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Federal Benefits and Services for People with Low Income: Programs, Policy, and Spending, FY2008-FY2009

Karen Spar
Specialist in Domestic Social Policy and Division Research Coordinator

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Summary

The federal government spent almost $708 billion in FY2009 on programs for low-income people, and nearly $578 billion the previous year. The increased spending between the two years was largely due to the recession, with almost two-thirds coming from the American Recovery and Reinvestment Act (ARRA, P.L. 111-5), the economic stimulus enacted in February 2009.

Low-income programs discussed in this report are distinct from social insurance programs, such as Social Security or Medicare, which aim to protect American workers universally against lost wages or benefits when they retire, become disabled, or lose a job. In contrast, programs addressed here focus explicitly on low-income populations. They provide assistance in obtaining basic needs, such as health care, food, or housing, and seek to address the causes of low income through education, training, or other services. While these programs are very diverse, the analysis in this report yields certain general findings:

- Health care dominates all other categories of benefits and services, accounting for nearly half of federal spending for low-income people. Cash aid is second but trails far behind, comprising 18% of spending in FY2009. Other categories, in decreasing size, are food assistance, housing and development, education, social services, energy assistance, and employment and training.

- Four programs account for 60% of federal spending for low-income people and 10 programs make up more than three-fourths. Medicaid alone accounted for nearly 40% of FY2009 low-income spending; next were the Supplemental Nutrition Assistance Program (SNAP, formerly food stamps), Supplemental Security Income, and the refundable portion of the Earned Income Tax Credit.

- Elderly and disabled individuals, and families with children are key target populations for much of the spending for low-income people. Federal policy toward families with children generally encourages work and includes incentives to "make work pay." Other populations served by selected programs include veterans, students, homeless people, Indians, and refugees.

- Within broad target populations, programs use different concepts to determine who is eligible. Most spending is on behalf of people determined individually eligible by virtue of their low income or eligibility for another income-tested program. "Low income" is defined in a multitude of ways, using different percentages of the federal poverty guidelines, specific dollar amounts, percentages of local area median income (primarily for housing programs), or other measures.

- Many programs distribute funding to states or other entities to provide benefits and services to low-income people, using population-based allocation factors, cost-sharing formulas, or other mechanisms to target resources toward areas or entities with the greatest need. Some of these programs (especially in elementary and secondary education) have no further requirements for individuals to be determined income-eligible.

- Programs for low-income people are most likely to use formula grants to distribute funds to states or another unit of government. Under many of these programs, notably including Medicaid, states must spend a specified amount of their own funds to receive federal dollars. State and local governments administer most of these federal programs; however, many of the largest programs provide federal benefits directly to individuals or via a nongovernmental intermediary.

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Introduction

People and communities with limited resources are a major focus of public policy. While policymakers might disagree in theory on whether or to what extent government should act to protect the economic well-being of individuals and families, the federal government in fact spends large sums of money on numerous programs targeted toward those with limited income and assets. This report attempts to identify and analyze these programs and provide a broad overview of the policies underlying them.

In FY2009, federal spending on programs for people with low income was almost $708 billion, and totaled nearly $578 billion the previous year. Most of the growth between the two years was related to the recession and associated policy responses, with almost two-thirds (64%) of the increase coming from the American Recovery and Reinvestment Act of 2009 (ARRA, P.L. 111-5). In both years, four programs accounted for almost 60% of total spending, and 10 programs accounted for more than 75%.

The distinguishing feature of federal programs examined here is their explicit focus on low-income populations, as distinct from social insurance programs such as Social Security, Medicare, or Unemployment Insurance. Social insurance programs aim to protect American workers universally against lost wages and work-related benefits due to retirement, disability, or temporary periods of unemployment. They are financed in large part through contributions from workers and employers and their aggregate spending is much larger than programs intended specifically for those with low income. Social insurance programs play a major role in reducing poverty among significant segments of the population.[1]

In contrast to social insurance, programs examined in this report are funded through general revenues and provide benefits and services to people with limited income either by explicitly tying eligibility to a measure of income, or by targeting assistance through funding allocation formulas or other need-related mechanisms. They attempt to ameliorate or mitigate the effects of low income by providing cash or noncash benefits to help people meet basic needs, such as food, housing, and health care. They also seek to address root causes of economic disadvantage by providing education, training, and other services to improve people's employability and earnings capacity. Some programs combine these purposes by conditioning aid on participation in work or training or providing incentives to engage in these activities. Finally, some programs target assistance to communities with significant concentrations of low-income people to compensate for their low tax capacities, and help provide revenues to support benefits and services to residents.

These programs are extremely diverse in their purpose, design, and target populations. Many were created independently of one another, at different times and in response to different perceived policy problems. They also changed over time in response to various societal and other factors. "Social welfare," "social safety net," and "public welfare" are generic terms sometimes

[1] See, for example, House Ways and Means Committee 2008 *Green Book*, Appendix E, "Poverty, Income Distribution, and Antipoverty Effectiveness," pp. E-65-E-76: http://democrats.waysandmeans.house.gov/media/pdf/110/appE.pdf; and CRS Report RL33289, *Social Security's Effect on Child Poverty*, by Thomas Gabe.

used to refer to these programs; however, there is no single label that best describes all programs included in this report.[2]

Key findings of the report are presented in the Summary, above. The body of the report is organized as follows:

- The report begins with a very brief history of federal low-income policy, to provide context for the subsequent discussion of current programs. The report then gives an overview of current federal spending on benefits and services for low-income people, including a review of the budgetary classification of these funds (mandatory or discretionary).
- The next section looks specifically at the 10 largest programs, which together account for three-fourths of all spending in the report, followed by an overview of all programs, organized by major category in order of FY2009 spending: health care, cash aid, food assistance, housing and development, education, social services, energy assistance, and employment and training.
- The next two sections look in greater detail at the ways in which benefits and services are directed toward people with limited income, either by establishing explicit eligibility criteria for individuals or families, or by targeting assistance toward communities or entities based on a measure of need. These sections look at use of the federal poverty guidelines and other income measures in defining eligibility or otherwise targeting assistance, as well as criteria that enable certain categories of people to qualify automatically.
- The form of federal assistance—formula grants, competitive or discretionary awards, direct payments to individuals—is the focus of the next section, which also looks at the immediate recipients of federal funds, such as states, local governments, and nonprofit organizations. The section discusses matching or other requirements for nonfederal spending, and very briefly addresses the participation of Indian tribes and U.S. territories.
- The report generally does not discuss the value of benefits or services provided; however, the next section shows maximum benefit levels under selected cash and near-cash benefit programs. The report concludes by identifying potential questions for further analysis.
- The report includes several appendixes: **Appendix A** discusses the methodologies used to prepare the analysis; **Appendix B** provides overview tables of programs included in the report; and **Appendix C** is a series of short fact sheets on each program. **Appendix D** gives references to information about the federal poverty guidelines and other income measures and eligibility tests.

[2] As these terms are commonly understood, they are either too broad or too narrow to collectively characterize programs included in this report. "Social welfare" and "social safety net" are sometimes understood to include social insurance programs in addition to programs explicitly targeted on low-income populations. "Public welfare" often is understood as a more narrow set of programs that primarily provide cash or near-cash benefits to low-income people. While such programs are included here, programs that provide in-kind benefits and services also are discussed. "Income-tested" or "means-tested" might be used to describe programs in this report, although (as discussed later) some programs target assistance toward low-income communities or entities but do not specifically apply an income or means test to individual participants or beneficiaries.

Caveats

The analysis in this report required numerous decisions about which programs to include, how to categorize them, and what measure of federal spending to use. The methodologies chosen are described in **Appendix A**. Readers should be aware, however, of the following caveats:

- The report refers to the target population of these benefits and services as persons with "low" or "limited" income, rather than "poor" people. Although some programs limit participation to individuals with income below federal poverty guidelines, income eligibility criteria vary widely and frequently include people with income above the federal definition of poverty.
- The number of programs included in this report is not meaningful. While fact sheets are presented for 82 "programs," some could have been characterized as more than one program and others could have been consolidated. In addition, only programs with new obligations of $100 million or more in a given year are included. If smaller programs were included, the overall number of programs would be larger, but the analysis would essentially be unchanged.
- The assignment of programs—and therefore dollars—to broad categories (health care, cash aid, food assistance, etc.) is not perfect. Certain programs provide multiple types of assistance and spending could not be disaggregated, so spending was assigned to a single category. Some programs are ambiguous; different analysts might categorize them differently. The analysis might be changed somewhat if different assignments had been made.
- The report does not include tax programs, with the exception of direct spending for the refundable portion of the Earned Income Tax Credit and the refundable Additional Child Tax Credit.
- The report does not provide long-term trend data on spending. For reasons explained in **Appendix A**, obligations are generally used as the measure of spending. While obligations are the most consistent program-specific measure available for the majority of programs included here, they are difficult to trace backward. Spending is provided for FY2009 because it is the most recent year for which final amounts are available for all programs included. Because FY2009 was an unusual year, however, with a large infusion of funding from the economic stimulus law (ARRA), FY2008 spending is also shown.
- The report provides a snapshot of policies and spending for low-income programs in FY2008 and FY2009. It does not address the effectiveness of these programs in meeting their policy goals.
- Readers familiar with the CRS series of reports entitled *Cash and Noncash Benefits for Persons with Limited Income* should know that this report is not an update of that earlier series. This report is meant to replace that series but it uses different methodologies and is therefore not comparable to the *Cash and Noncash* reports. See **Appendix A** for an explanation of the differences.

A Brief History of Federal Low-Income Policy

A review of the evolution of federal policy for low-income people provides useful context for understanding today's programs and policies. The following is a quick overview of key milestones, such as the New Deal of the 1930s and the Great Society of the 1960s. While many current programs trace their roots to these eras, few exist today in the same form. Today's programs reflect policy changes enacted over many decades in response to numerous factors, particularly the shift in societal expectations about mothers working outside the home. Federal aid initially focused on groups who were not expected to work, including mothers of dependent children; however, federal policy today generally favors work among able-bodied aid recipients and includes incentives to "make work pay." Federal policy also expanded over time to include efforts to address root causes of poverty and disadvantage, in addition to helping people meet their basic needs.

Federal involvement in providing benefits and services for people with low income generally began in the first part of the 20th century, largely after the Great Depression overwhelmed the resources of states, local governments, and private organizations, which previously had borne primary responsibility for helping the disadvantaged. With some key exceptions, such as veterans' benefits and tax credits for low-wage workers, state and local governments still play a significant role in most programs intended for low-income populations, regardless of whether they are partially or fully federally funded.

Benefits for veterans, initially to meet the medical needs of those who became disabled during service, are among the oldest in the United States, and date back in some form to the beginning of the country.[3] By the early 1900s, these benefits had grown to include medical care and cash assistance for the indigent as well as veterans with disabilities, including assistance for dependents and survivors of veterans. These were the primary benefit programs administered by the federal government until the Great Depression of the 1930s.

The New Deal was the federal government's response to the Depression, and the Social Security Act of 1935 was its cornerstone. The act brought the federal government into the fields of social insurance and cash relief for populations who either could not work or who society at that time did not expect to work.[4] The original act established income security programs for aged and retired workers and for temporarily unemployed workers (the beginning of today's Social Security and Unemployment Compensation programs). It also authorized federal grants to states to make cash aid payments to two groups, in addition to the elderly, who were not expected to work. These groups were fatherless (dependent) children and the blind, although within these categories, the act gave states the authority to define specific eligibility and benefit levels.

Aid to Dependent Children, as created in 1935, was amended over the succeeding decades and became Aid to Families with Dependent Children in 1962. Aid was provided to parents (typically single mothers) in addition to the children. However, at the same time, expectations about mothers' work began to change. Starting in the late 1960s and continuing over the next 30 years,

[3] *VA History*, Department of Veterans Affairs, http://www4.va.gov/about_va/vahistory.asp.

[4] See CRS Report 86-45EPW, *Social Security Benefits, Cash Relief, and Food Aid: A Short History*, by Vee Burke (out-of-print; available upon request). Also see CRS Report R40946, *The Temporary Assistance for Needy Families Block Grant: An Introduction*, by Gene Falk.

Congress imposed work registration and work or training requirements on certain parents receiving cash benefits. In 1996, Congress replaced AFDC with Temporary Assistance for Needy Families (TANF), which established time limits on the receipt of benefits and conditioned cash aid on participation in work activities. States continue to make key decisions regarding eligibility and benefit levels under TANF, and have the added flexibility to use funds for noncash services. (In fact, the majority of TANF funds are now used for noncash services, such as social services and employment-related activities.) The 1996 law also gave states more federal funding for child care for low-income working families.

The 1930s also marked the federal government's entry into the field of housing.[5] In response to trouble in the mortgage market resulting from the Depression, the U.S. Housing Act of 1934 encouraged lending for housing construction through a new Federal Housing Administration. The U.S. Housing Act of 1937 subsequently created the low-rent Public Housing program, which required states to establish quasi-governmental local public housing authorities (PHAs) to administer the program. In 1949, Congress declared the federal goal of "a decent home and a suitable living environment for every American family," and over the next two decades it enacted provisions to provide affordable housing through incentives to private developers to build low-cost housing. The Housing Act of 1974 created a new rental assistance program, known as Section 8, which provided rental subsidies for private properties, in lieu of development subsidies. Section 8 was later expanded to include portable rental vouchers administered by PHAs. While Section 8 vouchers have effectively replaced subsidies for new development, many housing units that were subsidized under these earlier programs still provide affordable housing today. They are administered by PHAs or private properties, under contract with the federal Department of Housing and Urban Development (HUD).

