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Food and Nutrition

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THE FOOD STAMP PURCHASE REQUIREMENT

ON JANUARY 17 the Food and Nutrition Service amended regulations for the food stamp program so that the purchase requirement for a participating household will generally--but not always--be set at a uniform 30 percent of the household's adjusted net monthly income.

Responding to the many comments received from interested persons, FNS made two revisions in the amendment to the regulations that it had proposed last month:

- The maximum amount that a household will be required to pay will be limited to \$1.00 less than the amount of food stamps for which the household qualifies for the month.

- In computing the amount that a household pays for its coupon allotment, any amounts that are less than a whole dollar will be dropped from the purchase requirement.

One other exception is already provided, by law, to the uniformity of the purchase requirement. Food stamps continue to be completely free for one- and two-person households with net monthly income of less than \$20 a month, and for all other households with income of less than \$30 a month.

These final amendments to food stamp

regulations were published in the Federal Register Jan. 22, and will go into effect March 1.

The proposal to amend the regulations was published in the Federal Register Dec. 6. During the 21 days allowed for public comment, FNS received responses from 4,317 interested persons and organizations. All of these comments were carefully reviewed and analyzed in making the decision on the proposed change in the purchase requirement.

The final amendment that was published Jan. 22 amends purchase requirements only for the 48 contiguous States and District of Columbia, but the same amendment will be published for the rest of the United States shortly thereafter.

FNS TO MATCH HALF OF FOOD STAMP PROGRAM COSTS

EFFECTIVE OCTOBER 1, FNS is providing financial assistance to State and local agencies for 50 percent of the cost of running the food stamp program.

The new regulations implement amendments to the Food Stamp Act of 1964 which were included in Public Law 93-347, approved July 12, 1974.

Under previous regulations, FNS paid for 62-1/2 percent of salaries, fringe benefits and travel expenses for certain

certification, outreach, fair hearing and quality control workers only. Under the new regulations, FNS will pay 50 percent of all administrative costs, including but not limited to such formerly non-reimbursable costs as support staff and issuance, storage, protection and inventory of food stamps. The new regulations include details on:

- Types of charges which can now be claimed in general, or claimed with prior approval from FNS.

- Unallowable costs, such as bad debts and interest costs.

- Conditions States must meet to be reimbursed, such as procedures for accounting, submitting claims and reporting on program administration.

- Method of payment.

- Handling of cash and in-kind contributions from third parties, such as volunteers.

- Procedures FNS will follow when suspending, cancelling or terminating payments to a State for any reason.

FNS will not reimburse States for the cost of certifying public assistance households for food stamps, since these expenses are reimbursed by the Department of Health, Education and Welfare.

P.L. 93-347, which mandated the new reimbursement rates, also specified that FNS could withhold payment of funds if a State failed to administer the food stamp program "efficiently and effectively." However, FNS will develop and publish such requirements at a later date so as not to delay interim financing of State costs.

The new regulations were published in the Federal Register Dec. 17, 1974.

FOOD STAMP REGS REPUBLISHED

BECAUSE OF THE many recent changes in the food stamp regulations and the numerous requests for current information, FNS has compiled and republished the regulations.

A complete edition of current regulations and amendments of the Food Stamp Program appeared in the Federal Register of Jan. 9, 1975.

NEW FOOD STAMP ELIGIBILITY RULE FOR STUDENTS

A STUDENT WHO receives more than half of his support from a household which is ineligible for the food stamp program is now also ineligible for food stamps.

This rule applies to any student, age 18 or over, who attends an educational institution beyond high school and is claimed as a tax dependent by an ineligible household (i.e. receives over half his support from a household) where he does not reside. It applies only to the student who is claimed as a tax dependent; other members of the student's household can receive food stamps if they are eligible. The student will have an opportunity to prove that he does not receive over half his support from an ineligible household.

The regulation is in line with a provision of the Agriculture Appropriations Act for 1975, approved Dec. 31. A tax dependency criterion was published by USDA in July 1971 to implement a 1971 amendment to the Food Stamp Act. However, in *USDA vs. Murry* (June 25, 1973) the Supreme Court ruled against USDA, citing a number of objections to the regulation as it stood. The new regulation, announced Jan. 8, is designed to eliminate those objections.

FOOD STAMP STUDY RELEASED

WHAT KIND OF people get food stamps? How much money do they make? What other

welfare benefits do they receive? FNS now has the answers to these and other questions in a recently-completed national survey of food stamp and food distribution program recipients.

The study, done by Chilton Research Services, includes data on food stamp participants' race, residence, household characteristics, sex, age, and employment status. It also tells how much income, both cash and in-kind, food stamp participants receive from government and private sources.

