for persons performing similar duties.

1/ Regulations for the vocational education work-study program are found in 34 C.F.R. 400.521-523.

54. FELLOWSHIPS FOR GRADUATE AND PROFESSIONAL STUDY

A. Funding Formula

This program, authorized by title IX-B of the Higher Education Act of 1964, as amended, is fully funded by the Federal Government.

B. Eligibility Requirements

The program offers three kinds of fellowships: Graduate and Professional Opportunity Fellowships, Public Service Education Fellowships, and Domestic Mining and Mineral and Mineral Fuel Conservation Fellowships.

For each of these fellowships, persons must demonstrate a financial need and have been accepted for or be enrolled in a program of study leading to a postbaccalureate graduate or professional degree. In addition, to be eligible for a Graduate or Professional Opportunity Fellowship, an applicant must be a member of a group that is "underrepresented" in graduate or professional study. Regulations define underrepresented groups as "minorities and other groups, including women, who are underrepresented in the specific graduate area of study or profession in which the award is made." 1/

Public Service Education Fellowships are restricted to persons who plan a career in public service; and Domestic Mining and Mineral Fuel Conservation Fellowships, to persons who plan advanced study in domestic mining and mineral and mineral fuel conservation, including oil, gas, coal, shale, and uranium.

Schools decide applicants' financial need and award the fellowships.

C. Benefit Levels

Fellows receive grants for periods generally of up to 3 years. Awards are based on financial need and range up to

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1/ Program eligibility rules are found in 34 C.F.R. § 649 (1982).

\$4,500 per year. The program also provides an allowance of \$3,900 per year to the institution for each fellow. In FY 1983, 1,204 students received fellowships.

## 55. HEALTH PROFESSIONS STUDENT LOANS AND SCHOLARSHIPS

### A. Funding Formula

The law provides 90 percent Federal funding for student loans and 100 percent for scholarships. The school must contribute to the loan fund a minimum share equal to one-ninth of the Federal sum.

### B. Eligibility Requirements

1. Loans. Eligible for loans are full-time students in public or non-profit schools of medicine, dentistry, osteopathy, optometry, podiatry, pharmacy, and veterinary medicine. The school selects qualified loan applicants, and determines the amount of student loans by considering: (1) financial resources available to the student; and (2) the costs reasonably necessary for the student's attendance at the school. Dental, veterinary, optometry, podiatry, and pharmacy students need only be "in need" of aid. However, students of medicine and osteopathy must be in "exceptional financial need," as defined by Federal regulations. Regulations provide that a medical or osteopathic student will qualify for a loan on the basis of exceptional financial need if his counted resources do not exceed the lesser of \$5,000 or one-half the cost of attendance at the school. Not counted as available resources are summer earnings, educational loans, veterans' (G.I.) benefits, and earnings during the school year. However, for purposes of establishing priority among eligible medical and osteopathic student applicants, the regulations require schools to consider all their income, including summer earnings, educational loans, veterans' benefits, and school-year earnings. 1/

2. Scholarships (available only for first-year students)  
Eligible for scholarships are first-year full-time students of "exceptional financial need" in the seven kinds of schools listed above. Regulations for scholarship eligibility 2/ contain essentially the same test of exceptional financial need as that used for loans (see above).

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1/ 42 C.F.R. § 57.206 (1983).

2/ 42 C.F.R. § 57.2804 (1983).

### C. Benefit Levels

The maximum loan may not exceed the sum of tuition plus \$2,500 for each school year. Loans were authorized at a 7 percent interest rate through academic year 1981-82, but rose to 9 percent thereafter. 3/ The maximum scholarship grant is the sum of tuition plus all reasonable educational expenses, including fees, books, and laboratory expenses, plus a stipend that is adjusted annually with increases in Federal salaries. The stipend was established at \$400 monthly in academic year 1977-78 and rose to \$599 (\$7,188 per year) in 1984. These stipends are indexed to the General Schedule of Federal salaries for white collar employees and adjusted annually. The law requires that the stipends be increased by the percentage of the rise in pay under the General Schedule, rounded to the next multiple of \$1. Loans must be repaid over a 10-year period beginning 1 year after the end of the study, excluding from such period all periods (up to three years) of (1) active duty performed by the borrower as a member of a uniformed service or (2) service as a Peace Corps volunteer, and periods of advanced professional training including internships and residencies. No interest is charged until repayment begins.

The Secretary may, subject to the availability of funds, repay all or part of an individual's loan made after November 17, 1971, under this program if the Secretary determines that the individual: (1) failed to complete the health professions studies leading to the individual's first professional degree; (2) is in exceptionally needy circumstances; (3) is from a low income or disadvantaged family; and (4) has not resumed or cannot reasonably be expected to resume the course of study within 2 years following the date the individual ended the studies.

For this purpose, Federal regulations define a low-income family as one with income below approximately 130 percent of the Federal poverty guidelines. For a 4-person family, the 1984 income threshold, issued in March 1984, is \$13,200. Regulations apply this income test to the family of the student's parent, including in the family unit only those dependents who are listed on Federal income tax forms. 4/

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3/ P.L. 97-35, the Omnibus Budget Reconciliation Act of 1981, increased the interest rate.

4/ See 49 Federal Register. No. 58. March 23, 1984. p. 11016.

56. MIGRANT HIGH SCHOOL EQUIVALENCY PROGRAM (HEP)

A. Funding Formula

This program is funded by the Federal Government. The Department of Education (DE) offers funds to institutions of higher education and to other public or nonprofit private agencies cooperating with such institutions to help migrant students obtain the equivalent of a secondary school diploma.

B. Eligibility Requirements <sup>1/</sup>

Eligible to participate in HEP projects are students (1) who are migrant farmworkers or other seasonal farmworkers (or who are dependents of such workers), (2) who have not earned a secondary school diploma, (3) who are not currently enrolled in an elementary or secondary school, and (4) who are above the age of compulsory school attendance. There is no definite income test, but participating students must be judged by grantees to need financial and academic and supporting services.

C. Benefit Levels

Projects financed by this program typically provide instruction in reading, writing, mathematics, and other subjects tested by equivalency examinations; career-oriented work-study courses; tutoring; and personal and academic counseling. Also HEP projects often provide financial assistance, housing, and various support services. In the 1983-1984 school year HEP served about 2,790 students. School year 1983-1984 grants (made from fiscal year 1983 appropriations) totaled \$6,300,000. The average support per student was approximately \$2,260, though actual support varies substantially. The President's FY 1985 budget requested no funds for this program.

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<sup>1/</sup> Regulations for this program are found in 34 C.F.R. 206.



57. ELLENDER FELLOWSHIPS

A. Funding Formula

The law authorizes a specified Federal sum for fellowships. Community groups and the Close-Up Foundation try to match these Federal funds dollar for dollar. In 1981 Federal funds were slightly more than 50 percent of the total.

B. Eligibility Requirements \*

Without definition, the law makes eligible both secondary school students who are "economically disadvantaged" and their teachers. The program has no regulations.

C. Benefit Levels

Fellowships cover the costs of room, board, tuition, administration, and insurance for a week-long series of meetings, tours, and seminars about public affairs in Washington, D.C., sponsored by the Close-Up Foundation. Students and their teachers meet with Officials from the three branches of the Federal Government and discuss pending issues. In 1983, 2,440 students and 2,217 teachers received fellowships, at an average cost of \$322.

\* There are no Federal regulations for Ellender Fellowships.

## 58. COLLEGE ASSISTANCE MIGRANT PROGRAM (CAMP)

### A. Funding Formula

This program is funded by the Federal Government. The Department of Education (DE) offers funds to institutions of higher education and to other public or nonprofit private agencies cooperating with such institutions to help migrant students complete their first academic year in college.

### B. Eligibility Requirements <sup>1/</sup>

Eligible to participate in CAMP projects are students (1) who are migrant farmworkers or other seasonal farmworkers (or who are dependents of such workers) and (2) who are enrolled or admitted for enrollment as full-time students in an institution of higher education participating in the program. There is no definite income test, but participating students must be judged by grantees to need financial assistance for college expenses as well as academic and supportive services.

### C. Benefit Levels

CAMP projects typically provide tuition and stipends for room and board and personal expenses. Also, they provide academic and personal counseling, tutoring in basic skills and other subject areas, and various support services. In the 1983-1984 school year CAMP served about 455 students at five sites in four States. School year 1983-1984 grants (made from fiscal year 1983 appropriations) totaled \$1,200,000. The average support per student was approximately \$2,637, though actual support varied substantially. The President's FY 1985 budget requested no funds for this program.

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<sup>1/</sup> Regulations for CAMP are found in 34 C.F.R. 206.

## 59. NURSING STUDENT LOANS AND SCHOLARSHIPS

### A. Funding Formula

The law provides 90 percent Federal funding for student loans. (Through school year 1980-81, it also authorized funding, at 100 percent, for scholarship grants.) 1/ The school must contribute to the revolving loan fund a minimum share equal to one-ninth of the Federal sum.

### B. Eligibility Requirements

The Public Health Service Act, as amended, authorizes low-interest long-term loans for full- or half-time students in schools of nursing who are "in need" of financial aid to pursue their studies. The law requires that preference for loans be given to licensed practical nurses and to persons entering as first year students after July 1975 who want to pursue a Registered Nurse (RN) degree. Regulations of the Department of Health and Human Services provide that schools shall take into account, in determining need of students, their financial resources, and the cost "reasonably necessary" for attending the school, "including any special needs and obligations which directly affect the student's ability to attend" the school. 2/

For students in "exceptional financial need," the law previously authorized scholarship grants. Schools decided their students' need.