An early version of food stamps existed for several years during the Depression and was revived in 1961 as a small pilot program.[6] The program became permanent during the Great Society, through the Food Stamp Act of 1964. Originally, states set their own eligibility rules, and benefits varied regionally. This changed in 1971 when the program was effectively converted to a national income guarantee, providing an amount of food stamps to participating households sufficient to buy items equivalent to the Agriculture Department's "economy diet." However, recipients had to contribute a monthly "purchase requirement" based on their income in order to obtain benefits. The law set nationally uniform eligibility rules and federally paid benefit levels, but states continued to administer the program. Congress enacted a number of major policy changes to the Food Stamp program over the next three decades, including removal of the purchase requirement in the late 1970s, allowing automatic eligibility for those receiving other public assistance benefits or services in 1985, and limiting access for able-bodied adults without dependents in 1996. In 2008, the Food Stamp program was renamed the Supplemental Nutrition Assistance Program (SNAP). States continue to administer SNAP and have some leeway in determining eligibility through application of the automatic eligibility rules, but benefit levels remain federally financed and nationally uniform.

A central feature of the Great Society was the War on Poverty, and the Economic Opportunity Act of 1964 was its primary legislative vehicle. That act and its subsequent amendments authorized numerous programs that sought to address the causes of economic disadvantage, and to

[5] See CRS Report RL34591, *Overview of Federal Housing Assistance Programs and Policy*, by Maggie McCarty et al.

[6] See CRS Report 86-45EPW, *Social Security Benefits, Cash Relief, and Food Aid: A Short History*, by Vee Burke (out-of-print; available upon request).

ameliorate its effects. Programs were designed to meet the multiple needs of low-income preschool children and their families, and the employability needs of low-income youth and adults, and to give low-income people a formal role in planning services for their communities.[7] Modern-day programs with origins in the War on Poverty include Head Start, Job Corps, Adult Basic Education, components of the Workforce Investment Act, the Legal Services Corporation, Weatherization Assistance, the Low-Income Home Energy Assistance Program, School Breakfast,[8] the Summer Food Service Program, the Child and Adult Care Food Program, and the Community Services Block Grant. The Great Society also focused on education; both the Elementary and Secondary Education Act and the Higher Education Act became law in 1965.

The Great Society also saw the creation of Medicare and Medicaid, which have grown into the nation's largest health care programs. Medicare was created in 1965, providing health coverage as a form of social insurance to elderly and disabled individuals with a significant attachment to the workforce. The same legislation created Medicaid, a means-tested entitlement that finances medical services and long-term care for specified low-income and categorical groups. Medicaid replaced two earlier programs of federal grants to states that provided medical care to welfare recipients and the elderly.[9] Both Medicare and Medicaid have been amended numerous times over the years, expanding both eligible populations and services. A prescription drug benefit was added to Medicare in 2003, which includes a subsidy for low-income beneficiaries. And most recently, the 2010 health reform law—the Patient Protection and Affordable Care Act (P.L. 111-148, as amended by P.L. 111-152)—significantly expanded Medicaid, so that, beginning in FY2014 (or potentially sooner, at state option), Medicaid will cover low-income childless adults in addition to the program's traditional target populations of low-income parents and children, and elderly and disabled individuals.

The original Social Security Act's grants to states for cash aid to needy blind and aged individuals were expanded over time to include people with disabilities. However, in contrast to cash aid and related programs for needy families with children, which remain state-administered, Congress "federalized" programs for low-income aged, blind, and disabled people in 1972. These earlier programs were replaced by Supplemental Security Income (SSI), which has uniform federal minimum eligibility and benefit rules (rather than state-determined policies) and serves blind and disabled children as well as adults.

Also in the early 1970s, Congress considered but did not enact welfare reform legislation that would have replaced AFDC with a federal minimum cash guarantee for poor families, including working families with two parents. Instead, in 1975 Congress enacted a temporary "work bonus" or wage supplement intended to return a portion of Social Security taxes to low-income working households.[10] This program was made permanent in 1978 and became the current

[7] A key component of the War on Poverty was the Community Action Program, which required local antipoverty agencies to include low-income residents on their governing boards. These boards were charged with identifying and advocating for government services to meet local community needs. Many of the original Community Action Agencies are current eligible entities under the Community Services Block Grant, administered by the Department of Health and Human Services. See CRS Report RL32872, *Community Services Block Grants (CSBG): Background and Funding*, by Karen Spar.

[8] While School Breakfast traces its origins to the War on Poverty, the National School Lunch Program began earlier, under the Richard B. Russell National School Lunch Act of 1946.

[9] See CRS Report RL33202, *Medicaid: A Primer*, by Elicia J. Herz.

[10] See CRS Report 95-542, *The Earned Income Tax Credit: A Growing Form of Aid to Low-Income Workers*, by James Storey (out-of-print; available upon request).

Earned Income Tax Credit (EITC). The credit has been expanded several times over the past 30 years and is currently one of the largest cash assistance programs for low-income households, reflecting the prevailing policy goal of "make work pay."

Consistent with the emphasis on promoting work for low-income families, the welfare reform law of 1996 created TANF, which, as noted above, conditions cash aid on participation in work activities, and also expanded funding for child care. In the year following enactment of welfare reform, low-income families not sufficiently poor for Medicaid gained access to health insurance for their children through enactment of the State Children's Health Insurance Program (CHIP) in 1997. The Child Tax Credit and refundable Additional Child Tax Credit (ACTC) also were created in 1997, although the impact of the ACTC originally was limited. In 2001 and subsequent years, the ACTC was expanded so that it now targets assistance toward low-income families.

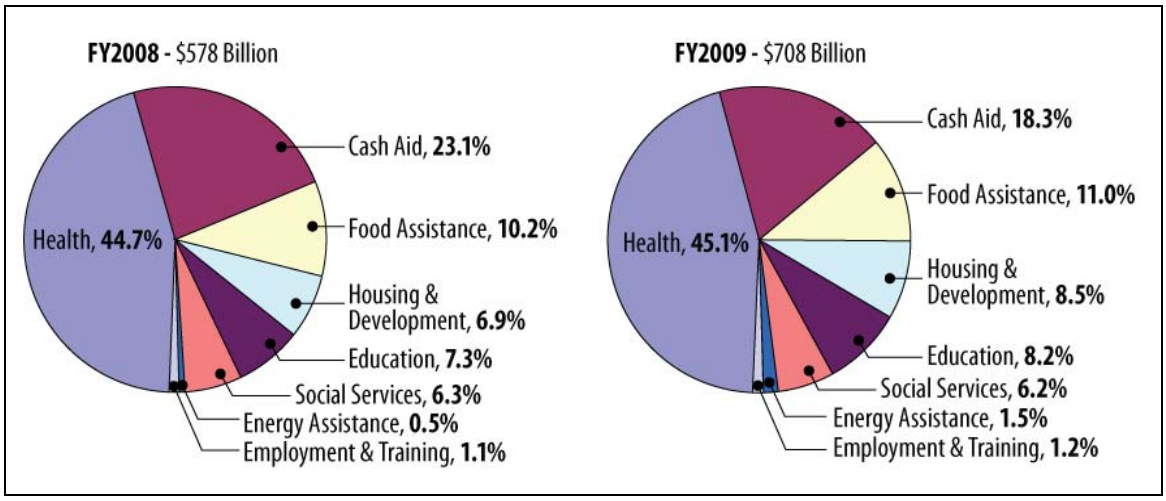
Most recently, Congress enacted the American Recovery and Reinvestment Act (ARRA, P.L. 111-5) in 2009, in an effort to stimulate the economy during recession. While ARRA did not create significant new initiatives for people with limited income, it revised and expanded certain existing policies, at least temporarily, to make them more responsive to the needs of people and communities affected by the downturn. As the following discussion shows, ARRA resulted in a substantial increase in spending on benefits and services for low-income populations between FY2008 and FY2009. The bulk of funding provided by ARRA was intended to be spent during FY2009 and FY2010.

Overview of Federal Spending on Benefits and Services for People with Low Income

Federal spending on benefits and services for low-income people totaled $708 billion in FY2009 and $578 billion in FY2008. These programs generally seek to mitigate the effects of low income by helping people meet basic needs such as health care, food, or shelter, or to address the root causes of economic disadvantage through services, education, or job training. Notably, few programs have poverty reduction as an explicit goal or purpose. Key target populations for many of these programs, including some of the largest, include low-income elderly and disabled individuals, and dependent children and their families. Other target groups for selected programs include veterans, students, people who are homeless, Indians, and refugees, among others.

Figure 1 illustrates the composition of spending, by category, in FY2008 and FY2009. **Figure 2** displays FY2008 and FY2009 spending by category, and also highlights the portion of spending in FY2009 attributable to ARRA. **Table 1** shows this information, both overall and by category, and the percent change in spending from FY2008 to FY2009. See Appendix **Table B-1** for a listing of specific programs in each category.

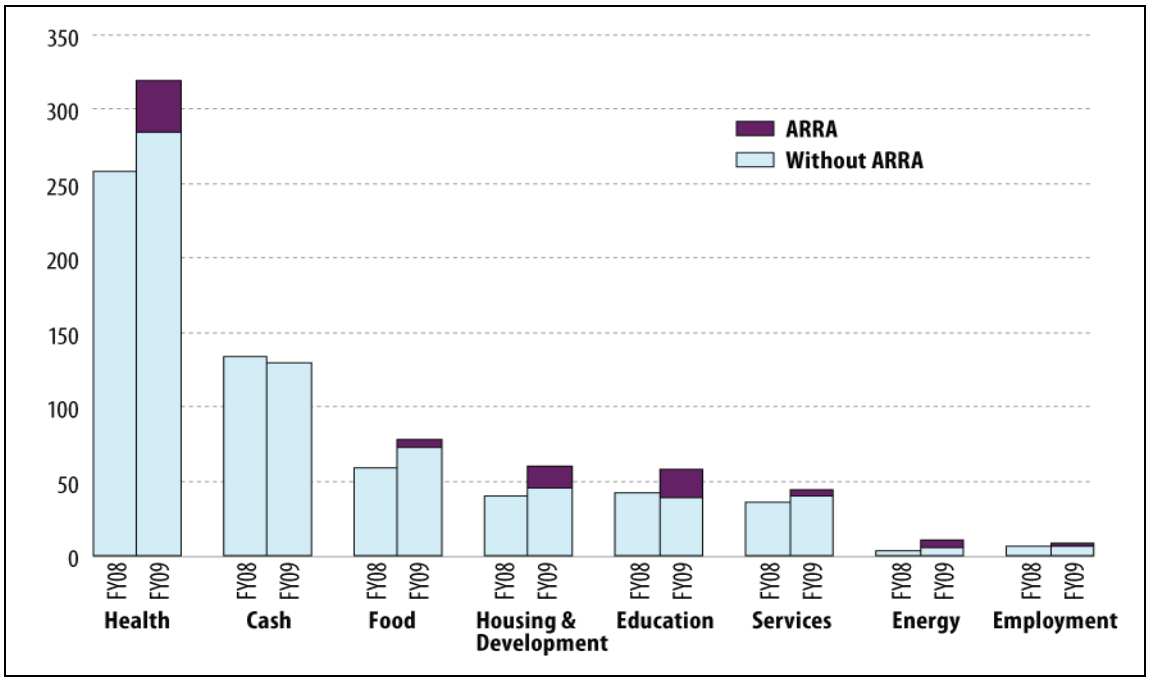
Figure 1. Federal Spending on Benefits and Services for Low-Income People, FY2008 and FY2009, by Category



Source: Prepared by the Congressional Research Service (CRS) from obligations data contained in the U.S. Budget Appendix for FY2010 and for FY2011.

Note: FY2009 amounts include federal obligations under the American Recovery and Reinvestment Act. FY2008 amount for cash aid includes an unspecified amount for a one-time $300-per-child tax rebate, authorized under the Economic Stimulus Act of 2008 (P.L. 110-185), which was not targeted on low-income families.

Figure 2. Federal Spending on Benefits and Services for Low-Income People, FY2008 and FY2009, with and without ARRA Spending, by Category



Source: Prepared by the Congressional Research Service (CRS) from obligations data contained in the U.S. Budget Appendix for FY2010 and for FY2011.

Notes: ARRA = American Recovery and Reinvestment Act. FY2008 amount for cash aid includes an unspecified amount for a one-time $300-per-child tax rebate, authorized under the Economic Stimulus Act of 2008 (P.L. 110-185), which was not targeted on low-income families.

Table 1. Federal Spending by Major Category on Benefits and Services for People with Low Income, FY2008, FY2009, and ARRA

(dollars in billions)

Category	FY2008	FY2009	ARRA (included in FY2009)	% Change, FY2008 to FY2009
Health	258.5	319.3	34.4	24%
Cash aid	133.7	129.6	0.4	-3%
Food assistance	58.9	77.5	5.0	32%
Housing and development	39.6	59.9	14.4	51%
Education	41.9	58.2	18.7	39%
Social services	36.2	44.3	3.9	22%
Energy assistance	2.9	10.3	4.7	259%
Employment and training	6.2	8.6	1.8	38%
Total	$577.8	$707.6	$83.4	22%

Source: Prepared by the Congressional Research Service (CRS) from obligations data contained in the U.S. Budget Appendix for FY2010 and for FY2011.

Notes: ARRA = American Recovery and Reinvestment Act, P.L. 111-5. The FY2009 column includes amounts also shown separately in the ARRA column. The FY2008 amount for cash aid includes an unspecified amount for a one-time $300-per-child tax rebate, authorized under the Economic Stimulus Act of 2008 (P.L. 110-185), which was not targeted on low-income families.