The House Subcommittee on Fiscal Policy requested this study to help evaluate food programs individually and as part of the broader public welfare system.

FNS AUTHORIZES WIC PAYMENTS TO INDIAN GROUPS

ON DECEMBER 23, FNS amended its regulations to make the Special Supplemental Food Program for Women, Infants and Children (WIC) directly available to Indians, and clarified several program procedures.

The major amendment authorizes cash grants directly to Indian groups recognized by the Department of the Interior, or to the Indian Health Service of the Department of Health, Education and Welfare. Previously the grants had been made only to State health departments. The changes are in accord with Public Law 93-150 which amended the National School Lunch and Child Nutrition Acts. The rule also:

- Extends the WIC Program through fiscal year 1975.
- Protects individual rights of all persons participating in the program.
- Prohibits WIC Program benefits from being considered as income or resources under other programs.

- Requires State agencies to submit a report summarizing the benefits and disadvantages of the program.

So far, a total of 48 States, Puerto Rico and the Virgin Islands have been selected to take part in the WIC pilot program. The combined caseload is about 640,000. The addition of 77 new project areas was announced by FNS on Jan. 3.

FUNDING REGS CHANGED

FNS HAS AMENDED regulations for allocating Federal funds for State Administrative Expenses (SAE) in child nutrition programs. The changes are necessary because present rules would distribute the increased SAE funding available for fiscal year 1975 less equitably than in prior years.

Each year SAE funds are distributed to the States according to two procedures. First, each State receives a basic amount of SAE funds based on the number of child nutrition programs it administers. The new amendment requires that an additional criterion for determining basic SAE funding will be a State's need for outreach efforts to assure that needy children receive full benefits of the programs.

The new amendment also requires that after the basic funding is determined, the remaining SAE funds be distributed among the 50 States and the District of Columbia based on the number of children from families with incomes below \$6,000 a year. Prior to the amendment, this figure had been \$4,000 a year. SAE funds are distributed separately to the outlying areas (Puerto Rico, the Virgin Islands, Guam, American Samoa, the Trust Territories of the Pacific).

SCHOOL LUNCH AND BREAKFAST RATES INCREASE

ON JANUARY 3 FNS increased the rates of payment to State educational agencies

for the National School Lunch and School Breakfast Programs.

The adjustment reflects changes in the "food away from home" series of the U.S. Department of Labor Consumer Price Index for the period June-November, 1974. During that period, the series increased 5.79 percent, and the new rates approximate that increase.

The average payment to States for each lunch served increased three-quarters of a cent, from 11 cents to 11.75 cents. States may now vary a school's reimbursement from zero to 17.75 cents a lunch. Previously the ceiling was 17 cents.

The additional guaranteed average payment to States for lunches of needy children went up 3 cents: to 42.5 cents for each reduced-price lunch; and to 52.5 cents for each free lunch.

The maximum school reimbursement States can pay for free lunches increased 3.75 cents. It can range as high as 79.25 cents for a free lunch and 69.25 cents for a reduced-price lunch.

The average State payment for each breakfast served to eligible children increased one-half cent--from 8.75 cents to 9.25 cents. The additional average payment to States for each reduced-price breakfast has been 16.50 cents; the new rate is 17.50 cents. The additional average payment to States for a free breakfast, which had been 22 cents, is now 23.25 cents.

For particularly needy children, maximum rates of reimbursement remain at 40 cents for reduced-price breakfasts and 45 cents for free breakfasts.

STANDARDIZED FEDERAL GRANT PROCEDURES PROPOSED

FNS HAS PROPOSED changes in the regula-

tions governing State Administrative Expenses (SAE), and the National School Lunch, School Breakfast, and Nonfood Assistance Programs to bring them in line with the requirements for Federal grants to State and local governments outlined in Federal Management Circular 74-7.

Federal Management Circular 74-7 is the result of a Presidential order to simplify, standardize, decentralize, and modernize the Federal grant machinery, and place greater reliance on State and local governments. Under the proposed regulation changes, State agencies will have responsibility for details of program administration, while USDA will provide guidance.

FOOD DISTRIBUTION MEETING HELD

THE NATIONAL ASSOCIATION of State Agencies for Food Distribution held their first conference in Omaha, Neb., Jan. 15-17. FNS Administrator Hekman and Herb Rorex, Special Assistant to the Administrator, met with the group.

A highlight of the meeting was a discussion on ways to improve communication between USDA and State agencies.

ADVISORY COUNCIL AND STATE CHILD NUTRITION DIRECTORS MEET

SCOTTSDALE, ARIZONA, was the setting for two important child nutrition meetings: the National Advisory Council's third meeting of 1974 on Dec. 9, and the State Child Nutrition Directors' Conference, Dec. 10-12. FNS Administrator Hekman attended both meetings.