### C. Benefit Levels

The law specifies that loans may not exceed \$2,500 per student per year, and that the aggregate amount may not exceed \$10,000. Loans

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1/ P.L. 97-35, the Omnibus Budget Reconciliation Act of 1981, did not reauthorize Nursing Scholarships beginning academic year 1981-1982.

2/ Regulations governing this program are found in 42 C.F.R. § 57.310 (1983).

were authorized at 3-percent interest rates through school year 1981-82, but rose to 6 percent thereafter. 3/ The law requires repayment over a 10-year period beginning 9 months after the end of study, excluding from such period all periods (up to three years) of (1) active duty performed by the borrower as a member of a uniformed service, or services as a Peace Corps volunteer, and (2) periods (up to five years) during which the borrower is pursuing a full-time course of study at a collegiate school of nursing leading to a baccalaureate degree in nursing or an equivalent degree, or to a graduate degree in nursing, or is otherwise pursuing advanced professional training in nursing (or training to be a nurse anesthetist). No interest is charged until repayment of the principal begins.

The Secretary may, subject to the availability of funds, repay all or part of an individual's loan made after November 17, 1971, under this program if the Secretary determines that the individual: (1) failed to complete the specified nursing studies for which the loan was made, (2) is in exceptionally needy circumstances; (3) is from a low income or disadvantaged family; and (4) has not resumed or cannot reasonably be expected to resume the course of study within 2 years following the date the individual ended the studies.

For this purpose, Federal regulations define a low-income family as one with income below approximately 130 percent of the Federal poverty guidelines. For a 4-person family, the 1984 income threshold, issued in March 1984, is \$13,200. Regulations apply this income test to the family of the student's parent, including in the family unit only those dependents who are listed on Federal income tax forms. 4/

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3/ P.L. 97-35, which extended the Nursing Student Loan program through FY 1984, increased the interest rates on such loans from 3 to 6 percent.

4/ See 49 Federal Register No. 58, March 23, 1984. p. 11016.

60. COMPREHENSIVE EMPLOYMENT AND TRAINING SERVICES  
(CETA TITLES II-B AND II-C)

A. Funding Formula

The Comprehensive Employment and Training Act (P.L. 95-524) provided 100 percent Federal funding for this program, which was replaced on October 1, 1983 by title II-A of the Job Training Partnership Act (JTPA), P.L. 97-300. JTPA also is 100 percent federally funded.

B. Eligibility Requirements

Although a similar range of services was provided under parts B and C of title II, their eligibility criteria differed. Part B was limited to the economically disadvantaged, defined as persons with family income at or below 70 percent of the Bureau of Labor Statistics lower-living standard income level (a ceiling that averaged \$10,726, as of spring 1982, <sup>1/</sup> and ranged in the 48 contiguous States from \$9,619 in nonmetropolitan areas of the South to \$16,057 in Anchorage, Alaska for an urban family of four, depending on location) who were either unemployed, under-employed, or in school. Part C had no income eligibility criterion. The program required only that an individual be working at less than his or her full skill potential. It served primarily those in entry level positions or positions with little advancement opportunity. (Title II-A of the JTPA, successor to CETA, uses income eligibility criteria similar to those of CETA II-B.) <sup>2/</sup>

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<sup>1/</sup> As of April 1984, the Department of Labor had not updated its "lower living standard income levels." For budget reasons, BLS has discontinued its series on urban family budgets, on which the lower living standard income levels for job programs were based. The final report was issued in April 1982 and provided costs of family budgets in autumn 1981.

<sup>2/</sup> JTPA includes 70 percent of the lower living standard income level as an income eligibility criterion for this program and defines it as "that income level (adjusted for regional, metropolitan, urban and rural differences and family size) determined annually by the Secretary based on the most recent 'lower living family budget' issued by the Secretary."

### C. Benefit Levels

Job training participants received allowances at least equal to the Federal minimum wage, set at \$3.35 per hour. (The successor program, JTPA title II-A, provides only very limited training allowances and relates them to the income of participants. JTPA forbids welfare programs other than AFDC and SSI to take its allowances, earnings, and payments into account in determining benefits and permits a State, for no more than 6 months, to disregard JTPA earnings of an AFDC child. The mandatory disregard of JTPA applies to veterans' pensions, food stamps, child nutrition programs, housing benefits, and any other need-based aid established outside the Social Security Act.)

61. SUMMER YOUTH EMPLOYMENT PROGRAM  
CETA TITLE IV-C) 1/

A. Funding Formula

The Comprehensive Employment and Training Act provided 100 percent Federal funding for this program which was replaced on October 1, 1983 by title II-B of the Job Training Partnership Act (JTPA), P.L. 97-300. JTPA is 100 percent federally funded.

B. Eligibility Requirements

The law made eligible "economically disadvantaged" youths who were either (1) unemployed, underemployed, or in school and aged 16-21, inclusive, or (2) if authorized by regulation, in school and aged 14-15, inclusive. The law defines an economically disadvantaged person as : (a) a recipient of cash welfare from a Federal, State, or local welfare program 2/ or a member of a family receiving cash welfare; (b) a member of a family whose income in the previous 6 months would have qualified the family for cash welfare payments; or (c) a member of a family whose income in the previous 6 months, exclusive of welfare payments and unemployment compensation, was not above the higher of (1) the Office of Management and Budget (OMB) poverty guidelines (established for 1984 at \$10,200 for a family of four and at \$4,980 for a single person) 3/ or (2) 70 percent of the "lower living standard income level" (a ceiling ranging

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1/ The title IV-C program began in summer, 1979. In FY 1976-78 the Summer Youth Employment Program was established in CETA title III.

2/ Aid to Families with Dependent Children (AFDC), Supplemental Security Income (SSI), General Assistance (sometimes known as Home Relief), or Emergency Assistance.

3/ These 1984 Federal poverty income guidelines were issued in February 1984 by the Department of Health and Human Services, using OMB methodology.

in the 48 contiguous States from \$9,619 to \$11,987 for an urban family of four, depending on location, and averaging \$10,726, as of spring 1982. <sup>4/</sup> As of April 1984, the Department of Labor had not updated its "lower living standard income level." For budget reasons, BLS has discontinued its series of urban family budgets on which the lower living standard income levels for job programs were based. The final report was issued in April 1982 and provided costs of family budgets in autumn 1981. (The successor JTPA program uses similar income eligibility criteria.) <sup>5/</sup>

### C. Benefit Levels

The program provided summer jobs that paid the applicable minimum wage. (The successor JTPA program provides similar benefits. JTPA forbids welfare programs other than AFDC and SSI to take its allowances, earnings, and payments into account in determining benefits and permits a State, for no more than 6 months, to disregard JTPA earnings of an AFDC child.)

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<sup>4/</sup> The CETA law said that the Secretary of Labor was to determine the lower living standard on the basis of the most recent "lower living family budget" issued by him and to adjust it for regional, metropolitan urban, and rural differences, and for family size. The lower level BLS budget for an urban family of four, issued in April 1982, for use during 1982 and early 1983, was \$15,323. It ranged from \$13,741 in nonmetropolitan areas of the South to \$22,939 in Anchorage, Alaska. For 1-person "families," the OMB poverty guidelines were higher than the alternate standard, 70 percent of the lower living standard income level.

<sup>5/</sup> JTPA includes 70 percent of the lower living standard income level as an income eligibility criterion for this program and defines it as "that income level (adjusted for regional, metropolitan, urban and rural differences and family size) determined annually by the Secretary based on the most recent 'lower living family budget' issued by the Secretary."



## 62. JOB CORPS (CETA TITLE IV-B)

### A. Funding Formula

The Comprehensive Employment and Training Act (CETA) provided 100 percent Federal funding for the Job Corps. Since October 1983, Job Corps has been authorized by title IV of the Job Training Partnership Act (JTPA), P.L. 97-300. JTPA also is 100 percent federally funded.

### B. Eligibility Requirements

The law makes eligible "economically disadvantaged" youths aged 14 through 21 who live in a "disorienting" environment and are in need of additional education, vocational training, and related supportive services to accomplish regular school work, qualify for other suitable training programs, satisfy Armed Forces requirements, or secure and hold "meaningful employment."

The law defines an economically disadvantaged person as (a) a recipient of cash welfare from a Federal, State, or local welfare program <sup>1/</sup> or a member of a family receiving cash welfare; (b) a member of a family whose income in the previous 6 months would have qualified the family for cash welfare payments; or (c) a member of a family whose income in the previous 6 months, exclusive of welfare payments and unemployment compensation, was not above the higher of (1) the Office of Management and Budget (OMB) poverty guidelines established for 1984 at \$10,200 for a family of four <sup>2/</sup> or (2) 70 percent of the "lower living standard income level" (a ceiling ranging in the 48 contiguous States from \$9,619 to \$11,987 in

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<sup>1/</sup> Aid to Families with Dependent Children (AFDC), Supplemental Security Income (SSI), General Assistance (sometimes known as Home Relief), or Emergency Assistance.

<sup>2/</sup> The 1984 Federal poverty guidelines were issued in February 1984 by the Department of Health and Human Services, using OMB methodology.

1981 for an urban family of four, depending on location, and averaging \$10,726, as of spring 1982). <sup>3/</sup> As of April 1984, the Department of Labor had not updated its "lower living standard income levels." For budget reasons, BLS has discontinued its series on urban family budgets, on which the lower living standard income levels for job programs were based. The final report was issued in April 1982 and provided costs of family budgets in autumn 1981. (The successor JTPA program uses similar income eligibility criteria.) <sup>4/</sup>

### C. Benefit Levels

Through fiscal year 1984 maximum allowances, set by law, were as follows: personal allowance, \$60 per month for the first 6 months of service, up to \$100 per month thereafter; and readjustment allowance upon leaving the Corps, \$100 for each month of satisfactory service. Effective in fiscal year 1984, the law raises personal allowances for the first 6 months to \$65; \$110 thereafter; and \$110 for each month of satisfactory service for readjustment allowances.