As **Figure 1** shows, spending for health care dominates all other categories, accounting for close to half (45%) of total spending for limited-income populations in FY2009. Cash aid is the second largest category but trails health care by a wide margin, with 18% of spending in FY2009. Food assistance is third (11% of FY2009 spending), followed by housing and development (almost 9%), education (8%), social services (6%), energy assistance (almost 2%), and employment and training (1%).

Change in Spending from FY2008 to FY2009

Overall spending on federal benefits and services for low-income populations grew by 22% between FY2008 and FY2009, largely due to policy responses to the recession. Almost two-thirds (64%) of the additional spending was provided under ARRA, the economic stimulus enacted in February 2009.[11] Some large entitlement programs (e.g., Medicaid, the Supplemental Nutrition Assistance Program (SNAP)) saw additional growth in spending beyond that provided under ARRA, likely due to an increase in eligible and enrolled individuals as a result of the economic downturn.

Spending growth from FY2008 to FY2009 was uneven among categories. The largest *percentage* increase was for energy assistance, which represented less than 1% of all spending in FY2008 and

[11] For an overview, see CRS Report R40537, *American Recovery and Reinvestment Act of 2009 (P.L. 111-5): Summary and Legislative History*, by Clinton T. Brass et al.

more than tripled in FY2009. Spending for housing and development programs rose by 51%, education by 39%, and employment and training by 38%. Spending on food assistance increased between the two years (32%), as did spending for health care (24%) and social services (22%). Spending for cash aid appeared to drop by 3% between FY2008 and FY2009; however, this was the result of a one-time $300-per-child tax rebate, which was included as spending under the Additional Child Tax Credit (ACTC) in FY2008 but was not targeted toward low-income families.

In terms of *dollar* increases between the two years, health care saw the largest growth, with $61 billion of additional obligations in FY2009. More than half of this increase (54%) resulted from provisions in ARRA that temporarily raised the federal share of Medicaid costs. However, growth in Medicaid spending—regardless of ARRA—accounted for another 30% of the dollar increase in low-income health spending from FY2008 to FY2009.

The next largest dollar increase was for housing and development programs, which grew by $20 billion between FY2008 and FY2009. Most of this growth (71%) resulted from additional appropriations provided under ARRA for such programs as Public Housing, Homeless Assistance Grants (specifically for a new Homelessness Prevention and Rapid Re-Housing Program), and Section 8 Project-Based Rental Assistance. ARRA also funded two temporary grants related to the Low-Income Housing Tax Credit.

Spending for food assistance rose by almost $19 billion between FY2008 and FY2009. More than a quarter of this growth resulted from ARRA provisions that increased the dollar value of SNAP benefits. As noted above, however, SNAP grew significantly regardless of the ARRA provisions, as more households became eligible and enrolled in the program during the recession and its aftermath. Additional SNAP obligations unrelated to ARRA accounted for 60% of the FY2009 spending increase in the food assistance category.

Education spending grew by $16 billion from FY2008 to FY2009, although without additional appropriations provided under ARRA, this category would have decreased by $2 billion. However, ARRA was enacted before final decisions were made on total FY2009 appropriations, so appropriators were able to take into consideration the additional amounts already provided through ARRA. Pell Grants for postsecondary students and grants to disadvantaged school districts under Title I-A of the Elementary and Secondary Education Act were the largest beneficiaries of ARRA funding among education programs specifically targeted on low-income populations.

Spending for social services rose by $8 billion between FY2008 and FY2009, with almost half of the increase coming from appropriations made by ARRA, specifically for Head Start, the Child Care and Development Fund, and the Community Services Block Grant. Energy spending grew by $7 billion, of which nearly two-thirds (64%) was ARRA funding for the Weatherization Assistance Program. Finally, employment and training saw a $2 billion increase in spending in FY2009, with more than three-quarters (77%) coming from appropriations under ARRA for the Workforce Investment Act and Job Corps.

As noted above, cash assistance spending appeared to go down in FY2009, by about $4 billion. However, FY2008 obligations in this category included an unspecified amount of spending for a one-time $300-per-child tax rebate, authorized under the Economic Stimulus Act of 2008 (P.L. 110-185). This one-time rebate was counted as spending under the ACTC, but was not targeted toward low-income families. Thus, FY2008 spending for low-income people under the ACTC

appears higher than it actually was. While ARRA made changes in both the Earned Income Tax Credit and the ACTC, these changes did not take effect until tax year 2009, and therefore associated spending would generally not be seen until FY2010.

Budgetary Classification of Federal Spending on Benefits and Services

Of total spending on programs for low-income people, about 75% is classified in budget terms as "mandatory" (also called "direct" spending) and the remainder as "discretionary."[12] In mandatory programs, many of which are entitlements to individuals or units of government, Congress defines eligibility and payment rules in authorizing laws.[13] These rules determine the amount of spending that will occur, so Congress generally must amend the authorizing law in order to control federal spending. The amount of federal spending for discretionary programs, on the other hand, is determined by Congress through the annual appropriations process.[14]

Mandatory spending may be structured as open-ended or capped. In an open-ended entitlement program, no predetermined ceiling is imposed on federal expenditures; instead, federal payments are made to all eligible beneficiaries for eligible expenditures as defined in law. (Medicaid is an example of an open-ended entitlement program.) In a capped program, the authorizing law limits the total amount of federal spending that can occur. (Temporary Assistance for Needy Families is an example of a capped entitlement program.) Of mandatory spending discussed in this report, more than 90% is through open-ended programs.

The pattern of mandatory versus discretionary spending differs by major category of benefits and services. All cash aid spending, and most spending for health care and food assistance, is mandatory. In all three of these categories, spending occurs largely through open-ended entitlement programs. In contrast, all spending for energy assistance and employment and training, and most spending for housing and development and education, is discretionary. Social services spending is a mixture; about two-thirds is mandatory and the rest is discretionary. Of the mandatory social services spending, a little more than half is capped and the balance is open-ended.

[12] For more information on these budget classifications and trends in both areas of spending, see CRS Report RL33074, *Mandatory Spending Since 1962*, by D. Andrew Austin and Mindy R. Levit and CRS Report RL34424, *Trends in Discretionary Spending*, by D. Andrew Austin and Mindy R. Levit.

[13] Most mandatory programs in this report are entitlements; however, not all mandatory spending is for entitlement programs. See U.S. Government Accountability Office, *A Glossary of Terms Used in the Federal Budget Process*, GAO-05-734SP, September 2005.

[14] Congress also funds certain mandatory programs through annual appropriations laws; however, the amounts to be provided are established in authorizing laws, and appropriators generally lack the "discretion" to adjust these amounts. These programs are sometimes referred to as appropriated entitlements.

A Look at the 10 Largest Programs

This report generally looks at spending and policy by major category, such as health care, cash aid, or food assistance. It illustrates the enormous diversity among and within categories in terms of target population and various design elements. However, it is important to note that a few individual programs account for the vast majority of spending for low-income populations, and these programs merit special attention. The four largest programs contributed almost 60% of total spending in each of FY2008 and FY2009, and the top 10 accounted for more than three-fourths. The following provides an overview of these programs; they are discussed in the context of all low-income programs in the balance of the report. **Table 2** shows spending for these programs in FY2008 and FY2009, and separately under ARRA. **Table 3** highlights key features of these programs.

Table 2. Spending for 10 Largest Programs for People with Low Income, FY2008, FY2009, and ARRA

(dollars in billions)

Program	FY2008	FY2009	ARRA (included in FY2009)
Medicaid	214.015	265.058	32.632
Supplemental Nutrition Assistance Program	37.530	53.763	4.478
Supplemental Security Income	48.926	52.446	0
Earned Income Tax Credit (refundable portion only)	40.600	42.418	0
Pell Grants	18.000	26.019	8.497
Additional (refundable) Child Tax Credit	34.019	24.284	0
Title I-A—Education for the Disadvantaged	13.352	21.495	9.936
Medicare Part D, Low-Income Subsidy	17.400	20.300	0
Temporary Assistance for Needy Families	17.469	18.761	0.616
Section 8 Housing Choice Vouchers	15.552	16.289	0
Total	$456.863	$540.833	$56.159

Source: Prepared by the Congressional Research Service (CRS) from obligations data contained in the U.S. Budget Appendix for FY2010 and for FY2011.

Notes: ARRA = American Recovery and Reinvestment Act, P.L. 111-5. The FY2009 column includes amounts also shown separately in the ARRA column. Amounts shown for TANF include obligations in the following categories: cash aid, social services, and employment and training. Amounts shown for SNAP include obligations primarily in the food assistance category, but also include obligations in the employment and training category. The FY2008 amount for cash aid includes an unspecified amount for a one-time $300-per-child tax rebate, authorized under the Economic Stimulus Act of 2008 (P.L. 110-185), which was not targeted on low-income families.

As **Table 2** shows, Medicaid is the single largest program and alone accounts for nearly 40% of low-income spending. Next in size are the Supplemental Nutrition Assistance Program (SNAP, formerly food stamps), Supplemental Security Income (SSI), and the refundable portion of the Earned Income Tax Credit (EITC).[15] Notably, SNAP became the second largest program in FY2009 but was number four in spending in FY2008, behind SSI and EITC. Rounding out the top 10 are Pell Grants, the Additional Child Tax Credit (ACTC),[16] Title I-A of the Elementary and Secondary Education Act (ESEA), the low-income drug subsidy under Part D of Medicare, Temporary Assistance for Needy Families (TANF),[17] and Section 8 Housing Choice Vouchers.

Because of the effect of Medicaid, more than half (53% in FY2009) of spending under the top 10 programs fell into the health category. Spending for programs in the cash assistance category equaled 23% of spending under the 10 largest programs in FY2009, followed by programs categorized as food assistance (10%) and education (9%). Small percentages of total spending for the top 10 programs went to those categorized as housing (3%), social services (2%), and employment and training (less than 1%).[18]

Low-income elderly, disabled, and families with dependent children are the focus of much of the spending under the top 10 programs. Medicaid provides health care for low-income people within certain categorical groups, which are primarily the elderly, individuals with disabilities, and dependent children and their families.[19] Low-income elderly and disabled Medicare recipients receive subsidized prescription drug insurance under Part D. Cash aid goes to low-income elderly and disabled beneficiaries under SSI, and to low-income working households through the EITC[20] and ACTC. TANF serves families with dependent children; states define specific eligibility rules but federal law emphasizes participation in work activities for recipients of cash aid.

SNAP provides assistance specifically for the purchase of food to households below a certain income threshold. While the program does not target benefits to certain demographic groups, nearly half of SNAP recipients in FY2009 were children and another 8% were age 60 or older.[21] The law also requires able-bodied non-elderly adults without dependent children to participate in work or training to receive benefits for more than a brief period of time.[22]

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[15] This report captures direct spending for the refundable portion of the EITC, which accounted for nearly 90% of the credit in FY2009. The program also results in tax expenditures, which are not included in this analysis.

[16] The ACTC is a refundable credit, available to certain families who also qualify for the regular nonrefundable Child Tax Credit but whose tax liability is too low for them to fully benefit from the regular credit.

[17] For purposes of identifying the 10 largest programs, TANF is treated as a single program, although in the analysis of spending by category, TANF dollars are disaggregated among cash aid, social services, and employment and training. Although TANF is frequently thought of as cash welfare, it would not qualify as one of the 10 largest programs if only its cash aid component were considered.

[18] These calculations are based on disaggregated TANF and SNAP spending by category; see notes for **Table 2**.

[19] This report discusses programs as they existed in FY2009. However, the Patient Protection and Affordable Care Act (PPACA, P.L. 111-148) significantly amended Medicaid to expand eligibility, beginning in FY2014 (or sooner at state option), to low-income childless adults. See CRS Report R41210, *Medicaid and the State Children's Health Insurance Program (CHIP) Provisions in PPACA: Summary and Timeline*, coordinated by Julie Stone.

[20] Childless adults with income below a certain threshold are eligible for the EITC; however, the overwhelming majority of EITC spending is for benefits to working families with children. See Table 4 in CRS Report RL31768, *The Earned Income Tax Credit (EITC): An Overview*, by Christine Scott.

[21] See *Characteristics of Supplemental Nutrition Assistance Program Households: FY2009, Summary*, Food and Nutrition Service, U.S. Department of Agriculture, October 2010: http://www.fns.usda.gov/ora/MENU/Published/snap/FILES/Participation/2009CharacteristicsSummary.pdf.

[22] ARRA (P.L. 111-5) temporarily suspended this provision, from April 2009 through September 2010.

The 10 largest programs also include housing vouchers for low-income families ("families" are defined by local public housing authorities and may include single individuals). Two education programs are among the top 10, including Pell Grants, which assist students whose family resources are not adequate to meet their college costs. The system used to determine benefit amounts under Pell sometimes gives aid to students with relatively high family income; however, the benefits given to these students are likely to be low. Finally, low-income school districts receive grants through Title I-A of ESEA, but individual students do not necessarily have to be low-income to be served by the program.

As noted earlier, about 75% of all spending for limited-income populations is classified as mandatory. This percentage is higher for the top 10 programs; close to 90% of spending under these programs is mandatory, which means the amount spent is a function of program rules set forth in law rather than annual decisions made by congressional appropriators. Moreover, of mandatory programs in the top 10, only TANF is capped; the rest are open-ended. Three of the top 10 programs are classified as discretionary. These are Pell Grants (which also includes a mandatory component), Title I-A of ESEA, and housing vouchers.