Jerry Boling, Child Nutrition Division Director, reported to the National Advisory Council on the recently completed "Comprehensive Study of the Child Nutrition Programs." The Council also discussed program administrative costs, the question of providing schools with cash instead of commodities, problems of

plate waste in child nutrition programs, and overall nutritional status of the Nation's children. The next meeting of the Council will focus on nutrition education in elementary and secondary schools, vocational education training of food service workers, and problems of reaching "no-program" schools.

At the State Director's Conference conferees exchanged ideas on ways the child nutrition programs can absorb and consolidate legislative changes made in these programs since 1969. State Directors and FNS personnel participated in study groups on program administration, research, nutrition education, program outreach, accountability and management of program funds, and professional development.

FOOD PROGRAM PEOPLE

WILLIAM G. "JERRY" BOLING has been named National Programs Manager for the FNS Child Nutrition Division, which has responsibility for the National School Lunch Program, School Breakfast Program, Special Milk Program and Special Food Service Programs. Mr. Boling has served as acting director of the Division since July 1974.

Mr. Boling was a budget officer for the USDA Consumer and Marketing Service from 1963 to 1969, and during that time spent a year at Stanford University on a scholarship from the National Institute of Public Affairs.

After 3 years as clerk to the House Appropriations Subcommittee on Agriculture, Environmental, and Consumer Protection, Mr. Boling returned to USDA in the position of Associate Director of the Child Nutrition Division.

Mr. Boling graduated from the University of Redlands with a major in Public Administration and earned his Master's Degree from the Maxwell School, Syracuse

University in Syracuse, New York.

DARREL E. GRAY is now serving as Assistant to the Deputy Administrator for Program Operations, a new position established to assist the Deputy Administrator of FNS in implementing the recommendations of a recent management study.

Before this appointment, Mr. Gray served as Supervisory Food Program Specialist in the Western Region.

NEW RELEASES

- "Daily Food Guide" (FNS-13) is a revised flyer designed for families using food stamps. It includes a change in portion sizes of foods in the "meat group." Copies may be obtained from the Nutrition and Technical Services Staff, Food and Nutrition Service, U.S. Department of Agriculture, Washington, D.C., 20250.

- "Programa del Desayuno Escolar" (FNS-84-S) is a 2-page flyer written in Spanish introducing the School Breakfast Program. It tells how the program works, what a school must do to have the program, and how children can participate. Single free copies are available from the Child Nutrition Division, Food and Nutrition Service, U.S. Department of Agriculture, Washington, D.C., 20250.

- "Annual Statistical Review--Preliminary Report FY-1974" (FNS-129) summarizes the statistical results of food program operations in fiscal year 1974. Copies are available from the Program Reporting Staff, Food and Nutrition Service, U.S. Department of Agriculture, Washington, D.C., 20250.

- "Shopper's Guide," the new Yearbook of Agriculture for 1974, offers practical information to help consumers buy the right product for the best price. The 368-page, illustrated hardbound book has six sections: Food, Materials,

Equipment, Gardening, Services, and Recreation. The 1974 Yearbook is a companion volume to the 1973 Yearbook, "Handbook for the Home." Copies may be purchased at government bookstores for \$5.70; by sending check or money order to Superintendent of Documents, U.S. Government Printing Office, Washington, D.C., 20402; or through members of Congress, each of whom has a limited number of copies for free distribution to constituents.

- "Introducing the New Food Stamp Series" (FNS-133) includes details on the new food stamps which will be issued beginning March 1, 1975. It is aimed at retailers, banks, State welfare agencies, post offices, and other groups that deal with food stamp recipients. Copies are being distributed by cooperating State agencies.

- "Get Ready for Your New Food Stamps" (FNS-134) tells food stamp customers about the new food stamps: what they look like, how to use them, and why FNS made the change.

- "Usted y Estampillos Para Alimentos--You and Food Stamps" (FNS-5). FNS has revised this bilingual fold-out leaflet, which provides information in Spanish and English on food stamp eligibility requirements and application procedures.

- "Food Stamp Facts...Recipient Responsibility" (FNS-76). The updated fact sheet includes the latest program regulations.

- "Food Stamp Program--More Food and Better Diets for Low-Income Families" (PA-930) has been revised to better reach those persons who do not need food stamps, but want to know about the food stamp program. The 4-page leaflet includes general information on nutrition education and community involvement in the program.

Unless otherwise stated, copies of the food stamp publications are available from the Food Stamp Division, Food and Nutrition Service, U.S. Department of Agriculture, Washington, D.C., 20250.