(The successor JTPA Job Corps program forbids welfare programs other than AFDC and SSI to take its allowances, earnings, and payments into account in determining benefits and permits a State, for no more than 6 months, to disregard JTPA earnings of an AFDC child. The mandatory disregard of JTPA income applies to veterans' pensions, food stamps, child nutrition programs, housing benefits and any other need-based aid established outside the Social Security Act.)

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<sup>3/</sup> The CETA law said that the Secretary of Labor was to determine the lower living standard income level on the basis of the most recent "lower living family budget" issued by him and to adjust it for regional, metropolitan, urban, and rural differences, and for family size. The August 1981 lower level BLS average budget for an urban family of four, issued in April 1982 for use in 1982 and early 1983, was \$15,323. It ranged from \$13,741 in nonmetropolitan areas of the South to \$22,939 in Anchorage, Alaska. For 1-person "families," the OMB poverty guidelines were higher than the alternate standard, 70 percent of the lower living standard income level.

<sup>4/</sup> JTPA includes 70 percent of the lower living standard income level as an income eligibility criterion for this program and defines it as "that income level (adjusted for regional, metropolitan, urban and rural differences and family size) determined annually by the Secretary based on the most recent 'lower living family budget' issued by the Secretary."

### 63. SENIOR COMMUNITY SERVICE EMPLOYMENT PROGRAM

#### A. Funding Formula

The law provides 90 percent Federal funding (up to 100 percent in disaster or economically depressed areas) for this program. The non-Federal share can be cash or in kind.

#### B. Eligibility Requirements

Title V of the Older Americans Act makes eligible for the Senior Community Service Employment Program (SCSEP) persons aged at least 55 with low incomes. Amendments to the Act in 1978 defined low income to include that which does not exceed 125 percent of the Labor Department's "BLS poverty guidelines." <sup>1/</sup> Department of Labor (DOL) regulations <sup>2/</sup> provide eligibility for a person who is a resident of the State and a member of a family that either (a) received countable income in the previous six months that, on an annualized basis, was not above 125 percent of the poverty levels established and periodically updated by the U.S. Office of Management and Budget (OMB) or (b) receives regular cash welfare payments. The 1984 income ceilings for non-recipients of cash welfare are \$6,225 for a single person and \$8,400 for a family of two (higher in Alaska and Hawaii), compared with \$6,080 and \$8,180, respectively, during the preceding year.

The law gives first priority to persons 60 or older; and regulations give second priority to persons seeking reenrollment after extended illness or a period of private work. Regulations forbid an upper age limit, and they require annual recertification of income.

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<sup>1/</sup> A technical error. BLS does not issue poverty guidelines; DOL uses those issued by the Department of Health and Human Services.

<sup>2/</sup> 45 Federal Register. Vol. 49, March 25, 1980, p. 19530. Regulations were published as proposals, but according to DOL took immediate effect on a voluntary basis.

DOL instructions 3/ require SCSEP project sponsors to disregard various kinds of income of applicants and recipients, including welfare payments, disability payments, unemployment benefits, trade adjustment benefits, capital gains, certain veterans' benefits, one-time unearned income payments or unearned income payments of fixed duration. Further, the instructions provide a \$500 higher cash income limit for recipients and reenrollees than applies to applicants. That is, an extra \$500 deduction from countable cash income is given upon reenrollment and upon recertification.

### C. Benefit Levels

Participants are placed in part-time community service jobs, for which their wages are subsidized by the Federal government; and, where possible, in unsubsidized jobs. Trainees are paid at least the Federal minimum wage. Upon placement in a job, enrollees receive either the prevailing wage for work or the applicable Federal minimum, whichever is higher. Hours of unsubsidized work per enrollee are limited to 1,300 in any 12-month period, \$4,355 in annual wages at the 1983 Federal minimum rate.

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3/ Older Workers' Bulletin, No. 80-19, published by DOL.

#### 64. WORK INCENTIVE PROGRAM

##### A. Funding Formula

The Social Security Act provides 90 percent Federal funding. The non-Federal share can be paid in kind or cash.

##### B. Eligibility Requirements

The Social Security Act makes eligible for WIN services AFDC recipients generally deemed "employable." Eligible groups, in order of priority, are: unemployed fathers; mothers, whether or not required to register for WIN, who volunteer for WIN; other mothers and pregnant women, registered for WIN who are under 19 years old; dependent children and relatives who are 16 and not in school or engaged in work or manpower training; and all other individuals certified for WIN. As a condition of eligibility for AFDC cash, the law requires every person to register for WIN except children under 16 or in school full time; persons who are ill, incapacitated, or old; persons too far from a project to participate; persons needed at home to care for invalids; mothers or other relatives caring for a preschool child; and mother or other female caretakers of a child if the father or other male relative in the home has registered. States determine who receives AFDC and thus becomes eligible for WIN.

##### C. Benefit Levels

WIN provides employment and training services, plus child care and other supportive services. The law provides that WIN trainees in institutional training or in work experience training shall receive \$30 a month as an incentive payment. This sum is an addition to the regular AFDC payment.

NOTE: The Omnibus Budget Reconciliation Act of 1981 (P.L. 97-35) also authorizes States to operate alternative WIN programs of their own design to demonstrate single agency administration of the "work-related objectives" of AFDC. Such programs must be administered by State welfare agencies, in contrast to regular WIN, which is jointly administered by the State welfare agency and the State employment service. By the end of FY83, 20 States or jurisdictions were operating demonstration programs.

65. YOUTH EMPLOYMENT DEMONSTRATION PROGRAMS  
(CETA TITLE IV-A)

A. Funding Formula

The Comprehensive Employment and Training Act (P.L. 95-524) <sup>1/</sup> provided 100 percent Federal funding for this group of programs. <sup>2/</sup> These programs were replaced on October 1, 1983 by title II-A of the Job Training Partnership Act (JTPA), P.L. 97-300, which combines training for adults and youth into a single block grant. JTPA also is 100 percent federally funded.

B. Eligibility Requirements

Title IV-A had three components: Youth Incentive Entitlement Pilot Projects (YIEPP), Youth Community Conservation and Improvement Projects (YCCIP), and Youth Employment Training Programs (YETP).

The law imposed these eligibility rules:

Youth Incentive Entitlement Pilot Projects--The law made eligible youths (a) who were aged 16 through 19, (b) who resumed or maintained attendance in school to obtain a high school diploma or equivalency certificate, and (c) whose family's income was not above 70 percent of the "lower living standard income level" or, if higher, the poverty line determined in accordance with criteria of the Office of Management and Budget. The income limit for 1982, (based on BLS lower level budgets) ranged from \$9,619 to \$11,987 for an urban family of four in the 48 contiguous States, depending on location, and averaged \$10,726. <sup>3/</sup>

Youth Community Conservation and Improvement Projects--The law made eligible youths who were aged 16 through 19 and unemployed.

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<sup>1/</sup> This law replaced the previous title III special youth programs.

<sup>2/</sup> As of April 1984, the Department of Labor had not updated its "lower living standard income levels." For budget reasons, BLS has discontinued its series on urban family budgets, on which the lower living standard income levels for job programs were based. The final report was issued in April 1982 and provided costs of family budgets in autumn 1981.

Labor Department regulations required program operators to "target activities primarily on economically disadvantaged youth."

Youth Employment and Training Programs--The law made eligible youths (a) who were either unemployed, underemployed, or in school, (b) who were either aged 16 through 21; or if authorized under regulations of the Labor Secretary, age 14 through 15; and (c) whose current counted family income <sup>4/</sup> was not above 85 percent of the lower living standard income level (a ceiling that ranged in the 48 contiguous States from \$11,680 to \$14,555 in spring 1982 for an urban family of four, depending on location, and averaged \$13,195), except that 10 percent of YETP funds could be spent for youths of "all economic backgrounds."

### C. Benefit Levels

YIEPP provided guaranteed jobs or jobs and training (part-time during the school year, full- or part-time in summer) to eligible youths living in areas with such projects and willing to remain in or return to secondary school for a diploma or equivalency certificate.

Wages in all three programs were required to be the applicable legal minimum or, if higher, the prevailing rate of pay for the occupations and job classifications of persons employed by the same employer (with some exceptions). The law said that the Labor Secretary was to encourage granting of academic credit to eligible participants who are in school. Earnings and allowances were to be disregarded as income by any need-based Federal or federally assisted benefit program.

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<sup>4/</sup> Not counted in family income by YETP were unemployment compensation benefits and Federal, State, or local income-tested or needs-tested public payments.

66. FOSTER GRANDPARENTSA. Funding Formula

The Domestic Volunteer Service Act of 1973 (P.L. 93-113) provides 90 percent Federal funding for developing and/or operating a foster grandparents project (up to 100 percent in special situations). The local project may provide its matching share in kind or cash.

B. Eligibility Requirements

The law makes eligible as Foster Grandparents low-income persons who are at least 60 years old and no longer in the regular workforce. ACTION regulations 1/ require that eligibility for the program in each State be set at the higher of the following: (a) 125 percent of the Department of Health and Human Services (DHHS) poverty guidelines or (b) 100 percent of the DHHS poverty guidelines plus any supplement provided by the State to the Federal Supplemental Security Income (SSI) benefit.

Estimated State income eligibility limits for individuals in 1984 range from \$6,225 in most jurisdictions (including D.C., Guam, Puerto Rico, and the Virgin Islands) to about \$9,265 in Alaska. For families of two, estimated income limits range from \$8,400 in most States to \$12,710 in Alaska. 2/

C. Benefit Levels

The law requires a stipend for volunteers plus transportation and meal costs. 98th Congress legislation raised the stipend amount from \$2.00 an hour to \$2.20 an hour, provided appropriations are sufficient to pay the increase. Stipends are tax-free and cannot be treated as wages or compensation for the purposes of any public benefit program. Volunteers also receive annual physical examinations and accident and personal liability insurance.