With one exception, the 10 largest programs all require that beneficiaries must be determined individually eligible to receive aid. In other words, except for Title I-A of ESEA, individuals or households must meet an income (or equivalent) test to benefit from these programs. The particular income test used, however, varies with the program. For example, Medicaid, SNAP, and the Part D subsidy all use different multiples of the federal poverty guidelines to determine eligibility, in addition to criteria that allow beneficiaries of certain other programs to qualify automatically. Specific dollar amounts are used to define eligibility for SSI and also to determine when EITC benefits begin to phase out.[23] Section 8 housing vouchers use income limits that are based on area median income to define eligibility, and TANF income eligibility thresholds, as noted earlier, are set by states. No absolute income threshold determines eligibility for Pell Grants; however, the lowest-income students receive the largest grants.

As stated above, children are not required to meet an income eligibility test to receive benefits funded by Title I-A of ESEA. Rather, the program uses allocation formulas to direct federal resources toward local educational agencies with relatively high concentrations of low-income students. Once these funds are received by an individual school, students may be served regardless of their family income.

Title I-A is an example of a formula grant program. (Other mechanisms for distributing funds include competitive or discretionary awards, and direct benefits to individuals.) Medicaid, TANF, and Section 8 housing vouchers also use formulas to distribute funds, but the specifics vary. Because Medicaid is an open-ended entitlement, the federal government reimburses states for all eligible expenditures with no cap on federal spending; however, the federal "matching rate" is calculated for each state by a formula inversely related to its per capita income (poorer states get a larger federal match, and wealthier states get a smaller federal match).[24] TANF allocates block grants to states according to a formula that considers their spending patterns under the

[23] Unlike the EITC, the Additional Child Tax Credit (ACTC) does not phase out at specified income levels. However, as a family's income goes up, it may begin to incur tax liability and at a certain point (depending on individual circumstances), it could become eligible for the nonrefundable Child Tax Credit, rather than the refundable ACTC.

[24] Services are generally matched at this variable rate (referred to as the federal medical assistance percentage, or FMAP); however, administrative costs are matched at a uniform 50% federal rate. See CRS Report RL32950, *Medicaid: The Federal Medical Assistance Percentage (FMAP)*, by Evelyne P. Baumrucker.

predecessor Aid to Families with Dependent Children (AFDC) program. Funding to renew existing housing vouchers is distributed to local public housing authorities (not states) according to a formula established by Congress each year in appropriations law, which typically is related to the use and cost of vouchers in the local area.

As noted above, formula grants are one of three major ways that federal programs for low-income populations distribute funds; the other two are competitive or discretionary awards, and direct benefits to individuals. None of the 10 largest programs award funds on a competitive or discretionary basis, other than a relatively small component of TANF.[25] Instead, these large programs either allocate funds to states or another unit of government by formula, as just described, or give benefits to eligible individuals directly (or through a nongovernment intermediary). Federal benefits are provided directly under SNAP (although states administer the program), SSI (although states may supplement the federal benefit), EITC, ACTC, Pell Grants, and the Medicare Part D subsidy.

Benefits provided by the federal government directly to eligible individuals typically are 100% federally funded, although, as noted above, states incur administrative costs under SNAP (which are reimbursed at a 50% federal rate) and may supplement federal payments under SSI. Some states also operate their own earned income tax credit programs, which supplement the federal EITC. Medicaid and TANF, however, are federal-state programs, and states must spend a significant amount of their own money to receive federal funds. As noted above, state Medicaid expenditures are reimbursed by the federal government at prescribed matching rates. Unlike Medicaid, TANF is not a matching grant; however, to receive TANF block grant funds, states must maintain a certain level of their own spending from prior years. Local educational agencies that receive Title I-A grants also are required to maintain a certain amount of prior-year spending and must use federal funds to "supplement and not supplant" nonfederal funds that would otherwise be used for the same purpose.

Table 3. Key Features of the 10 Largest Programs

Medicaid

- Mandatory spending, open-ended.
- Serves elderly, disabled, and families with children.
- Uses federal poverty guidelines to determine eligibility, automatic eligibility for certain groups.
- Formula grant to states; cost-sharing formula determines federal share.

Supplemental Nutrition Assistance Program

- Mandatory spending, open-ended.
- Limits participation of able-bodied adults without dependents.
- Uses federal poverty guidelines to determine eligibility, automatic eligibility for certain groups.
- Direct benefits to individuals; matching grants to states for administrative costs.

Supplemental Security Income

- Mandatory spending, open-ended.
- Serves elderly and disabled.
- Sets specific dollar thresholds for eligibility.
- Direct benefits to individuals; states may supplement federal payment.

[25] TANF grants to promote healthy marriage and responsible fatherhood are awarded competitively; these are discussed later in the report.

Earned Income Tax Credit

- Mandatory spending, open-ended.
- Serves workers with earnings; largest benefits for families with children.
- Phases out benefits at specific dollar thresholds.
- Direct benefits to individuals.

Pell Grants

- Discretionary spending, small mandatory component.
- Serves postsecondary students.
- No individual income eligibility threshold; benefits based on available resources and cost of education.
- Direct benefits to individuals.

Additional Child Tax Credit

- Mandatory spending, open-ended.
- Serves families with children.
- Phases out benefits at specific dollar thresholds.
- Direct benefits to individuals.

Title I-A Education for the Disadvantaged

- Discretionary spending.
- Serves students in schools with high concentrations of low-income students.
- No individual income eligibility determination; students need not be low-income.
- Formula grants to local educational agencies; uses population-based and other allocation factors.

Medicare Part D, Low-Income Subsidy

- Mandatory spending, open-ended.
- Serves elderly and disabled Medicare beneficiaries.
- Uses federal poverty guidelines to determine eligibility, automatic eligibility for certain groups.
- Direct benefits to individuals.

Temporary Assistance for Needy Families

- Mandatory spending, capped.
- Serves families with children.
- States set their own eligibility criteria.
- Formula grants to states; allocations based on historical expenditures under predecessor program.

Section 8 Housing Choice Vouchers

- Discretionary spending.
- Serves families, with priorities defined by local public housing authorities.
- Uses income limits based on area median income to determine eligibility.
- Formula grants to local public housing authorities; allocations based on use and cost of vouchers.

Source: Prepared by the Congressional Research Service (CRS).

Overview of Benefits and Services by Category

The following sections provide brief overviews of the programs included in each major category of benefits and services, organized by size of spending in FY2009. Tables included in **Appendix B** individually list and identify key features of the programs, and brief fact sheets on each program are provided in **Appendix C**.

Health Care

As health care dominates federal spending on benefits and services for people with limited income, Medicaid dominates spending within the health care category. Medicaid accounted for 83% of health care spending in FY2009 and, as noted above, was nearly 40% of all spending in this report. Medicaid is intended to provide medical assistance to specified categories of low-income people who lack the income and resources to afford necessary medical care. Low-income parents, dependent children, the elderly, and individuals with disabilities have been the primary target populations served by Medicaid.[26] The program finances the delivery of a wide range of primary and acute medical services as well as long-term care. The State Children's Health Insurance Program (CHIP) provides health coverage for low-income children who lack health insurance but whose family income exceeds Medicaid eligibility levels.

The next largest health programs are the low-income subsidy under Medicare Part D, which helps low-income seniors and individuals with disabilities pay for prescription drugs, and medical care for low-income veterans without service-connected disabilities. The latter program pays for an array of primary care, specialized care, and related social and support services provided by the Department of Veterans Affairs (VA). The Indian Health Service also offers a wide variety of health services to its target population, who are American Indians or Alaskan Natives living on reservations or within a specified service delivery area. Consolidated Health Centers offer primary and other health services to low-income populations in medically underserved areas, and the Maternal and Child Health block grant supports preventive and primary health care services for low-income women, infants, and children.

The Ryan White HIV/AIDS Program is intended to address the unmet care and treatment needs of individuals living with HIV or AIDS who lack insurance or resources to pay for core medical services, including prescription drugs, and related support services. Additional programs focus on specific health services, such as family planning and early breast and cervical cancer detection, or specific populations, such as refugees.

[26] About half of Medicaid beneficiaries are children (see program fact sheet in **Appendix C**); however, slightly less than 19% of Medicaid payments in FY2008 were on behalf of children. Of total FY2008 Medicaid payments, almost 41% were on behalf of disabled beneficiaries; almost 22% on behalf of elderly beneficiaries; and 12% on behalf of other adults (i.e., low-income parents). (Source: 2010 CMS Statistics, Centers for Medicare and Medicaid Services.) As noted earlier, the Patient Protection and Affordable Care Act (PPACA, P.L. 111-148) significantly amended Medicaid to expand eligibility, beginning in FY2014 or sooner at state option, to low-income childless adults. However, this report discusses programs as they existed in FY2009.

Cash Aid

Three programs account for the bulk of cash aid spending, and each is among the 10 largest of all programs for low-income people. SSI, which aims to provide a minimum income for aged, blind, or disabled individuals with very low income and resources, is the largest and accounted for slightly more than 40% of cash aid spending in FY2009. The refundable portion of the EITC accounted for another 33% of cash aid spending, and almost 19% resulted from the refundable ACTC. The EITC subsidizes the wages of low-income workers, with most benefits going to those with children. The ACTC is a refundable credit for families whose tax liability is too low for them to fully benefit from the regular nonrefundable Child Tax Credit.

The cash aid category also includes TANF, the welfare reform program that replaced Aid to Families with Dependent Children (AFDC) in 1996. As AFDC's successor, TANF is still sometimes viewed as traditional "welfare" for poor families; however, the majority of TANF expenditures are for activities other than cash aid. TANF aims to increase the flexibility of states in meeting several statutory goals, including assisting needy families so that children can remain in their homes; ending dependence of needy parents through job preparation, work, and marriage; preventing and reducing incidence of out-of-wedlock pregnancies; and encouraging the formation and maintenance of two-parent families. In this report, TANF spending has been allocated among cash aid, social services, and employment and training, based on states' reporting of their actual expenditures. Finally, cash aid programs include pensions for needy elderly or disabled veterans and their dependents or survivors.

Food Assistance

SNAP (formerly food stamps) dominates spending for food assistance, accounting for about two-thirds of obligations in this category and registering as the second largest of all low-income programs in FY2009. SNAP attempts to alleviate hunger and malnutrition and to help low-income households purchase food to support a healthy diet. The next largest area of food assistance spending is for programs that subsidize the costs of breakfast and lunch served to low-income schoolchildren; these programs aim to support learning readiness, promote healthy eating, and protect the health and well-being of low-income children. Related programs subsidize the costs of meals and snacks for children in child care and other out-of-school settings (and some low-income elderly and disabled adults in adult care settings) and for children during the summer when they lack access to school-based meal programs.

Food assistance programs also include the Special Supplemental Food Program for Women, Infants and Children (WIC), which provides supplemental food and nutrition education to low-income pregnant, postpartum, or breastfeeding women and their infants and young children who are at nutritional risk. The program seeks to protect children's health during critical developmental stages, to prevent health problems, and to improve health status. Food assistance programs also include congregate and home-delivered meals for the elderly to reduce hunger and promote socialization and well-being for older individuals, and emergency food assistance in the form of commodities for individuals defined by their states as needy.

Housing and Development

The federal government supports the housing needs of low-income people primarily by subsidizing the cost of rental units in the private market. Section 8 housing vouchers and

project-based rental assistance together accounted for 43% of all housing and development spending in FY2009. (The voucher component of Section 8 is one of the 10 largest low-income programs.) The overarching goal of Section 8 is to provide low-income people with decent, safe, and sanitary housing. Public Housing, which represented 18% of spending in this category in FY2009, achieves a similar goal by making publicly owned rental units available to low-income tenants at affordable prices. Federal spending for Public Housing supports the capital needs and operating costs of publicly owned housing developments, as well as the HOPE VI program, which demolishes, rehabilitates, and replaces distressed public housing units. Additional housing programs are intended to expand the supply of supportive housing for low-income elderly and disabled households, as well as individuals living with AIDS. Homeless Assistance Grants attempt to meet the needs of homeless individuals and families, including individuals with disabilities, for basic shelter, short-term and long-term housing, and related support services.

Two block grants—HOME and the Community Development Block Grant (CDBG)—target federal assistance toward communities with high rates of poverty and aging housing stock (among other factors) to help meet the housing needs of low-income homeowners, homebuyers, and renters (HOME) and to expand the community's supply of decent housing and economic development activities (CDBG). An additional block grant provides housing assistance and helps develop private housing finance mechanisms on Indian lands.

To address housing needs in rural areas, loans are available to help low-income households purchase, build, or renovate homes, and rental subsidies are available for low-income tenants. Low-interest loans and grants also are available to support new and improved water and waste disposal facilities in low-income rural communities. Finally, the housing and development category includes the Public Works and Economic Development program, which provides grants to distressed communities to help them revitalize, expand, and upgrade their physical infrastructure to attract new industries, expand businesses, diversify their economies, and generate job and investment growth.

Certain temporary programs are included in the housing and development category. The Neighborhood Stabilization Program-1 was established by the Housing and Economic Recovery Act of 2008 (P.L. 110-289) to assist in rehabilitating abandoned and foreclosed homes for occupancy by low-income tenants. Obligations under this program occurred in FY2009.[27] Likewise, FY2009 spending includes obligations under two temporary programs created by ARRA as adjuncts to the Low-Income Housing Tax Credit (LIHTC) program.[28] These temporary programs offered grants to states in lieu of tax credits and provided capital investments for owners of certain LIHTC-financed properties. They were enacted in response to the financial crisis, which, along with the departure of several large tax credit investors, made it difficult for developers to sell their tax credits to raise capital. Finally, ARRA added funds to HUD's Homeless Assistance Grants, specifically for a new Homelessness Prevention and Rapid Re-Housing Program.