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1/ 48 Federal Register. No. 113, June 10, 1983. p. 26812.

2/ In the preceding year income limits in most States were \$6,080 for an individual and \$8,180 for a couple.



67. PUBLIC SERVICE EMPLOYMENT  
(CETA TITLES II-D AND VI)

No funds were authorized to be appropriated for this program after FY 1981. The entire Comprehensive Employment and Training Act was repealed at the end of FY 1983. CETA's successor, the Job Training Partnership Act (P.L. 97-300), specifically prohibits the use of funds for public service employment.

A. Funding Formula

The Comprehensive Employment and Training Act (P.L. 95-524) provided 100 percent Federal funding for this program.

B. Eligibility Requirements

Eligibility for participation in public service employment was based on income and unemployment. For title II-D, eligibility was limited to persons: (1) who were economically disadvantaged (defined as having income that did not exceed the higher of (a) the poverty level of the Office of Management and Budget (OMB) and (b) 70 percent of the lower living standard level <sup>1/</sup> and unemployed at least 15 weeks of the last 20 weeks; or (2) who were, or whose families were, receiving cash welfare payments from Aid to Families with Dependent Children (AFDC) or Supplemental Security Income (SSI).

Eligibility for participation in title VI was limited to persons: (1) whose family income did not exceed 100 percent of the lower living standard income level (for an urban family of four, averaging \$15,323 as of spring 1982) and who were unemployed for at least 10 of the last 15 weeks; or (2) who were, or whose families were, receiving AFDC or SSI cash aid.

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<sup>1/</sup> The law said that the Secretary of Labor was to determine the lower living standard on the basis of the most recent "lower living family budget" issued by him and to adjust it for regional, metropolitan, urban, and rural differences, and for family size. The Aug. 1981 lower BLS average budget for an urban family of four, issued in April 1982, for use during 1982 and early 1983, was \$15,323. It ranged from \$13,741 in nonmetropolitan areas of the South and \$14,419 in Atlanta, Georgia, to \$20,319 in Honolulu, Hawaii, and \$22,939 in Anchorage, Alaska.

68. SENIOR COMPANIONS

A. Funding Formula

The Domestic Volunteer Service Act of 1973 (P.L. 93-113) provides 90 percent Federal funding for developing and/or operating a senior companion project (up to 100 percent in special situations). The local project may provide its matching share in kind or cash.

B. Eligibility Requirements

The law makes eligible as senior companions low-income persons who are aged at least 60 and no longer in the regular workforce. ACTION regulations 1/ require that eligibility in each State be set at the higher of the following: (a) 125 percent of the Department of Health and Human Services (DHHS) poverty guidelines, or (b) 100 percent of the DHHS poverty guidelines plus any supplement provided by the State to the Federal Supplemental Security Income (SSI) benefit.

Estimated State income eligibility limits for individuals in 1984 range from \$6,225 in most jurisdictions (including D.C., Guam, Puerto Rico, and the Virgin Islands) to about \$9,265 in Alaska. For families of two, income limits range from \$8,400 in most States to about \$12,710 in Alaska. 2/

C. Benefit Levels

The law requires a stipend for volunteers plus transportation and meal costs. 98th Congress legislation has raised the stipend from \$2.00 an hour to \$2.20, provided appropriations are sufficient to pay the increase. Stipends are tax-free and cannot be treated as wages or compensation for the purposes of any public benefit program. Volunteers also receive annual physical examinations and accident and personal liability insurance.

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1/ 48 Federal Register. No. 113, June 10, 1983. p. 26806.

2/ In the preceding year income limits in most States were \$6,080 for an individual and \$8,180 for a couple.

69. TITLE XX SOCIAL SERVICESA. Funding Formula

The Social Security Act (Title XX) provides 100 percent Federal funding to States for social services up to a maximum ceiling level. In FY 1982, the nationwide ceiling was \$2.4 billion, distributed among States on the basis of population. Prior to FY 1982, States had to pay \$1 to receive \$3 (a 75 percent Federal matching rate) for most social services. For family planning services and for a portion of child day care services, Federal funds paid 90 and 100 percent of costs, respectively. The Omnibus Budget Reconciliation Act of 1981 (P.L. 97-35) eliminated requirements for State matching of title XX funds, effective in FY 1982. The law also reduced maximum ceiling levels from previously scheduled sums to \$2.4 billion in FY 1982, \$2.45 billion in FY 1983, \$2.5 billion in FY 1984, \$2.6 billion in FY 1985, and \$2.7 billion in FY 1986 and beyond. <sup>1/</sup> Effective FY 1984, P.L. 98-135 permanently set the ceiling at \$2.7 billion.

B. Eligibility Requirements <sup>2/</sup>

Under the provisions of P.L. 97-35, States are free to establish their own eligibility criteria for participation in the title XX social services program. States decide what groups to serve and what fees, if any, to charge.

Before the new law took effect on October 1, 1981, States could receive Federal funding only for services provided to recipients of Aid to Families with Dependent Children and Supplemental Security Income, <sup>3/</sup> or to individuals and families with incomes below 115 percent of the State's median income, <sup>4/</sup> adjusted for household size (from

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<sup>1/</sup> Ceilings previously were set at \$3 billion in FY 1982, \$3.1 billion in FY 1983, \$3.2 billion in FY 1984, and \$3.3 billion in FY 1985 and thereafter.

<sup>2/</sup> Regulations for this program are found in 45 C.F.R. 96.

<sup>3/</sup> Prior to P.L. 97-35, each State was required to use at least half of its title XX Federal funds on recipients of AFDC, SSI, or Medicaid.

<sup>4/</sup> The income ceiling did not apply to protective services, information and referral services, or family planning services.

\$18,119 in Arkansas to \$31,708 in Alaska for a four-person family in FY 1981, according to the Department of Health and Human Services (DHHS). They could impose income-related fees for any services given to anyone and were required to charge fees for services provided to individuals whose monthly gross income exceeded 80 percent of State median income, or 100 percent of national median income, whichever was lower.

### C. Benefit Levels

The DHHS reports that in FY 1982 four kinds of services were provided in every State with title XX funds: child day care, information and referral services, protective services for children, and home based services, such as homemaker and chore services.

In FY 1981, the last year for which such spending data are available, day care for children consumed more title XX funds than any other service. The breakdown by service: child day care; 20 percent of total funds; homemaker/chore services, 13 percent; protective services, 8 percent; residential care and treatment, 6 percent; education, training, and employment, 7 percent; counselling, 5 percent; foster care of children, 3 percent; health-related services, 2 percent; family planning, 2 percent, all others, 32 percent. 5/

In FY 1980, 30 percent of title XX recipients also received cash welfare and 4 percent received Medicaid but no AFDC or SSI cash aid; 37 percent qualified for title XX on income grounds but not for cash aid; and the rest received services for which there was no income test.

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5/ Does not add to 100 percent because of rounding.

## 70. LEGAL SERVICES

### A. Funding Formula

The law provides 100 percent Federal funding.

### B. Eligibility Requirements

The Legal Services Corporation Act of 1974 1/ provides financial aid to programs that offer legal services in noncriminal proceedings to low-income persons. The law makes eligible "any person financially unable to afford legal assistance" and says the Corporation should take into account not only income, but liquid assets, fixed debts, cost of living, and other factors in determining an individual's capacity to pay for a lawyer. The law requires the Corporation to set national maximum income limits and to establish guidelines that will insure preference for those least able to afford an attorney. Regulations of the Corporation 2/ have established the maximum income limit for eligibility at 125 percent of the non-farm poverty guidelines issued by the Office of Management and Budget. Thus, the income limit was \$12,750 for a family of four, and \$6,225 for a single individual, 3/ effective in February 1984 in the 48 contiguous states, D.C., and the outlying areas, higher in Alaska and Hawaii. Regulations permit exceptions to the income limit in specified circumstances. For example, the regulations permit legal services on behalf of a person whose income exceeds 125 percent of the poverty line if the purpose is to obtain benefits from a "governmental program for the poor," or if the excess income consists of benefits from a "governmental income maintenance program."

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1/ Title X of the Economic Opportunity Act, as added by P.L. 93-355.

2/ 45 C.F.R. § 1611 (1981).

3/ These are based on the 1984 Federal poverty income guidelines, issued in Feb. 1984 by the Department of Health and Human Services, using the methodology of the Office of Management and Budget.

### C. Benefit Levels

Beneficiaries receive legal aid in noncriminal proceedings. Most cases concern these areas of law: family, employment, consumer, housing, civil rights, public benefit programs such as social security, SSI, AFDC, workers' compensation, unemployment compensation, Medicare, and Medicaid. The Legal Services Corporation's stated goal is to provide "minimum access to legal services for all poor persons," defined as the equivalent of two attorneys for every 10,000 poor persons. The Corporation is not allowed to give legal aid in criminal proceedings nor in most civil cases that are fee-generating in nature, such as accident damage suits.

# 71. EMERGENCY FOOD DISTRIBUTION AND SHELTER PROGRAM

Note: Congress established this temporary program in March 1983 and in November gave it extra funds, to be obligated before April 1, 1984.

## A. Funding Formula

Federal funds paid 100 percent of the cost of this program, which supplemented other aid provided by voluntary groups. On an emergency basis, Congress appropriated \$140 million in 1983 to the Federal Emergency Agency (FEMA). <sup>1/</sup> Congress specified that of this total, \$90 million was to be awarded to a national board of specified voluntary agencies for distribution to individual localities and \$50 million was to be allocated to States on the basis of the Community Services Block Grant formula.

## B. Eligibility Requirements

Eligible were persons deemed needy by the private voluntary organizations and other groups that administered the program locally.

The law directed FEMA to set up a national board of seven members to determine how to distribute \$90 million (\$50 million initially) to localities so as to provide emergency food and shelter to needy individuals through private voluntary organizations. The members were to represent: United Way of America, Salvation Army, National Council of Churches, National Conference of Catholic Charities, Council of Jewish Federations, Inc., American Red Cross, and FEMA. Localities that received funds were, in turn, to set up a similar local board to decide how to distribute the aid.

The law directed States to use their \$50 million to supplement and coordinate efforts to supply food and shelter by organizations such as United Way agencies, Salvation Army chapters,

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<sup>1/</sup> \$100 million was appropriated by P.L. 98-8, March 1983; \$10 million by P.L. 98-151 and \$30 million by P.L. 98-181. The first law earmarked half its funds and the latter two earmarked all of their funds for distribution through a national board of specified voluntary agencies.

community action agencies, church organizations, and volunteer groups and organizations.

C. Benefit Levels

FEMA officials estimate that the program provided from 125 million to 130 million meals and between 15 million and 16 million nights' lodging. (These totals are in addition to meals and lodging provided by voluntary groups in the program with funds from other sources).



## 72. SOCIAL SERVICES FOR REFUGEES AND CUBAN/HAITIAN ENTRANTS

### A. Funding Formula

The Refugee Act of 1980 (P.L. 96-212) authorizes 100 percent federally funded social services to assist refugees in becoming self-sufficient. Title V of the Refugee Education Assistance Act (PL. 96-422), popularly referred to as the Fascell-Stone amendment, authorizes similar services for certain Cubans and Haitians who have recently arrived in the U.S. The refugee and entrant social services funds are distributed among the States under formulas that usually take into account each State's proportion of refugees and entrants.

### B. Eligibility Requirements <sup>1/</sup>

A person must (a) have been admitted to the United States as a refugee under the provisions of the Immigration and Nationality Act, or (b) must be a Cuban or Haitian paroled into the U.S. between April 20 and October 10, 1980 and designated as a "Cuban/Haitian entrant," or (c) be a Cuban or Haitian national who arrived in the U.S. after October 10, 1980 who has a pending application for asylum, or is subject to exclusion or deportation, and against whom a final order of deportation has not been issued.

While any person mentioned above generally is eligible for social services financed by refugee program funds, some specific activities so funded may have eligibility limitations such as age. Refugees and entrants also may benefit from services financed under the Social Security Act (title XX), but generally would have to meet the State's title XX eligibility requirements. Exceptions to title XX rules can be made so that refugees and entrants can receive certain particular services such as language training, vocational training and employment counseling.

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<sup>1/</sup> Regulations for this program are found in 45 C.F.R. 400-401.

C. Benefit Levels

States determine what social services are offered for refugees and entrants. All social services funded by the refugee program are considered refugee social services rather than title XX social services, whether or not they also qualify under title XX rules.

### 73. LOW-INCOME ENERGY ASSISTANCE

#### A. Funding Formula

The Low-Income Home Energy Assistance Act (title XXVI, P.L. 97-35) provides 100 percent Federal funding for the fiscal year (FY) 1984 Low-Income Energy Assistance Program (LIEAP). 1/ The Department of Health and Human Services (DHHS), which administers the program, 2/ distributes the funds as grants to States based on the proportion of FY 1981 LIEAP funds received by the States. The FY 1981 formula took into account States' FY 1980 allotments, the severity of climate, residential energy costs and low-income population. The States have responsibility for program design and they may spend up to 10 percent of their allotments for program administration. Indian tribes may receive direct funding for LIEAP if they request such payments and if the Secretary determines that such payments would best serve the tribe.

#### B. Eligibility Requirements 3/

The Low-Income Home Energy Assistance Act sets maximum income and categorical eligibility limits for energy assistance. States may set more stringent requirements, and most have done so. The Act specifies that LIEAP funds may be used to assist households with members receiving Aid to Families with Dependent Children, 4/ Supplemental Security

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1/ The basic appropriation for LIEAP in FY 1984 was \$1.875 billion. A supplemental appropriation of \$200 million brought total FY 1984 funding to \$2.075 billion. This funding level is \$200 million above the program's authorization level.

2/ The LIEAP was established in 1980 as a DHHS operation. In some earlier years the Community Services Administration operated a smaller crisis intervention program.

3/ Regulations for this program are found in 47 C.F.R. § 29472.

4/ AFDC foster care children are not categorically eligible.

Income 5/, Food Stamps, Veterans' Pensions 6/, or Dependency and Indemnity Compensation. 7/ Benefits also may be provide to households with incomes below either 150 percent of the OMB poverty guidelines or 60 percent of a State's median income (adjusted for family size), whichever is higher. DHHS estimated that approximately 21 million households would meet the Federal eligibility limits.

The OMB poverty guidelines vary by family size. The level is the same for the 48 contiguous States, the District of Columbia, and the territories, but 15 percent higher for Hawaii and 25 percent higher for Alaska. One hundred fifty percent of the 1984 Federal poverty guideline for a family of four, except for Alaska and Hawaii, was \$15,300, 8/ compared with \$14,850 in the preceding year. The alternate limit, 60 percent of the State's median income, ranged in 1984 for a family of four from a low of \$12,893 in New Mexico to a high of \$21,500 in Alaska.

Eligibility for energy assistance is determined on a household basis. A household is defined as "an individual or group of individuals who are living together as one economic unit for whom residential energy is customarily purchased in common or who make undesignated payments for energy in the form of rent." This definition excludes, for example, a family living in subsidized housing that does not pay rent.

### C. Benefit Levels

States decide benefit levels and the manner of payments, and no Federal limit applies to the amount of help given to a household. 9/ States may use LIEAP funds to provide benefits that: help pay residential heating or cooling costs; purchase and/or install low-cost

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5/ SSI recipients in institutions receiving Medicaid, or who live in shared housing resulting in reduced benefits, or who are children living at home are not categorically eligible.

6/ Including needy survivors and dependents of veterans who were disabled by a cause other than military service.

7/ Eligible for Dependency and Indemnity Compensation (DIC) are parents of a veteran who died from a service-connected cause, provided their income is below specified limits.

8/ The 1984 Federal poverty guidelines were issued in Feb. 1984 by the Department of Health and Human Services, based on the methodology of the Office of Management and Budget.

9/ In the 1980-81 program, benefits were limited to \$750 per household, but the limit could be raised with approval of DHHS.

weatherization materials; assist households facing energy-related emergency situations. Benefits most commonly take the form of cash payments to households, vendor lines of credit, vouchers, and tax credits.

A State can use a maximum of 15 percent of its allotment for weatherization activities. States must use a "reasonable" portion of their allotments for energy-related emergency assistance based on past emergency assistance experience. To the extent that it is consistent with efficient administration of the program, States are required to provide the highest benefit levels to households "with lowest incomes and highest energy costs in relation to income." States may also choose to transfer up to 10 percent of their allotments to other block grants. In FY 1984 a majority of States used this authority to transfer funds into either the social services or maternal and child care block grants.

In FY 1984, the estimated average LIEAP heating benefit ranged from a low of \$42 in Hawaii to a high of \$709 in North Dakota. Nationally, the estimated average heating benefit was below \$300 in two-thirds of the States. 8/

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8/ Source: January 1984 telephone survey by DHHS. Average benefits cited are for heating assistance only.

#### 74. WEATHERIZATION ASSISTANCE

##### A. Funding Formula

The Energy Conservation and Production Act of 1976, as amended (P.L. 94-385) provides 100 percent Federal funding for weatherization assistance to low-income persons through grants administered by the Department of Energy (DOE). 1/

##### B. Eligibility Requirements

Eligible for DOE weatherization aid are low-income persons, defined in the law as (a) individuals with incomes at or below 125 percent of the OMB poverty guidelines (\$12,750 for a family of four, effective February 1984) and (b) families with a member who received cash welfare payments during the previous 12 months from Aid to Families with Dependent Children (AFDC), Supplemental Security Income (SSI), or General Assistance.

##### C. Benefit Levels

DOE regulations 2/ allow a maximum outlay of \$1,000 per dwelling unit (up to \$1,600 in areas with a serious labor shortage). Funds are

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1/ Weatherization assistance for low-income households can also be provided under the low-income energy assistance program (title XXVI of the Omnibus Budget Reconciliation Act of 1981-P.L. 97-35) administered by the Department of Health and Human Services. From 1975-1979 Federal funds for weatherization of low-income homes also was authorized in 1975 by the Economic Opportunity Act of 1964, as amended. This Act authorized 80 percent Federal funding for energy conservation services administered by the Community Services Administration (CSA) to low-income persons. This program included home weatherization, and CSA estimated that approximately 400,000 homes were weatherized from fiscal years 1975-1978. The CSA energy conservation program was not funded after fiscal year 1979 and no longer exists because, on Oct. 1, 1981, the Economic Opportunity Act was repealed and CSA abolished (P.L. 97-35).

2/ 10 C.F.R. § 440 (1981).

to be used to buy and deliver weatherization materials, provide program support, and pay labor costs. Program support is defined as transportation of materials and workers; maintenance, operation and insurance of vehicles; maintenance of tools and equipment; purchase or lease of tools, equipment and vehicles; employment of on-site supervisors; and storage of weatherization materials. Rules allow up to \$100 per dwelling unit to be spent for incidental repairs, and up to \$50 per dwelling unit for low or no cost weatherization materials, such as water flow controllers, weatherstripping, caulking, glass patching, and insulation for plugging holes, but program funds may not be used for installation of these low cost items.