[27] Congress provided funding for a Neighborhood Stabilization Program-2 under the American Recovery and Reinvestment Act (P.L. 111-5), with somewhat different rules from NSP-1. No obligations for NSP-2 occurred in FY2009. See CRS Report RS22919, *Community Development Block Grants: Neighborhood Stabilization Program; Assistance to Communities Affected by Foreclosures*, by Eugene Boyd and Oscar R. Gonzales.

[28] The Low-Income Housing Tax Credit itself, which is a nonrefundable credit for the development of affordable housing, is not included in this report. See CRS Report RS22389, *An Introduction to the Design of the Low-Income Housing Tax Credit*, by Mark P. Keightley.

Education

The Federal Pell Grant Program is the single largest education program for people with limited incomes, accounting for 43% of targeted federal education spending in FY2009. The program is among the 10 largest in this report. Pell Grants are one of several ways the federal government helps subsidize the costs of higher education for needy students. Other grant programs with similar goals include Federal Supplemental Education Opportunity Grants, Federal Work-Study, and the Academic Competitiveness and Smart Grant programs.[29] In addition to direct assistance to students, the federal government provides institutional aid to help expand the capacity of colleges and universities that serve high proportions of low-income and minority students. Federal TRIO Programs offer grants to institutions of higher education and other organizations to motivate and support disadvantaged students as they move from high school through college. The GEAR-UP program provides services to low-income children in elementary and secondary schools who are at risk of dropping out and aims to increase the number of such students who enter and succeed in higher education.

The second largest education program included in the report (also one of the 10 largest low-income programs) is Title I-A of the Elementary and Secondary Education Act, which accounted for more than one-third of targeted federal education spending in FY2009. Title I-A provides grants to local educational agencies with high concentrations of disadvantaged children and aims to ensure that all children have an opportunity to obtain a high-quality education and reach at least minimum proficiency on challenging academic achievement standards. A separate program has similar goals for children of migrant workers, and the Rural Education Achievement Program helps rural school districts meet academic achievement standards. The Bureau of Indian Education operates several programs to meet the educational needs of Indian children living on or near reservations. Other elementary and secondary education grant programs aim to increase student achievement through improvements in teacher and principal quality and to improve teacher knowledge and student performance in mathematics and science.

Literacy is the focus of the Adult Basic Education program, which helps adults to become literate and obtain the skills necessary for employment and self-sufficiency, and to become partners in their own children's educational development. Reading First and Early Reading First also promoted literacy, focusing specifically on young children, from preschool through grade 3.[30] Finally, 21st Century Community Learning Centers are intended to provide a wide range of remedial education and academic enrichment opportunities during non-school hours for children in high-poverty and low-performing schools.

Social Services

The social services category is diverse and includes a wide variety of activities to support low-income or otherwise vulnerable populations.[31] Of spending categorized as social services in this

[29] Low-cost loans to help students finance higher education also are provided through the Federal Family Education Loan and William D. Ford Federal Direct Loan programs. However, these programs are not strongly targeted toward low-income students and are not included in this report's analysis. See explanation in **Appendix A**.

[30] These programs had obligations in FY2008 and FY2009; however, no appropriations were made for Early Reading First in either FY2010 or FY2011, and Reading First received its last appropriation in FY2008.

[31] Social services is a loosely defined category. Some of the programs included here could be classified in other categories; e.g., Head Start could be viewed as education rather than social services. See discussion in **Appendix A**.

report, the vast majority—93% in FY2009—is focused directly on children and youth or their families. Services funded by TANF are the largest single activity in this category, accounting for almost a quarter of social services spending in this report. As noted in the earlier discussion of cash aid, TANF is often thought of as traditional welfare for poor families. However, states have flexibility in spending their TANF grants, and the majority of funds are used for noncash aid, including a wide variety of social services for families with children. TANF spending in the social services category also includes obligations under competitive grants for promotion of healthy marriage and responsible fatherhood.

Head Start is the second largest program in this category, accounting for more than 20% of social services spending for low-income populations. Head Start aims to promote school readiness for young children through a full array of educational, health, nutritional, social and other services to children and their families. The Child Care and Development Fund (CCDF), with 16% of social services spending in FY2009, subsidizes the cost of child care for low-income parents while they work or attend school. Additional programs targeted toward children and families include Child Support Enforcement, which provides services on behalf of custodial parents who are seeking support for their children from the children's noncustodial parent. Foster Care grants are used by states to provide temporary homes for children who cannot remain safely with their families; Adoption Assistance helps facilitate the adoption of children with special needs as defined by their state; and the Chafee Foster Care Independence Program helps current and former foster children transition to a self-sufficient adulthood.

Of social services programs not specifically targeted toward children and families, the Social Services Block Grant (SSBG) is the largest and most flexible. The program supports a continuum of services to promote self-sufficiency but decisions about target populations and services are left to the states. Other social services programs focus on specific target populations. For example, social services for the elderly are provided under the Older Americans Act; support and advocacy grants help people with developmental disabilities; and various human services are provided for American Indians. Programs that focus services at the community level include the Community Services Block Grant (CSBG), which aims to reduce poverty and empower low-income individuals and families to become self-sufficient, and Emergency Food and Shelter Grants, which provide services for homeless and hungry individuals in high-need communities. Finally, the Legal Services Corporation attempts to ensure equal access to the justice system for people who are otherwise unable to afford legal counsel.

Energy Assistance

Two programs make up the energy assistance category. The Low-Income Home Energy Assistance Program (LIHEAP) helps low-income households pay their heating and cooling expenses, and the Weatherization Assistance Program helps increase the energy efficiency of homes occupied by low-income people to reduce energy costs and improve health and safety.

Employment and Training

Two programs serving disadvantaged youth comprised almost half of FY2009 employment and training spending included in this report. Specifically, youth activities under the Workforce Investment Act (WIA) provide a variety of services to improve the educational and skill competencies of eligible youth and to develop connections with employers and mentoring opportunities with adults. Job Corps focuses on those disadvantaged youth who can benefit from

an intensive residential program to become employable and productive. The employment and training category also includes work-related services for needy families with children under TANF, a small employment and training program for recipients of SNAP benefits, and a program that provides employability and related services to help refugees and other humanitarian entrants find jobs quickly. Remaining programs include WIA's adult activities program; Community Service Employment for Older Americans, which helps older individuals (age 55 or older) become self-sufficient through community service jobs and training; and Foster Grandparents, which provides stipends for low-income older individuals to provide services to children with special needs.

Defining Individual Eligibility for Benefits and Services

As described above, federal programs for low-income people can be grouped into several major categories of benefits and services. Key target groups for these benefits and services include the elderly, individuals with disabilities, and children and families, among others. Within these broad target populations, there is not necessarily a coherent policy regarding who should receive assistance, although some themes emerge within categories.

Programs use different concepts to define who is eligible. Many programs use explicit income eligibility criteria that individuals, families, or households must meet, but the specific levels and measures of income vary. Some measures are uniform throughout the country; others vary by geography. Some are adjusted annually for inflation; others are not. In some cases, income criteria are used to set priorities for who is served but are not necessarily applied to every participant. Some programs use asset tests in addition to income tests. Many programs have categorical requirements, such as age or disability, in addition to income criteria; and some use alternative criteria that allow specified groups or categories of people to qualify automatically without having to meet an individual income test. Automatic "exclusions" exist under some programs, so that people who would otherwise qualify based on their income are excluded if they fall into specified categories. Finally, some programs establish federal parameters for eligibility but allow states or other entities to set their own income eligibility criteria within these parameters.

This section of the report discusses the various ways in which individual eligibility is determined. The section looks at use of the federal poverty guidelines, as well as other measures of economic need used to define eligibility such as specific dollar amounts, percentages of area or state median income, and the "need analysis" system used for postsecondary student aid. The section briefly discusses asset limits, and then turns to nonfinancial or categorical rules. **Table 4** summarizes the various concepts used in determining individual eligibility and **Table B-2** in **Appendix B** shows the concepts used by specific programs.

It is important to note that being eligible for a program does not necessarily mean that an individual will receive benefits from that program. While some of the programs included here, especially some of the larger ones, are entitlements to individuals, which means that all eligible applicants must receive benefits, most programs are either discretionary (subject to annual appropriations) or capped entitlements, and eligible individuals are served only to the extent that funds are available.

Finally, not all programs require participants to be determined *individually* eligible. Some target federal resources toward communities or entities where low-income populations are likely to be concentrated and do not examine the income, assets, or other characteristics of a particular individual or family. Such targeting mechanisms are discussed in the next major section of this report.

Table 4. Concepts Used in Determining Individual Eligibility for Federal Benefits and Services for Persons with Low Income

Concept	Summary
	Financial Concepts[a]
Federal poverty guidelines[b]	The federal poverty *guidelines* are a simplified version of the federal poverty *thresholds*. The thresholds are used to calculate official poverty statistics, such as the number of Americans in poverty, and are adjusted for inflation annually by the Census Bureau. The guidelines are used for administrative purposes, such as determining eligibility for certain programs. Updated guidelines are published yearly by the Department of Health and Human Services (HHS). The guidelines vary by family size and are the same for the 48 contiguous states and DC; separate guidelines apply to Alaska and Hawaii.
Specific dollar limits[b]	Specific dollar amounts are used to determine eligibility for medical care and pensions for needy veterans, SSI, and to phase out benefits under the EITC. (Also see the discussion later in this report on benefit levels in selected cash programs, including SSI, EITC, veterans' pensions, and TANF.)
Median income[b]	The Census Bureau publishes median family incomes for states using three-year data from the American Community Survey. The Department of Housing and Urban Development (HUD) uses these data to calculate and annually update median family incomes for states, and for metropolitan and nonmetropolitan areas within states. The definition of "area" is that used to determine fair market rents for the Section 8 Housing Choice Voucher program. HUD establishes definitions of "low-income," "very low-income," and "extremely low-income" as percentages of these area median incomes, and uses these income limits to determine program eligibility.
"Need analysis"[b]	The need analysis system is used to calculate a postsecondary student's Expected Family Contribution (EFC), or the amount a family can be expected to contribute toward the student's college costs. Students provide income and asset data used to calculate the EFC through the Free Application for Federal Student Aid (FAFSA).
Lower Living Standard Income Level[b]	Lower Living Standard Income Levels (LLSILs) are defined in the Workforce Investment Act as the "income level (adjusted for regional, metropolitan, urban and rural differences, and family size) determined annually by the Secretary [of Labor] based on the most recent lower living family budget issued by the Secretary." The lower living family budget is no longer issued, but alternative data are used to annually update the LLSILs.
Assets/resources	Assets or resources commonly counted in programs with asset/resource tests include either the equity value or the fair market value of property (usually excluding the primary residence), stocks, bonds, notes, individual retirement accounts, bank deposits, savings accounts, and cash.
	Nonfinancial Concepts
Categorical/behavioral requirements	In addition to financial eligibility rules, some programs require individuals to be members of a particular target population group (e.g., above or below a certain age, disabled, or veterans). Behavioral requirements may include participation in work or training activities.

Concept	Summary
Automatic eligibility	Some programs allow automatic eligibility (also referred to as "categorical eligibility") for people who have already qualified for another, specified income-tested program, or if they are a member of a specified target population (e.g., members of a federally recognized Indian tribe, homeless, refugees).

Source: Prepared by the Congressional Research Service (CRS).

a. Additional financial concepts, not shown in this table, that are used to determine eligibility include "countable" income (i.e., the categories of income that are counted in determining whether an individual or household is below the income eligibility threshold for a particular program), and the "filing unit." The filing unit refers to the unit (e.g., individual, family, household) for whom eligibility is determined and whose income (and resources, if applicable) are counted.

b. See **Appendix D** for references to additional information on these concepts and their actual dollar amounts, where applicable.

Federal Poverty Guidelines

As already stated, programs in this report do not strictly serve the poor. Rather, target populations are more accurately characterized as people with "low" or "limited" income. Even among programs that use the federal poverty guidelines as a criterion for determining eligibility, very few limit participation to individuals or households with income at or below "poverty" as defined by the federal government.[32] Most programs that use the federal poverty guidelines (FPG) as an element in defining eligibility use a multiple of poverty, with some programs defining eligibility as high as 200% or 300% of FPG.

The poverty guidelines trace their origin to a 1963 Social Security Administration study that based poverty income cutoffs on the amount families needed to spend to meet their basic food needs (the "Economy Food Plan") and the relationship between expenditures on food and expenditures on other items. With food accounting for roughly one-third of low-income budgets in a 1950s survey of consumption, the poverty cutoffs were set at three times the Economy Food Plan for a given family size and type. These poverty cutoffs were subsequently adopted by the Census Bureau for counting the poor, and are also the basis for the HHS poverty guidelines used for administering programs. They are uniform nationwide (except for Alaska and Hawaii) and are updated annually for inflation (see **Table 4**).

Most health care programs that serve people with limited income use FPG as a criterion in determining eligibility, typically in conjunction with categorical requirements. Mandatory coverage groups under Medicaid, for example, which has numerous pathways to eligibility, include different categories of children and families with income ranging from 100% to 185% of FPG. Optional coverage groups (which states may serve at their discretion) include additional categories, including certain elderly and disabled individuals, with income as high as 250% of FPG. The CHIP program serves children with family income above Medicaid eligibility levels, at

[32] For a detailed discussion of the federal poverty guidelines, and the federal poverty thresholds on which they are based, see CRS Report R41187, *Poverty Measurement in the United States: History, Current Practice, and Proposed Changes*, by Thomas Gabe. Also see *Frequently Asked Questions Related to the Poverty Guidelines and Poverty*: http://aspe.hhs.gov/poverty/faq.shtml#differences, and additional references in **Appendix D**.

income thresholds established by states with federal approval. (As of January 2009, the highest reported income standard was 350% of FPG, in New Jersey.[33])

Medicare beneficiaries are eligible for the low-income prescription drug subsidy under Part D if their income is no higher than 150% of FPG, although the deepest subsidy goes to those below 135% of poverty. Remaining health programs that use FPG either give priority to people below 100% of poverty (Family Planning and the Maternal and Child Health block grant), or provide services free of charge to those below 100% but allow higher-income participants on a sliding fee scale basis (up to 200% of FPG under Consolidated Health Centers and 250% for Breast and Cervical Cancer Early Detection).