TABLE 12. Need-Based Benefits: Expenditure and Enrollment Data,  
by Program and Form of Benefit: FY 1980-83

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Federal Expenditures

State-Local Expenditures

Number of Recipients

Data in this table are based on Presidential Budget documents and on reports of program officials. Details of sources are available upon request.

## MEDICAL BENEFITS

	Federal expenditures (millions of current dollars)			State-local expenditures (millions of current dollars)			Recipients (average monthly number unless otherwise indicated--in thousands)		
	FY81	FY82	FY83	FY81	FY82	FY83	FY81	FY82	FY83
1. Medicaid 1/	2/ \$17,073.5	2/ \$17,514.3	2/ \$18,985.0	2/ \$13,303.0	3/ 14,931.2	3/ \$15,971.0	4/ 22,469	4/ 21,764	4/ 22,324
2. Medical Care for Veterans with a Non-Service-Connected Disability 5/	3,539.2	4,118.6	4,409.2	6/ 0	6/ 0	6/ 0	7/ 63.5	7/ 65.6	7/ 67.7
3. General Assistance (medical care component) 8/	0	0	0	3,200.0	2,622.0	2,443.0	N.A.	N.A.	N.A.
4. Maternal and Child Health Services 9/	234.8	373.7	478.0	10/ 117.5	10/ 237.2	10/ 316.6	N.A.	N.A.	N.A.
5. Indian Health Services	11/ 606.3	11/ 617.8	11/ 679.2	0	0	0	4/ 750	4/ 795	4/ 883
6. Community Health Centers	323.7	281.2	360.0	0	0	0	4/ 5,000	4/ 4,200	4/ 4,500
7. Medical Assistance to Refugees and Cuban/Haitian Entrants	12/ 161.4	12/ 192.1	12/ 135.8	0	0	0	13/ 165	13/ 135	13/ 95
8. Migrant Health Centers	43.2	38.2	38.1	0	0	0	4/ 557	4/ 557	4/ 394
9. Medical Assistance to Certain Cuban Refugees	14/ 20.4	15/ 15	15/ 15	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.
10. Crippled Children's Services	89.2	9/	9/	52.9	--	--	N.A.	N.A.	N.A.
MEDICAL CARE TOTAL	\$22,091.7	\$23,135.9	\$25,085.3	\$16,673.4	\$17,790.4	\$18,730.6	16/ 16	16/ 16	16/ 16

NOTE: In these tables programs are listed in descending order of total 1983 expenditures.

## CASH BENEFITS\*

	Federal expenditures (millions of current dollars)			State-local expenditures (millions of current dollars)			Recipients (average monthly number unless otherwise marked--in thousands)		
	FY81	FY82	FY83	FY81	FY82	FY83	FY81	FY82	FY83
11. Aid to Families with Dependent Children (AFDC) 17/	18/ \$ 7,763	18/ \$ 7,804	18/ \$ 8,191	19/ \$ 6,827	19/ \$ 6,913	19/ \$ 7,194	20/ 11,160	20/ 10,423	20/ 10,639
12. Supplemental Security Income (SSI)	21/ 7,153.7	21/ 7,647.4	21/ 8,106.8	22/ 2,105	22/ 2,123.2	22/ 1,994.4	23/ 4,111	23/ 3,978	23/ 3,873
13. Pensions for Needy Veterans, Their Dependents, and Survivors	3,755	3,879	3,894	0	0	0	2,802	2,505	2,311
14. General Assistance (non-medical care component) 25/	0	0	0	1,731	1,859	2,110	1,006	1,089	1,275
15. Earned Income Tax Credit (EITC) 28/	1,975.8	1,841.5	1,802.6	0	0	0	20,700	19,200	19,000
16. Foster Care	303	351	364	30/ 276	30/ 322	30/ 338	106	103	102
17. Assistance to Refugees and Cuban/ Haitian Entrants (cash component)	31/ 377.5	31/ 326.4	31/ 245.8	0	0	0	13/ 360	13/ 252	13/ 170
18. Emergency Assistance	57.5	50.9	55	57.4	50.7	55	32/ 156	32/ 91	32/ 88
19. Dependency and Indemnity Compensation for Parents of Veterans	118.7	117	108	0	0	0	13/ 112.5	13/ 102.7	13/ 94.1
20. General Assistance to Indians	52.9	56.1	56.9	0	0	0	55.6	62.5	63.9
21. Adoption Assistance	0.4	3.5	7.3	33/ 0.4	33/ 3.9	33/ 6.5	0.3	1.3	4.4
22. Assistance to Certain Cuban Refugees (cash component)	34/ 8.7	35/ 35	35/ 35	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.
CASH AID TOTAL	\$21,566.2	\$22,076.8	\$22,831.4	\$10,996.8	\$11,271.8	\$11,697.9	16/ 16	16/ 16	16/ 16

\*Some other programs provide aid in the form of cash intended for specific goods or services. Examples are the Low Income Energy Assistance Program and educational loan and grant programs.

FOOD BENEFITS\*

	Federal expenditures (millions of current dollars)			State-local expenditures (millions of current dollars)			Recipients (average monthly number unless otherwise indicated--in thousands)		
	FY81	FY82	FY83	FY81	FY82	FY83	FY81	FY82	FY83
23. Food Stamps <u>36/</u>	\$11,261	37/ \$11,063	37/ \$12,656	38/ \$ 504	38/ \$556	38/ \$611	22,400	21,700	22,200
24. School Lunch Program (free and reduced-price segments)	2,315.5	39/ 2,081.1	39/ 2,414.5	N.A.	N.A.	N.A.	12,500	11,600	11,900
25. Special Supplemental Food Program for Women, Infants & Children (WIC)	900.0	904.7	1,160.0	41/ N.A.	41/ N.A.	41/ N.A.	2,118	2,189	2,537
26. Special Food Donations	77	528	484	42/ N.A.	N.A.	N.A.	N.A.	N.A.	N.A.
27. Nutrition Program for the Elderly (no income test) <u>43/</u>	346.5	44/ 344	381	45/ 76	45/ 91	45/ 101.3	3,401	3,357	3,760
28. School Breakfast Program (free and reduced-price segments) <u>47/</u>	309.2	48/ 325	48/ 336.2	N.A.	N.A.	N.A.	3,325	3,107	3,132
29. Child Care Food Program <u>47/49/</u>	175.0	180.2	187.8	N.A.	N.A.	N.A.	470	493	498
30. Summer Food Service Program for Children <u>51/</u>	127.7	61.1	99.4	0	0	0	1,900	1,400	1,400
31. Food Distribution Program for Needy Families	57	53/ 45	53/ 50	N.A.	N.A.	N.A.	115	87	97
32. Special Milk Program (free segment) <u>47/</u>	37.1	2.6	1.6	N.A.	N.A.	N.A.	1,030	58.2	54/ 48
FOOD BENEFITS TOTAL	\$15,600	\$15,534.7	\$17,770.5	\$580	\$647	\$712.3	16/	16/	16/

\* See also program No. 71, Emergency Food Distribution and Shelter.

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## HOUSING BENEFITS\*

	Federal expenditures (millions of current dollars)			State-local expenditures (millions of current dollars)			Families (or dwelling units) (total during year unless otherwise indicated--in thousands)		
	FY81	FY82	FY83	FY81	FY82	FY83	FY81	FY82	FY83
33. Section 8 Lower-Income Housing Assistance	\$ 3,115.0	\$ 4,085.4	\$ 4,994.7	0	0	0	1,319	1,527	1,780
34. Low-Rent Public Housing 56/	2,400.9	2,573.8	3,206.3	57/	57/	57/	1,204	1,224	1,250
35. Section 502 Rural Housing Loans	58/ 2,830.2	58/ 2,473.7	58/ 2,328.0	0	0	0	69.7	61.9	54.4
36. Section 515 Rural Rental Housing Loans	58/ 864.8	58/ 953.7	58/ 940.0	0	0	0	29.5	30.5	28.3
37. Section 236 Interest Reduction Payments	665	670	665	0	0	0	537.2	536.5	536.0
38. Section 235 Home Ownership Assistance for Low-Income Families	196	258.3	284	0	0	0	59/ 240.5	59/ 241.9	59/ 232.0
39. Section 101 Rent Supplements	278	280	200	0	0	0	157.7	153.3	80.0
40. Section 504 Rural Housing Repair Loans and Grants	60/ 40.7	60/ 24.3	60/ 36.5	0	0	0	61/ 10.7	61/ 5.8	61/ 9.0
41. Section 514 Farm Labor Housing Loans and Section 516 Farm Labor Housing Grants	62/ 29.0	62/ 26.8	62/ 31.5	0	0	0	0.9	0.7	0.9
42. Indian Housing Improvements Grants	22.7	29.8	23.3	0	0	0	63/ 5.0	63/ 3.8	63/ 4.3
43. Section 523 Rural Self-Help Technical Assistance	64/ 13.2	64/ 4.7	64/ 13.4	0	0	0	61/ 3.3	61/ 1.5	61/ 3.8
HOUSING TOTAL	\$10,455.5	\$11,380.5	\$12,722.7	0	0	0	65/	65/	65/

\* See also program No. 71, Emergency Food Distribution and Shelter.

## EDUCATION AID

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	Federal expenditures (millions of current dollars)			State-local expenditures (millions of current dollars)			Recipients (annual number unless otherwise indicated--in thousands)		
	FY81	FY82	FY83	FY81	FY82	FY83	FY81	FY82	FY83
44. Guaranteed Student Loans <u>66/</u>	67/	\$3,073.8	\$3,100.5	67/	0	0	67/	2,651	2,943
45. Pell Grants (formerly Basic Educational Opportunity Grant Program) <u>66/</u>	\$2,310	\$2,392	\$2,857	0	0	0	2,707	2,584	2,700 <sup>45/</sup>
46. Headstart <u>68/</u>	818.7	911.7	912	69/ 195	69/ 218.8	69/ 219.4	70/ 384	70/ 384	70/ 393
47. College Work-Study Program <u>66/71/</u>	499.2	504.2	586.2	N.A.	N.A.	N.A.	739.3	721	837.4
48. Supplemental Educational Opportunity Grants <u>66/</u>	367	352	341.2	0	0	0	657.7	654.3	650
49. Chapter 1 Migrant Education Program	266.4 <sup>72/</sup>	255.7 <sup>72/</sup>	255.7 <sup>72/</sup>	73/ 73/	73/ 73/	73/ 73/	74/ 577	74/ 590	74/ 565
50. National Direct Student Loans <u>66/71/</u>	200.8	193.4	193.4	N.A.	N.A.	N.A.	800	810	45/ 840
51. Special Programs for Students from Disadvantaged Backgrounds (Trio Programs)	156.5	150.2	154.7 <sup>75/</sup>	N.A.	N.A.	N.A.	512.4	489.1	76/ 479.5
52. Follow Through	26.3	19.4	19.4	69/ 5	69/ 3.7	69/ 3.7	36.3	28	N.A.
53. Vocational Education Work Study Program	7	4.9 <sup>77/</sup>	4.9 <sup>77/</sup>	15	15.6	15.6	37.4	N.A.	N.A.
54. Fellowships for Graduate and Professional Study	10	8.6	10	0	0	0	1.2	1.0	1.2
55. Health Professions Student Loans and Scholarships <u>78/</u>	26.5 <sup>79/</sup>	10.1 <sup>79/</sup>	6.6 <sup>79/</sup>	0	0	0	11.7 <sup>80/</sup>	80/ 3.1	80/ 0.9
56. Migrant High School Equivalency Program (HEP)	6.1 <sup>72/</sup>	5.9 <sup>72/</sup>	6.3 <sup>72/</sup>	73/ 73/	73/ 73/	73/ 73/	2.2 <sup>81/</sup>	81/ 2.3	81/ 2.8
57. Ellender Fellowships	1.0	1.0	1.5	0	0	0	4.0	4.1	4.7
58. College Assistance Migrant Program (CAMP)	1.2 <sup>72/</sup>	1.2 <sup>72/</sup>	1.2 <sup>72/</sup>	73/ 73/	73/ 73/	73/ 73/	81/ 0.5	81/ 0.5	81/ 0.5
59. Nursing Student Loans and Scholarships <u>78/</u>	13.5	6.7	0.1	0	0	0	16.9	8.2	1.1
EDUCATION TOTAL	\$4,710.2	\$7,890.8	\$8,450.7	\$215	\$238.1	\$238.7	16/ 16/	16/ 16/	16/ 16/

## JOBS AND TRAINING

	Federal expenditures (millions of current dollars)			State-local expenditures (millions of current dollars)			Recipients (average monthly number unless otherwise indicated--in thousands)		
	FY81	FY82	FY83	FY81	FY82	FY83	FY81	FY82	FY83
60. Comprehensive Employment and Training Services (CETA Titles II-B and II-C)	\$2,231	\$1,695	\$1,759 <sup>83/</sup>	0	0	0	366.3	84/	84/
61. Summer Youth Employment Program (CETA Title IV-C)	769	721	824	0	0	0	138	115	121
62. Job Corps (CETA Title IV-B)	540	583	617	0	0	0	40.9	40	40
63. Senior Community Service Employ- ment Program	277.1 <sup>85/</sup>	277.1 <sup>85/</sup>	319.5 <sup>85/</sup>	30.8 <sup>86/</sup>	30.8 <sup>86/</sup>	35.5 <sup>86/</sup>	54.2 <sup>87/</sup>	54.2 <sup>87/</sup>	62.5 <sup>87/</sup>
64. Work Incentive Program (WIN)	365	281	271	41 <sup>86/</sup>	31 <sup>86/</sup>	30 <sup>86/</sup>	1,156 <sup>88/</sup>	903 <sup>88/</sup>	623 <sup>88/</sup>
65. Youth Employment Demonstration Programs (CETA Title IV-A)	886	336	192 <sup>83/</sup>	0	0	0	169.4	84/	84/
66. Foster Grandparents	48.4	46.1	48.4	10.1 <sup>89/</sup>	10 <sup>89/</sup>	12.3 <sup>89/</sup>	17.9 <sup>46/</sup>	18.1 <sup>46/</sup>	18.1 <sup>46/</sup>
67. Public Service Employment (CETA Titles II-D and IV)	2,387	38 <sup>90/</sup>	45 <sup>90/</sup>	0	0	0	193.5	0	0
68. Senior Companions	12.8	12.2	12	2.0 <sup>91/</sup>	3.0 <sup>91/</sup>	3.7 <sup>91/</sup>	4.4	4.2	4.9
JOBS AND TRAINING TOTAL	\$7,516.3	\$3,989.4	\$4,087.9	\$83.9	\$74.8	\$81.5	2,140.6	1,508.5 <sup>92/</sup>	1,172.5 <sup>92/</sup>

## SERVICES

	Federal expenditures (millions of current dollars)			State-local expenditures (millions of current dollars)			Annual number of recipients (in thousands)	
	FY81	FY82	FY83	FY81	FY82	FY83	FY81	FY82
69. Title XX Social Services	\$2,916	\$2,400	\$2,400	\$1,448 <sup>93/</sup>	94/	94/	N.A.	N.A.
70. Legal Services	321	241	241	0	0	0	1,222 <sup>95/</sup>	1,141 <sup>95/</sup>
71. Emergency food distribution and shelter program	0	0	79.4	0	0	0	--	--
72. Social Services for Refugees and Cuban/Haitian Entrants	87.1	83.8	58.0	13.5	12.5	9.2	13/ 240	13/ 210
SERVICES TOTAL	\$3,324.1	\$2,724.8	\$2,778.4	\$1,461.5	\$12.5	\$9.2	--	--

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## ENERGY AID

	Federal expenditures (millions of current dollars)			State-local expenditures (millions of current dollars)			Recipients (annual number unless otherwise indicated--in thousands)		
	FY81	FY82	FY83	FY81	FY82	FY83	FY81	FY82	FY83
73. Low-Income Energy Assistance	\$1,783 <sup>96/</sup>	\$1,609 <sup>96/</sup>	\$1,898 <sup>96/</sup>	94/	94/	94/	97/	97/	97/
							7,100	8,200	8,700
74. Weatherization Assistance 98/	225.9 <sup>99/</sup>	154.5 <sup>99/</sup>	150.9 <sup>99/</sup>	94/	94/	94/	100/	100/	100/
							236.9	153.8	165.5
ENERGY AID TOTAL	\$2,008.9	\$1,763.5	\$2,048.9				16/	16/	16/

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- 1/ Funded program costs.
  - 2/ Includes these sums for administration: FY81, \$920.2 million; FY82, \$924.9 million; FY83, \$936 million.
  - 3/ Includes these sums for administration: FY81, \$628.1 million; FY82, \$642 million; FY83, \$692 million.
  - 4/ Unduplicated annual number.
  - 5/ Data are estimates, based on assumption that 58 percent of VA medical care recipients have met a test of need (that is, that they are either pension recipients or medically indigent).
  - 6/ VA grants to States help finance some States veterans' homes, but it is thought that most veterans so aided have a service-connected disability.
  - 7/ Estimated average monthly recipients, based on the assumption of VA that 58 percent of patients treated during FY82 and FY83 had income at or below the poverty thresholds (56 percent in FY81).
  - 8/ Estimates provided by the Department of Health and Human Services (Health Care Financing Administration).
  - 9/ Maternal and Child Health Services block grant, enacted in 1981, includes funding for Crippled Children's Services, starting in FY82.
  - 10/ Minimum match required by law. States may spend more, but data are not available.
  - 11/ Includes these sums for administration: 1981, \$52.3 million; FY82, \$52.2 million; FY83, \$53.9 million.
  - 12/ Includes these sums for administration: FY81, \$14.5 million; FY82, \$23.2 million; FY83, \$17.6 million.
  - 13/ As of September of each fiscal year.
  - 14/ Includes \$1.4 million for administration.
  - 15/ Less than \$1 million. For Medicaid available only to Cuban refugees receiving SSI benefits before Sept. 30, 1978.
  - 16/ Due to a high degree of overlap (and in some cases, a mixture of monthly and annual numbers), recipient totals are not shown.
  - 17/ Data exclude costs and collection of child support enforcement program.
  - 18/ Includes these sums for State-local administration, including training: 1981, \$835 million; 1982, \$882 million; 1983, \$902 million.

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19/ Includes these sums for administration, including training: 1981, \$813 million; 1982, \$878 million; 1983, \$890 million.

20/ Number of families: 1981, 3,871,000; 1982, 3,566,000; 1983, 3,650,000.

21/ Includes these sums for administration: 1980, \$719.5 million; 1982, \$796.4 million; 1983, \$868.8 million. Excludes these amounts for beneficiary services: 1981, \$20 million; 1982, \$3 million; 1983, \$4.4 million. Excludes Federal sums spent for State SSI supplements to refugees, which are listed under program No. 17. Please note that 1983 data represent 12 monthly payments (U.S. Budget shows 13 payments).

22/ Includes these sums for State administration of State SSI supplements; 1981, \$19 million; 1982, \$22 million; 1983, \$21 million (estimates equal 8 percent of State-administered benefits).

23/ Estimate, as of June.

24/ Estimate, as of September.