Cash aid, housing and development, and education programs generally do not use the poverty guidelines in determining eligibility. An exception is the TRIO programs for certain low-income postsecondary students, which cap income eligibility at 150% of FPG. TANF eligibility thresholds are established by states and are well below the federal poverty guidelines in most states.[34]

Food assistance programs typically use multiples of the federal poverty guidelines in determining eligibility, but they also provide automatic eligibility to categorical groups. The SNAP program generally serves those with gross income up to 130% of poverty. Child nutrition programs serve meals free to children with family income up to 130% of poverty, and at a reduced price to children with family income up to 185%. The WIC program caps eligibility at 185% of poverty. The nutrition program authorized by the Older Americans Act gives priority to certain groups, including seniors with the greatest economic need, defined as 100% of poverty.

In the social services category, CSBG and Head Start use 100% of the federal poverty guidelines as their income eligibility limit, but they both provide flexibility to states (in the case of CSBG) or grantees (for Head Start) in adjusting this limit upwards.[35] Likewise, the Legal Services Corporation sets eligibility at 125% of FPG, but allows it to be increased up to 200% in certain circumstances. The SSBG has no federal income eligibility limit except for services funded by TANF grants that are transferred to the SSBG, which may only be used for families with income below 200% of FPG. Like the elderly nutrition program mentioned above, the Older Americans Act grant programs for supportive services and senior centers and for family caregivers give priority to seniors with income below 100% of poverty.

LIHEAP uses 150% of poverty as its income eligibility limit, or 60% of state median income, if higher. Weatherization formerly used 150% of FPG to define income eligibility, but effective in FY2009, this was increased to 200%. Both weatherization and LIHEAP allow automatic eligibility for those eligible for certain other programs.

Employment and training programs for people with limited income use the federal poverty guidelines as one of several eligibility criteria, which include other measures of low income as well as categorical groups. Job Corps limits eligibility to those with income no higher than 100%

[33] See Table 1 in CRS Report R40444, *State Children's Health Insurance Program (CHIP): A Brief Overview*, by Elicia J. Herz and Evelyne P. Baumrucker.

[34] See Table 4 in CRS Report RL32760, *The Temporary Assistance for Needy Families (TANF) Block Grant: Responses to Frequently Asked Questions*, by Gene Falk.

[35] The CSBG Act allows states to increase eligibility to 125% of FPG; ARRA (P.L. 111-5) temporarily allowed states to increase eligibility to 200% of FPG during FY2009 and FY2010.

of FPG; however, certain groups qualify automatically. Youth activities under WIA set eligibility at 100% of FPG, or 70% of the lower living standard income level (described below), if higher. The same criteria are used to give priority for certain adult activities under WIA. Both adult and youth activities under WIA also allow automatic eligibility for specified groups. Community Service Employment for Older Americans and Foster Grandparents (as in effect in FY2009) both limit eligibility to those with income no higher than 125% of poverty.[36]

Other Income Measures

Three alternative measures of income are most commonly used to define eligibility for programs that have individual income eligibility criteria but do not use the federal poverty guidelines. These measures are used primarily, but not exclusively, in three categories of federal benefits and services. Specifically, most cash assistance programs set an actual dollar amount that determines who is eligible; housing and development programs typically use a percentage of area median income; and student financial assistance programs use a relative concept of need that considers both available family resources and the actual cost of education. A fourth alternative measure is the lower living standard income level, which is used in conjunction with the poverty guidelines in certain employment and training programs.

Specific Dollar Amounts

In the cash assistance category, specific dollar amounts are used to determine eligibility (and benefit levels) for pensions for needy veterans; the same concept is used in the health care category to determine eligibility for free medical care for needy veterans. Specific dollar amounts also are used to determine eligibility and benefit levels under SSI, and to determine when EITC benefits begin to phase out.[37] Veterans' benefits, SSI, and EITC are generally adjusted each year for price inflation. Veterans' benefits and SSI adjustments are tied to Social Security cost-of-living adjustments (COLAs); and EITC is adjusted for price changes through indexing to the Consumer Price Index.[38]

As noted previously, under TANF, states set their own dollar limits to define who is eligible to participate. (See **Appendix D** for references to further information about the current VA income thresholds, SSI eligibility limits, and EITC phase-out limits.)

Median Income

Housing and development programs typically use the concept of area median income, with various percentages of local area median income used to define "low-income," "very low-income" and "extremely low-income." These income limits are then used to determine program

[36] Effective in FY2010, the Serve America Act (P.L. 111-13) amended the Foster Grandparent program to increase the income eligibility limit from 125% to 200% of the federal poverty guidelines.

[37] As noted earlier, unlike the EITC, the Additional Child Tax Credit (ACTC) does not begin to phase out at specified income levels. However, as a family's income goes up, it may incur tax liability and become eligible for the regular nonrefundable Child Tax Credit instead of the refundable ACTC.

[38] The income threshold above which families are eligible for the ACTC also is indexed for inflation; however, this has the effect of reducing (rather than increasing) the amount of the credit available to families with a given income level. The size of the credit itself is not indexed.

eligibility. For example, Section 8 Housing Choice Vouchers serve "very low-income" families, defined as those with income no higher than 50% of the area median. However, 75% of the Section 8 vouchers that become available each year must go to "extremely low-income" people, defined as those with income no higher than 30% of area median. Under limited circumstances, vouchers may go to "low-income" households, with income up to 80% of area median. Similarly, Public Housing serves low-income families (80% of area median) but at least 40% of units that become available each year must go to extremely low-income families (30% of area median). Supportive housing programs for the elderly and disabled limit eligibility to households with income no higher than 50% of area median, while Housing Opportunities for Persons with AIDS (HOPWA) and Indian Housing Block Grants serve people with income up to 80% of area median. The single-family rural housing loan program makes guaranteed loans available to households with income as high as 115% of area median, while direct loans are limited to those with income no higher than 80% of area median. (See **Appendix D** for references to further information about area median family incomes published by the Department of Housing and Urban Development.)

Few non-housing programs use the median income concept. Exceptions are the Child Care and Development Fund (CCDF) and LIHEAP, which both use state median income as a component of their eligibility criteria. CCDF allows states to define their own income eligibility limits within the federal maximum of 85% of state median income, and LIHEAP, as noted earlier, uses 60% of state median income as an alternative measure of low income, if higher than 150% of the federal poverty guidelines.

"Need Analysis"

There is no absolute income threshold for certain postsecondary student aid programs. As noted above, these programs use a relative concept to determine the amount of aid a student is eligible to receive. Applicants provide information about family income and assets through completion of the Free Application for Federal Student Assistance (FAFSA). This information is then used to determine the Expected Family Contribution (EFC), or the amount the student's family is expected to contribute toward the student's education. Different EFC formulas are applied to three different groups of students: those considered dependent on their parents; independent students with no dependents other than a spouse; and independent students with dependents other than a spouse. The federal need analysis methodology is used for Pell Grants and several smaller higher education programs such as Supplemental Educational Opportunity Grants, Federal Work-Study, and Academic Competiveness and Smart Grants.[39] Aid is capped under the Pell Grant program, so that higher income students are likely to receive smaller awards and the majority of students who receive Pell grants are low-income.[40] (See **Appendix D** for references to additional information on the need analysis system.)

Lower Living Standard Income Level

Employment and training programs for adults and youth under WIA, as discussed earlier, use the lower living standard income level (LLSIL) as one component in eligibility determinations. The

[39] The need analysis system also is used for federal student loan programs, which are not included in this report's analysis. Under the student loan programs, the need analysis system can result in aid going to students from relatively well-off families, especially if they attend particularly expensive schools.

[40] In FY2008, an estimated 62% of dependent Pell Grant recipients had total family income at or below $30,000 and an estimated 83% of independent Pell Grant recipients had total income at or below $30,000.

LLSIL has its origins in a series of family budgets developed by the Department of Labor's Bureau of Labor Statistics (BLS). In 1967, BLS published estimates for family budgets at three standards of living—lower, intermediate, and higher—based on a list of goods and services needed to achieve those standards of living and their prices. These budgets were last fully priced in 1969. They were subsequently updated by summary components of the Consumer Price Index (CPI) through 1981, when the BLS family budget series was discontinued.[41] Since 1981, the LLSIL has been updated annually based on overall changes in the CPI-U. (See **Appendix D** for references to further information about the current LLSILs.)

Under WIA, individuals are determined eligible (or, in the case of certain adult activities, receive priority) if their income is at or below 100% of the federal poverty guidelines, or 70% of the LLSIL, whichever is higher. Unlike the federal poverty guidelines, the LLSIL vary by region and by metropolitan and non-metropolitan areas.

Treatment of Income

As illustrated in the discussion above, measures of income used to determine eligibility vary widely among federal programs. It is important to note that *definitions* of countable income also vary. Some programs have explicit rules for counting income while many do not. A full discussion of the treatment of income is beyond the scope of this report; however, readers should know there may be differences between programs, so that income counted in determining eligibility for one program might not be counted in another, even though the programs might appear to use similar eligibility criteria.

Wages are typically counted as income, although some programs disregard a portion of earned income as an incentive for aid recipients to work. Programs differ as to whether they count Social Security and retirement income, public or private disability insurance, other work-related benefits such as Unemployment Compensation and Workers' Compensation, and investment income such as interest and dividends. Benefits provided under means-tested programs often—but not always—are excluded from the definition of income when determining eligibility for another means-tested program. Programs vary as to whether they count the income of the individual applicant, or also the income of a spouse, children, or other household members; in other words, the definition of "filing unit" varies among programs. Income can be looked at before tax, or after tax; on a monthly or an annual basis. Finally, some programs specify allowable deductions from countable income.

Moreover, income (and assets, as discussed below) used to determine *eligibility* for a particular program might be evaluated differently when determining *benefit levels* under that program. Individuals with the same amount of countable income or assets might qualify for different levels of benefits, because of the program's specific calculation rules. This section of the report has focused primarily on eligibility rules; benefit determinations are discussed briefly in a later section.

[41] For a history of BLS family budgets, see David S. Johnson, John M. Rogers, and Lucilla Tan, "A century of family budgets in the United States," *Monthly Labor Review*, May 2001, pp. 28-45.

Asset/Resource Limits

In addition to income eligibility rules, some programs use explicit asset or resource tests to limit eligibility. In other words, applicants may not have assets (e.g., cars, bank accounts; see **Table 4**) valued above a certain level to be eligible for a particular program. As with income eligibility rules, the amount of assets or resources that are subject to limits varies widely among programs. Likewise, programs define countable assets differently, although typically they are limited to liquid assets. Many exclude the value of a primary residence and personal belongings, and some overlook all or part of the value of a car.

Within the health care category, asset tests apply for the VA medical care program and the low-income subsidy under Part D of Medicare. Under CHIP, states have the option of applying an asset test, although few states currently do, and Medicaid is required to use an asset test only for certain categories of beneficiaries that are age 65 or older, have disabilities, and/or have high medical expenses.

In the cash assistance category, asset rules apply to pensions for needy veterans and to the SSI program. States also may choose to apply asset tests in their TANF programs, and the majority of states currently do. SNAP is the only food assistance program with an explicit resource test, although it is not applied to households that are automatically eligible because they have already received benefits or services under another means-tested program. While housing programs do not have asset tests, several impute a certain amount of income from assets. These include single-family rural housing loans, supportive housing for the elderly and persons with disabilities, and Section 8 vouchers and project-based rental assistance. Higher education programs that use the "need analysis" system consider assets along with income and the cost of school attendance to determine how much financial aid a student may receive.

Programs that were historically linked to the former AFDC program, including Foster Care and Adoption Assistance, still have remnants of the AFDC assets test. And, Legal Services Corporation grantees are required to establish "reasonable" asset limits for eligible individuals and households.

Categorical and Behavioral Requirements and Exclusions

For many programs, categorical requirements apply *in addition to* financial eligibility rules, so that an applicant must be both income-eligible and a member of the program's target population. While some programs are intended to help people in general below a certain income level, most are targeted on specific segments of the low-income population. As noted previously, key target populations for low-income programs, including many of the largest included here, are the elderly and individuals with disabilities, and dependent children and their families. Other target groups for selected programs include veterans, students, people who are homeless, Indians, and refugees, among others.

Some programs also impose behavioral requirements as a condition of eligibility. For example, recipients of TANF cash assistance must comply with work and training requirements and cooperate with child support enforcement efforts; student aid recipients must generally maintain good academic standing; and certain Public Housing residents must participate in a self-sufficiency program or engage in community service. Able-bodied adults without dependent children must comply with work and training requirements to receive SNAP benefits for more

than a limited time, and the EITC and ACTC go only to workers with earnings and their families. To receive CCDF-funded child care, parents must be working or in training, in addition to meeting income eligibility criteria.

Certain behaviors or characteristics automatically *exclude* individuals from participating in some programs. For example, postsecondary students, households with members on strike (unless they were eligible before the strike), or people living in institutions are automatically disqualified from SNAP, even if they otherwise meet eligibility rules. Federal law bars individuals who are fleeing arrest or have been convicted of a drug-related felony from participation in SNAP and TANF, and individuals fleeing prosecution or confinement for a felony also are disqualified from SSI. TANF further allows states to test cash aid applicants and recipients for substance abuse and to sanction those who fail. Federal housing law prohibits individuals who have been convicted of producing methamphetamine on federally-assisted housing property or who are subject to lifetime registration on a state sex offender registry from admission to Public Housing or receipt of Section 8 vouchers. Public housing authorities have the discretion to adopt additional criteria, barring admission to households on the basis of such factors as other criminal convictions, poor credit histories, poor rental histories, or other criteria set by the PHA.