25/ Spending data relate to State fiscal years. 1981 and 1982 spending data are based on reports from U.S. Census Bureau (State and local government expenditures for non-categorical cash assistance payments). Recipient data are from the Department of Health and Human Services, which since 1980 has not collected GA spending data.

26/ Preliminary estimate, reflecting percentage increase in GA expenditures from 1982 to 1983 by eight States accounting for 83 percent of 1982 spending. For these States, 1983 spending estimates were obtained from State officials.

27/ Number of cases: 1981, 826,000; 1982, 894,400; 1983, 1,040,300. 1983 recipient number is estimate.

28/ Data refer to year in which income tax return was processed and credit allowed.

29/ Estimate. Assume three persons per family. Number of families: 1981, 6,906,000; 1982, 6,481,000; 1983, 6,353,000.

30/ Estimate. Based on average State matching requirements: 47.5 percent for payments and 50 percent for administration and training.

31/ Includes Federal reimbursements to SSI (program No. 12) for State SSI supplements to aged, blind, or disabled refugees: 1981, \$10.5 million; 1982, \$12 million; 1983, \$11 million.

32/ Estimate. Assume three persons per family. Number of families: 1981, 52,000; 1982, 30,200; 1983, 29,400.

33/ Estimate. Based on average State matching requirement of 47 percent.

34/ Includes \$0.6 million for administration.

35/ Less than \$0.5 million, for SSI reimbursement (available only to Cuban refugees who received SSI benefits before September 30, 1978).

36/ 1982 and 1983 data include Puerto Rico's nutritional assistance program, which in July 1982 replaced the food stamps program there.

37/ Includes these sums for administration: 1981, \$628 million; 1982, \$659 million; 1983, \$730 million.

38/ Costs of administration.

39/ Cash spending plus estimated commodity assistance for free and reduced-price lunches. Includes these sums for State administrative expenses for school lunch plus three other child nutrition programs: school breakfast, child care food program, and special milk program (a breakdown by program is not available). Estimated commodity assistance for free and reduced-price lunches: 1981, \$302 million; 1982, \$210 million; 1983, \$231 million (these sums are one-half the commodity assistance for all school lunches, reflecting the ratio of income-tested lunches to total lunches). Excludes cash assistance for "paid" lunches, which have no income test: 1981, \$395.2 million; 1982, \$221.9 million; 1983, \$212.6 million.

40/ Estimated school year daily average.

41/ Law allows up to 20 percent of appropriate funds to be used for administration.

42/ Includes an estimated \$50 million for intrastate storage and transportation.

43/ The law prohibits an income test, but requires preference for those with greatest economic or social need.

44/ Corrected figure. (1983 edition of this report erroneously presented Federal-State totals in Federal columns.)

45/ Estimate.

46/ Annual number.

47/ Federal spending for State administrative costs included under program No. 24 (School lunch). See footnote 39.

48/ Excludes spending for paid breakfasts, for which there is no income test: 1981, \$11.8 million; 1982, \$10 million; 1983, \$4.8 million.

49/ Includes only funds provided for free and reduced-price meals. Excludes "paid" meals in centers and meals in family or group homes, for which there is no income test. Excludes commodity assistance.

50/ Daily average number.

51/ Excludes commodities, valued at approximately \$1 million each year.

52/ Peak summer number.

53/ Includes these sums for administrative costs: 1981 and 1982, \$9 million each year, 1983, \$11 million. Includes value of both purchased commodities and those made available during the year from government stocks.

54/ Estimate. Average daily number served free milk. Estimate derived from the number of half-pints of free milk consumed (1.34 per day for an average of 161 school days per year). Excludes children who received partially subsidized rather than free milk.

55/ Units eligible for payment at end of fiscal year.

56/ Data include operating subsidies.

57/ Localities accept payments in lieu of property taxes that are lower than normal taxes (usually equal to 10 percent of shelter rent). No estimate is available of the value of this benefit.

58/ Amount of loans obligated.

59/ Number of units under payment, end of fiscal year, as follows: 1981, 158,226 in original program and 82,313 in revised program; 1982, 145,628 and 96,245, respectively; 1983, 132,000 and 100,000, respectively.

60/ Amount of section 504 loans and grants obligated, as follows: 1981, \$17.9 million in loans and \$22.8 million in grants; 1982, \$10.7 million and \$13.6 million, respectively; 1983, \$24 million and \$12.5 million respectively.

61/ Number of loans and grants (for section 523 rural self-held technical assistance, number of grants only).

62/ Amount of section 514 loans and section 516 grants obligated, as follows: 1981, \$18.5 million in loans and \$10.5 million in grants; 1982, \$11.9 million and \$14.9 million, respectively; 1983, \$19 million and \$12.5 million, respectively.

63/ New and repaired houses as follows: 1981, 725 new and 4,352 repaired houses; 1982, 548 and 3,343, respectively; 1983, 581 and 3,881, respectively.

64/ Obligation.

65/ Columns are not totaled because they are a mixture of numbers: dwelling units, loans, and grants.

66/ Spending data are appropriations available for the school year beginning in the fiscal year named (and for the next year). Recipient data refer to the award year beginning July 1, of the year named.

67/ This program had no income test in fiscal years 1979-1981, so 1981 data are not provided.

68/ Data are appropriations. Note: although Headstart is classified in this report as an education program, it provides many other services. It is administered by the Department of Health and Human Services rather than the Department of Education.

69/ Estimate. Based on 20 percent matching requirement. In the case of Follow Through, the 20 percent matching rule applies only to Federal funds that are allocated to local educational agencies (usually 80 percent of the total).

70/ Includes children in regular full year and summer programs, as well as those served through programs funded with research and development funds.

71/ These programs also receive non-governmental funds. College Work-Study funding from institutions exceeded \$100 million in each of the 3 years shown. The National Direct Student Loan (NDSL) program collected \$438 million from borrowers in 1981, \$483 million in 1982, and \$531 million in 1983. Further, institutions provided NDSL \$20.5 million in 1981, \$18.8 million in 1982, and \$19.8 million in 1983.

72/ Appropriation available for the school year beginning in the fiscal year named (and for the next school year).

73/ Federal funds for those programs may be supplemented (for program 49, by State and local school districts, for program No. 56, by States and local units of government; for program No. 58 by institutions. However, data are unavailable on such support, which is voluntary.

74/ Estimate of recipients during the calendar year beginning in the fiscal year named.

75/ 1983 allocation by program: Talent Search, \$17 million; Upward Bound, \$68.4 million; Special Services for Disadvantaged Students, \$60.5 million; Educational Opportunity Centers, \$7.8 million; Staff Development, \$1 million.

76/ 1983 recipients by program: Talent Search 1980, 825; Special Services, 150,293; Educational Opportunity Centers, 104,300; Upward Bound, 32,608, and staff development, 1,500.

77/ 1982 figure is preliminary estimate of Department of Education. 1983 figure assumes no appreciable change from 1982.

78/ Repaid loans provide additional funding from these programs. Such non-governmental funding in the health professions assistance program totaled: \$26 million in 1981, \$29 million in both 1982 and 1983. In the nursing student program such funds totaled: \$11.5 million in 1981, \$12.5 million in 1982, and \$16 million in 1983. These sums, paid from a revolving fund, gave loans to additional students.

79/ Totals: 1981, \$16.5 million in loans and \$10 million in grants; 1982, \$5.6 million and \$4.4 million, respectively; 1983, \$1 million and \$5.6 million, respectively; 1983, \$1 million and \$5.6 million, respectively. See footnote 78.

80/ Recipient totals: 1981, 11,000 recipients of loans and 703 recipients of scholarships; 1982, 2,820 and 300, respectively; 1983, \$500 and 368, respectively. See footnote 78.

81/ Recipients during the school year beginning in the fiscal year named.

82/ All for loans.

83/ Appropriations.

84/ Not available separately. Average enrollment levels of 374,000 and 303,000 were maintained in 1983 and 1983, respectively, under CETA titles II-B, II-C, IV-A and VII. (Title VII used private sector funds.)

85/ Administrative cost estimates are not available. Regulations permit no more than 15 percent of Federal funds to be used for administrative costs. In 1981 and 1982, the share of funds used for administration was approximately 11 percent.

86/ Estimate, based on required 10 percent non-Federal match.

87/ Annual number of jobs authorized.

88/ New registrants. 1983 data are for only 36 States or jurisdictions, those without demonstration projects.

89/ Estimate. Includes a combination of State matching funds and funds for State-initiated programs that receive no Federal funds. In addition, for 1983 an estimated \$2.5 million was given to Foster Grandparent programs by the private sector.

90/ This program was ended on September 30, 1981. Residual close-out operations continued into 1983.

91/ Estimate. Includes a combination of State matching funds and funds for State-initiated programs that receive no Federal money. In addition, for 1983, an estimated \$722,265 was given by the private sector.

92/ Total includes beneficiaries not classified by program: 374,000 in 1983 and 303,000 in 1983. See footnote 84.

93/ Source: DHHS Budget Justifications for FY 1983

94/ This program requires no minimum match of non-Federal funds, and data are unavailable on the extent of State funding. (Title XX required a 25 percent match for most services until FY 1982.)

95/ Number of cases closed during the year.

96/ Totals include these sums for administration: 1981, \$150 million (estimate); 1982, \$144 million (estimate); 1983, \$154 million (reported by States). 1983 total sum excludes spending by Indian tribal organizations and the outlying areas.

97/ Households served during the year. 1981 numbers reflect some double counting of households that received both heating and cooling aid.

98/ Data for this program relate to calendar year.

99/ Includes these estimated sums for State-local administration: 1981, \$22.6 million; 1982, \$15.4 million; and 1983, \$15.1 million. They equal 10 percent of grants to States, the maximum share permitted for administrative costs.

100/ Houses weatherized during the year.