A Note About Noncitizens

Treatment of noncitizens under federal programs serving low-income populations is a complex topic that is beyond the scope of this report.[42] Federal policy in this area is found in the various programs' authorizing statutes, but also in overarching provisions enacted in the 1996 welfare reform (P.L. 104-193) and immigration reform (P.L. 104-208) laws, as subsequently amended, as well as policy interpretations by executive branch agencies. Eligibility of noncitizens varies across and within programs and often depends on the noncitizens' immigration status, when they arrived in the U.S., how long they have lived here legally, their work history and military connection, and policies in the state where they live. Aliens living in the U.S. without legal authorization are generally barred from access to most federal benefits.

Automatic Eligibility

As distinct from categorical or behavioral requirements that apply in addition to income eligibility rules, a concept of "automatic eligibility" is sometimes used as an alternative to individual income eligibility.[43] If someone meets the eligibility criteria for one program, that person is automatically deemed eligible for another program, simplifying the process for both the applicant and the administering agency. In some programs, people are automatically determined eligible because they fit a particular demographic group or have a particular characteristic.

[42] See CRS Report RL33809, *Noncitizen Eligibility for Federal Public Assistance: Policy Overview and Trends*, by Ruth Ellen Wasem, CRS Report RS21470, *Noncitizen Eligibility For Major Federal Public Assistance Programs: Legal Concepts*, by Alison M. Smith, CRS Report RL31753, *Immigration: Noncitizen Eligibility for Needs-Based Housing Programs*, by Alison Siskin and Maggie McCarty, and CRS Report RL34500, *Unauthorized Aliens' Access to Federal Benefits: Policy and Issues*, by Ruth Ellen Wasem.

[43] Provisions that make certain categories of people automatically eligible for a program are also referred to as "categorical eligibility" criteria. However, the term "automatic eligibility" is used here, to avoid confusion between these provisions and categorical requirements described earlier that apply *in addition to* financial eligibility rules.

Among health care programs, Medicaid, the low-income subsidy under Medicare Part D, and services for refugees allow some degree of automatic eligibility. For example, SSI recipients are one of several groups that automatically qualify for Medicaid; SSI and Medicaid recipients are automatically eligible for the Part D subsidy; and unaccompanied minor children are automatically eligible for transitional medical services for refugees.

Cash assistance programs typically do not allow automatic eligibility for specified groups, while almost all food assistance programs do. TANF and SSI recipients automatically qualify for SNAP; TANF and SNAP recipients are automatically eligible for child nutrition programs; and TANF, SNAP and Medicaid recipients are automatically eligible for WIC, if they also are at nutritional risk. Head Start children, residents of emergency shelters, and runaway and homeless youth are examples of other groups that automatically qualify for some nutrition programs.

Most housing and development programs that have individual income eligibility criteria do not allow automatic eligibility for particular groups as an alternative. Homeless Assistance Grants, however, base eligibility on a person's residential status rather than their income, and Indian Housing Block Grants allow certain non-low-income households to receive assistance if they meet other criteria related to their need for housing.

In the education category, the Pell Grant program allows certain postsecondary students—dependent students and independent students with dependents other than a spouse—to qualify for an automatic zero EFC (expected family contribution). This means they would receive the maximum Pell Grant award if they enroll full-time at a school where the cost of attendance equals or exceeds the maximum award. In general, to qualify for the automatic zero EFC, these students must have received means-tested benefits from other federal programs or had been eligible to file certain federal income tax returns, or had been a dislocated worker. However, parents or students also must have family income levels at or below certain annual thresholds ($30,000 in award year 2010-2011), to qualify. Children of deceased Iraq/Afghanistan service members also may qualify for an automatic zero EFC. One of the benefits of qualifying for an automatic zero EFC is that it greatly reduces the response burden associated with completing financial aid forms.

With the exception of postsecondary student aid, education programs typically do not require individuals to be determined income-eligible for assistance; rather, they target assistance toward areas or entities where low-income students are likely to be served (such targeting mechanisms are discussed later in the report). However, certain education programs use alternative criteria to identify eligible participants. For example, Adult Basic Education serves adults who lack basic skills or credentials; the Title I Migrant Education Program serves the children of migrant workers; and Education for Homeless Children and Youth bases eligibility on children's living situations. GEAR-UP serves students determined to be at risk of dropping out, and Reading First and Early Reading First based eligibility on a child's reading proficiency. Indian education programs generally serve children who are members of federally recognized tribes.

Among social services programs, Child Support Enforcement automatically serves families receiving TANF, foster care payments, or who are eligible for Medicaid. Children receiving public assistance, foster children, and homeless children automatically qualify for Head Start, along with a limited number of non-low-income children if they meet other criteria related to their likelihood to benefit from the program. Individuals with developmental disabilities are eligible for services under Developmental Disabilities Basic Support and Advocacy Grants, regardless of their individual income status. Likewise, older foster children and former foster

children may participate in the Chafee Foster Care Independence Program, without meeting individual income eligibility criteria.

Both energy programs included in the report allow automatic eligibility for TANF and SSI recipients. Weatherization also allows states to make LIHEAP recipients automatically eligible, and LIHEAP provides automatic eligibility for beneficiaries of SNAP and certain veterans benefits. Finally, in the employment and training category, public assistance recipients, homeless youth, and certain foster youth automatically qualify for WIA youth activities and Job Corps. And, the WIA adult program gives priority for certain services to adults considered low-income, which may include those who receive public assistance or are homeless.

Targeting Federal Resources According to Need

The previous section looked at the ways in which programs define individual eligibility for federal benefits and services for low-income people. In most programs, the process of determining individual eligibility and delivering benefits and services is done through entities such as states, local governments, or private organizations. Federal funds are often provided to these entities via mechanisms that target areas with the greatest need or concentration of eligible individuals. These targeting provisions also may compensate for variation in fiscal capacity at the state and local level.

This section looks at three primary concepts used to target federal resources: allocation formulas that distribute funding to states or other areas based, at least in part, on factors related to need; cost-sharing rules that vary the federal share of total program costs by a measure of need; and provisions that limit federal funds only to certain institutions or jurisdictions that serve low-income people. As with individual eligibility rules, specific targeting provisions vary widely, even within the same general concept. Moreover, some programs use a combination of these concepts; in other words, federal funds might be allocated to states according to factors related to the target population, but the federal share of the program's costs might also be determined by a measure of need. **Table 5** provides a summary of these targeting concepts, and **Table B-2** in **Appendix B** shows use of the concepts by program.

There is considerable overlap between programs that impose individual eligibility criteria (those discussed in the previous section) and those that also target federal resources by a measure of need. In other words, programs may use targeting mechanisms to distribute federal funds, but individuals still must be determined income-eligible for the program. Some programs, however, rely on broad targeting mechanisms only, and do not require participants or beneficiaries to meet an individual eligibility test.

Table 5. Concepts Used in Targeting Federal Resources According to Need

Concept	Summary
Formula allocation factors	Need-related factors (e.g., number of low-income children) are included in allocation formulas so that a greater share of federal funds are provided to areas with relatively greater need.
Cost-sharing rules	Matching rates or other provisions reflect a measure of need in determining the federal share of total program costs.
Limited eligibility for areas or entities	Funding is provided only to areas or entities that meet some criteria related to need (e.g., schools with a high proportion of low-income students).

Source: Prepared by the Congressional Research Service (CRS).

Formula Allocation Factors

Federal grant programs, especially those targeted toward a particular population, frequently use formulas to allocate funding among states or, sometimes, local governments or other entities. Many programs in this report are formula grants (as compared with competitive or discretionary awards, or direct benefits to individuals), and use population-based allocation factors as a way to direct resources toward areas with large concentrations of the program's target group. Programs that allocate funding in this way usually have a cap on total federal spending, so that allocation factors determine each jurisdiction's relative share of the total amount available.

While programs for low-income people often allocate funds in part on a measure of economic need (e.g., population with income at or below the poverty guidelines), not all formula factors are need-based. Some programs base allocations in whole or in part on historic spending patterns, which may reflect a wide variety of factors; if current population-based formulas were applied to these programs, the distribution of resources might change significantly. Moreover, "hold-harmless" provisions, small-state minimums, and "ceilings" and "floors" are often used to mitigate large changes in a particular jurisdiction's formula-based allotment from one year to the next.[44] The specific data sources to be used also are significant and sometimes are specified in statute.[45]

The following provides an overview of the types of allocation factors used in low-income programs, but does not constitute a complete explanation of any particular formula, nor does it discuss the effectiveness or efficiency of these allocation factors in actually directing resources toward areas with the greatest need.

In the health care category, the CHIP program for low-income children without health insurance currently (effective FY2009) allocates funds among states according to past and projected

[44] These mitigating factors are generally not addressed in the discussion below; however, they can significantly affect the distribution of formula allocations.

[45] In allocating funds according to a measure of population, federal agencies typically use the decennial Census or related surveys. For a discussion of the use of Census data in formula grant programs, see U.S. Government Accountability Office, *Formula Grants: Funding for the Largest Federal Assistance Programs is Based on Census-Related Data and Other Factors*, GAO-10-263, December 2009: http://www.gao.gov/new.items/d10263.pdf.

spending. Previously, however, CHIP allocated funds among states, in part, using two relevant population factors: the number of low-income children in the state and the number of such children without health insurance. The Ryan White program for low-income people with HIV or AIDS allocates funds to metropolitan areas and states based on relative population size and incidence of AIDS cases, but does not use an income factor. The Maternal and Child Health block grant allocates funds according to states' relative shares of funding under predecessor programs, and according to their population of low-income children.

TANF block grants are allocated among states according to their historic spending under the predecessor AFDC program, so that states with higher expenditures under AFDC get relatively larger grants under TANF. Among food assistance programs, WIC uses a formula that reflects actual food and caseload costs, and the Commodity Supplemental Food Program allocates resources according to caseload, based on past participation. The Emergency Food Assistance Program (TEFAP) allocates resources based on the number of poor people in each state, in combination with the number of unemployed persons. Nutrition for the elderly under the Older Americans Act allocates funds among states based on the population age 60 and older, with no income factor.

Most housing and development programs use a need-based formula to allocate funds, but the formulas vary widely. Rural programs use such factors as state shares of rural population, rural poverty, overcrowded housing or housing units without plumbing, and unemployment. Housing programs for the elderly and people with disabilities use measures of elderly or disabled individuals, in addition to housing factors. Community Development Block Grants go to eligible communities and states based on poverty, population, overcrowded housing, age of housing, and slow population growth; somewhat similar factors are used for Emergency Shelter Grants and Indian Housing Block Grants. The HOME program uses the number of older housing units occupied by low-income households and number of poor families. The temporary Neighborhood Stabilization Program-1 allocated funds to states and local governments on the basis of home foreclosures, subprime mortgages, and homes in default or delinquency.

In the case of Section 8 Housing Choice Vouchers, Congress establishes a formula, typically in annual appropriations laws, for allocating funding among public housing authorities to renew their existing vouchers. The formula is usually based on some measure of the utilization and cost of vouchers in the local area. However, the geographic distribution of vouchers that are renewed each year is a function of historic patterns and may not necessarily reflect the current distribution of the eligible population. Likewise, operating and capital funds for Public Housing are allocated by formula, but the distribution of public housing units that receive these funds is a reflection of decisions made by local communities to participate in the program in its earlier days.

Many education programs are designed as formula grants and rely in some way on counts of poor children. Title I-A of ESEA distributes funds to local educational agencies according to four separate formulas that consider such factors as number of school-aged children in poverty and average per-pupil expenditures in the state. Areas with high concentrations of poverty receive additional weighting under two of the four formulas. Aggregate state allocations under Title I-A in turn determine state shares under other ESEA programs, including Education for Homeless Children and Youth and 21st Century Community Learning Centers. The number of school-aged children in poverty also is an allocation factor for Reading First, Math/Science Partnerships, and Improving Teacher Quality Grants.

Certain education programs use allocation factors related to the target population, but not explicitly tied to income. The Migrant Education Program (under Title I of ESEA) allocates funds according to the number of eligible migrant children and state average per pupil expenditures, and Adult Basic Education bases allocations on the number of individuals age 16 or older who have not completed high school. Federal Supplemental Educational Opportunity Grants and the Federal Work-Study Program both allocate funds to participating institutions of higher education, based on the aggregate "need" of their students, as indicated through the need analysis system discussed earlier.

Most social services programs allocate funds by formulas, which often include a poverty-related allocation factor. Components of the CCDF are distributed through several formulas, which use such factors as a state's relative share of children under age 5, children who receive free or reduced-price school meals (a proxy for low-income children), and children under age 13, as well as state per capita income and historic funding patterns. Head Start allocates funds among states (from which awards are made to local grantees) according to several factors, including poor children under age 5. The Legal Services Corporation allocates funds according to each state's poverty population.

As with a number of the education programs discussed above, some social services programs use allocation factors tied to their target population but not explicitly to their income. The Older Americans Act allocates funds for supportive services and senior centers according to each state's relative share of population aged 60-plus, and for the family caregiver program according to population aged 70-plus. The Chafee Foster Care Independence Program bases allocations on each state's number of foster children; the Emergency Food and Shelter Program allocates funds to local jurisdictions based on their number of unemployed persons; and SSBG allocates funds according to total state population. CSBG allocates funds based on historic funding patterns; the total amount received in 1981 by local antipoverty agencies in each state, under a now-defunct provision of the Economic Opportunity Act, determines the state's allotment of CSBG funds today.

Weatherization funds go to states based on a combination of factors, including low-income population, climate conditions, and residential energy expenditures by low-income households. LIHEAP uses a particularly complex formula, which, among other things, includes total residential energy consumption, temperature variation, and low-income heating and cooling consumption.

Finally, among employment and training programs, Community Service Employment for Older Americans gives states an amount based on historic funding, and then allocates funds according to state shares of the nation's population age 55-plus and state per capita income. WIA funds go to states based on their shares of "substantial" unemployment (unemployment rate of at least 6.5%), "excess" unemployment (rate above 4.5%), and the "disadvantaged" population (disadvantaged adults for the WIA adult activities program, and disadvantaged youth for the youth program). Funding for employability services for refugees (referred to as "social services and targeted assistance") are allocated according to the number of refugees, asylees, and other humanitarian cases that entered a state during the previous 36 months.

Cost-Sharing Rules

Under certain programs, the federal government pays a larger share of total costs depending on the income level or concentration of poverty in the state or community to be served. This

increased federal share can happen through use of a federal matching rate that is tied to income or another measure of need, or through special provisions that raise the matching rate or federal share under specified circumstances. Relatively few programs use need-related cost-sharing mechanisms; however, these programs include Medicaid which, as noted previously, is the single largest program included in this report.[46]

As discussed earlier, Medicaid is a federal-state partnership, in which the federal government and states share the costs of providing health care services to eligible beneficiaries, with no predetermined cap on federal spending. The federal government's share of expenditures for most Medicaid services is called the federal medical assistance percentage (FMAP). Generally determined annually, the FMAP varies by state and is inversely related to state per capita income, so the federal government pays a larger portion of Medicaid costs in lower-income states and a smaller portion in higher-income states. For expenditures in FY2009 (and extended through June 2011 by subsequent legislation), ARRA (the economic stimulus legislation) authorized increased FMAPs for states.[47] Most Medicaid administrative expenditures are matched at a uniform 50% rate.

The CHIP program uses an enhanced FMAP (E-FMAP) to determine the federal share of program funding, which is more generous than the regular FMAPs used under Medicaid. CHIP is a capped entitlement program and, as discussed earlier, allotments to states are based on past and projected spending, among other factors. Because CHIP is a federal-state matching program, states must spend a portion of their own money, determined through use of the E-FMAP, to receive their full formula-determined allocation of federal funds.

In the social services category, the Medicaid FMAP is used to calculate the federal matching rate for certain child care funds under the CCDF, and for expenditures on maintenance payments and adoption assistance payments in the Foster Care and Adoption Assistance programs.

The rural Water and Waste Disposal program varies the amount of federal support provided by the income level of the community served. The lowest interest rates are provided to projects in communities where median household income is no higher than 80% of state nonurban median income or the poverty guidelines. In addition, federal resources may cover up to 75% of costs in such communities, but no more than 45% of costs in communities where income is higher. Under the Public Works and Economic Development program, the usual 50% federal share of program costs may be increased up to 80%, depending on the relative needs of the area where a project is located, and may reach 100% for grantees that have exhausted their borrowing and/or taxing capacity.

In the education category, the 21st Century Community Learning Center program allows states to require local grantees to match federal funds; however, the match is adjusted based on the relative poverty of the grantee's target population. The developmental disabilities program requires a nonfederal match of 25%, which may be reduced to as low as 10% for projects conducted in poverty areas.

[46] Readers should note that some programs require participants to share in the cost of services, for example, through copayments for medical services or meal payments for subsidized school breakfasts and lunches. While these are a form of cost-sharing, this section primarily discusses provisions that establish need-related cost-sharing rules between units of government (e.g., federal and state/local).

[47] FMAP rules and calculations are very complex. See CRS Report RL32950, *Medicaid: The Federal Medical Assistance Percentage (FMAP)*, by Evelyne P. Baumrucker.

Limited Eligibility for Areas or Entities

As discussed previously, many programs for low-income people require individual participants or beneficiaries to meet a need-related eligibility test. Some programs also (or instead) require the geographic area or participating entity to meet an income or need-related test, which is the third general concept used to target federal resources toward low-income populations. Under this approach, funding is not necessarily distributed nationwide, but only to areas or entities meeting specified criteria. The approach is not used widely, but the following provides examples.

Consolidated Health Centers assist people who are "medically underserved," defined to mean they live in an area designated by the federal government as having a shortage of personal health services. In designating such an area, economic factors such as the area's poverty population may be considered.

Although TANF block grants go to all states, TANF contingency funds are available only to states that meet a test of "economic need," based on either unemployment rates or food stamp (SNAP) caseloads. TANF supplemental grants go to states that meet criteria related to high population growth and/or low historic spending for welfare.

A few housing and development programs limit eligibility to communities or areas based on need. For example, Water and Waste Disposal grants and loans only go to communities that are unable to finance their projects through other means. To receive funding under the Public Works and Economic Development program, projects must be located in areas with either low per capita income (at or below 80% of the national average), high unemployment (above the national average for the most recent 24 months), or a special need arising from severe unemployment or changes in economic conditions.

Education programs that target resources in this way include Institutional Aid for higher education; eligible institutions must have high proportions of students receiving need-based assistance or Pell Grants, or be minority-serving institutions. Funding goes to states by formula under the 21st Century Community Learning Center program but must be used to serve children attending high-poverty schools. Similarly, certain formula grants to states under the Rural Education Achievement Program must go to local educational agencies where at least 20% of children are poor. To be eligible for GEAR-UP grants, partnerships must include a low-income middle school.

Finally, in the social services category, eligible jurisdictions in the Emergency Food and Shelter Grant program are chosen by measures of population, unemployment, and poverty.

Types of Federal Grants and Grantees

As discussed in the previous section, federal benefits and services are frequently structured as nationwide grant programs, in which federal funds are provided to specified jurisdictions according to some type of formula; government agencies or other entities within these jurisdictions deliver the benefits and services to eligible individuals. Some programs are structured as competitive or discretionary grants, leaving decisions about specific grantees and award amounts to the federal administering agency, within parameters set forth in law. Certain federal benefits are provided to eligible individuals directly.

This section looks at the three primary forms of federal assistance for low-income people—formula-based grants, competitive or discretionary awards, and direct benefits—and the immediate recipients of these funds (see **Table B-3** in **Appendix B**). It also discusses matching and related requirements for state or local spending, and briefly examines policies affecting participation of Indian tribes and U.S. territories.

Formula-Based Grants

Most programs for low-income people allocate funds nationwide, dividing federal resources among jurisdictions according to a formula based on specified factors (e.g., number of children with family income below the poverty guidelines). Formula-based grants also include those that use cost-sharing formulas to determine the amount of federal funds a jurisdiction will receive (such as the Medicaid FMAP, described above, which determines the amount of state expenditures that the federal government will reimburse). Formulas are most often used to determine funding levels for states (as opposed to localities), and state governments or specified state agencies are typically the recipients of the funds. However, some programs distribute funds by formula at the local level. Moreover, programs that award formula funds to states sometimes require the states to pass through a portion (or all) of the funding to local entities, either using a substate formula specified in law or at the state's discretion. And, some programs award funds directly to local agencies, but use a state-level formula to determine the aggregate amount that grantees in the state may receive.

In the health care category, Medicaid makes payments to states based on their eligible expenditures and the applicable federal matching rate. CHIP, the Maternal and Child Health block grant, and Transitional Cash and Medical Services for refugees all use formulas to allocate and award funds to states. The Ryan White program for low-income people with HIV or AIDS allocates and awards funds by formula both to states and to eligible localities.

Cash aid is the only major category that does not rely significantly on formula grants. TANF operates as a formula grant to states, but all other cash programs award benefits directly to eligible individuals. Most food assistance programs operate as formula grants to states (usually state educational agencies for child nutrition programs), which then distribute resources to participating schools, institutions, or other local sponsors. SNAP is something of a hybrid; although SNAP benefits go directly to eligible individuals, states administer the program and the federal government reimburses states for part of their administrative costs, using a cost-sharing formula of 50% federal and 50% state.

Housing and development formula grants typically allocate and award funds at the substate level, with a few exceptions. For example, the Water and Waste Disposal program allocates funds among the Department of Agriculture's state rural development offices using state-level formula factors, but makes loans and grants directly to local governments and organizations. Both of the temporary ARRA-created programs related to the Low-Income Housing Tax Credit made formula grants at the state level, awarding funds to state housing credit agencies. Among other housing and development formula grants, however, Community Development Block Grants go to substate "entitlement communities" and to states only on behalf of non-entitlement communities. Emergency Shelter Grants (one of HUD's homeless assistance programs), HOME, HOPWA, and the temporary NSP-1 all allocate and award federal funds to a combination of metropolitan cities and urban counties and to states on behalf of non-metropolitan areas. Funding for Public Housing and Section 8 Housing Choice Vouchers is allocated and awarded to local public housing authorities, while Indian Housing Block Grants go to Indian tribes.

Education programs under ESEA are a combination of formula grants to state and local educational agencies (SEAs and LEAs). Adult Basic Education and Education for Homeless Children and Youth are non-ESEA programs that operate as formula grants to states, which in turn award funds to local projects or LEAs. Federal Supplemental Education Opportunity Grants and the Federal Work-Study program allocate and award funds by formula directly to institutions of higher education.

Almost all social services programs are structured as formula grants to states. An exception is the Emergency Food and Shelter Program, which allocates funding among eligible local jurisdictions and makes grants to local boards in those jurisdictions. In addition, both Head Start and the Legal Services Corporation use state-level data to allocate funds among states, but grants are awarded from those allocations directly to local programs. CSBG requires states to pass through most of their allotments to local "eligible entities" and Older Americans Act grants are suballocated to local area agencies on aging.

Weatherization and LIHEAP grants are allocated and awarded to states, which in turn use a network of local agencies and organizations to operate their programs. Among employment and training programs, WIA allocates federal funds among states by formula, but the majority of these funds are awarded directly to local workforce investment boards, with a portion given to the states. The Community Service Employment Program under the Older Americans Act allocates and awards funding by formula both to states and national organizations.

Competitive or Discretionary Awards

Federal programs are sometimes structured as competitive or discretionary grants, in which federal agencies select specific grantees and determine amounts to be awarded.[48] Authorizing laws provide criteria or parameters for federal agencies to follow in making such decisions, but these criteria can range from very specific to relatively broad. Grantees may be selected through an annual competition or for multi-year periods with a presumption of renewal.

Competitive awards are less common than formula grants among federal benefits and services for limited-income populations.[49] No cash, food, or energy assistance programs are structured this way; however, a number of such programs exist in other categories.

In health care, Family Planning and Consolidated Health Centers are both competitive grants to eligible public and nonprofit agencies. Under the Breast/Cervical Cancer Early Detection program, states compete for grants and in turn, enter into grants or contracts with public and private nonprofits. The Ryan White program, in addition to its formula grants described earlier, makes competitive awards to specified health care providers.

Under the Public Works and Economic Development program, a variety of entities are eligible to compete for grants, including designated economic development districts, states, local governments, institutions of higher education, and public and private nonprofit organizations. With the exception of the formula-driven Emergency Shelter Grants program described above, Homeless Assistance Grants award funds on a competitive basis; states, local governments, public

[48] The term "grant" is used here but these awards are sometimes also made through contracts or other mechanisms.

[49] Many programs authorize funds to be awarded on a competitive basis for national activities such as training and technical assistance, program evaluation, or data collection; however, these activities are not addressed in this report.

housing authorities, private nonprofits, and (for certain grants) community mental health centers may apply. HOPWA includes a competitive grant component in addition to its formula grants, with states, local governments and nonprofit organizations eligible to apply. The HOPE VI component of Public Housing also operates as a competitive grant, open to public housing authorities.

The federal government directly administers a few discretionary education programs, including Institutional Aid for colleges and universities; the TRIO programs, which are open to institutions of higher education and other public and private organizations; and GEAR-UP, which is open to states and partnerships that include an institution of higher education and a low-income middle school.

While TANF is primarily a formula grant program, it includes certain grants designated for social services to promote healthy marriage and responsible fatherhood. These grants are awarded by the federal government directly to public and private nonprofit agencies through a competitive process. As described earlier, both Head Start and the Legal Services Corporation are social services programs that allocate funds among states by formula, but award funds directly to local grantees. These grantees are selected on a competitive basis, but grantees retain their designations for several years at a time.

Among employment and training programs, public and nonprofit organizations may apply for sponsorship of the Foster Grandparents program, and the federal government enters into contracts for operation of Job Corps centers with selected federal, state and local agencies, area vocational schools, residential vocational schools, and other public and private organizations.

Direct Benefits to Individuals

A relatively small number of programs make benefits available directly to eligible individuals, or through a nongovernmental intermediary organization or entity. These programs, however, include six of the 10 largest programs in this report.

Among health programs, both the Department of Veterans Affairs (VA) and the Indian Health Service (IHS) provide free medical care directly to eligible needy veterans and American Indians and Alaskan Natives, respectively, at VA and IHS facilities. The Part D Medicare program subsidizes the costs of prescription drug insurance directly through contracts with participating drug plans.

Other than TANF, all cash aid is provided directly to beneficiaries. The Social Security Administration makes payments to eligible elderly and disabled individuals under SSI (although medical determinations of disability are made by state agencies). The Internal Revenue Service administers the EITC and ACTC, issuing refund checks directly to eligible workers.[50] The VA makes direct payments to recipients of pensions for needy veterans.

As noted earlier, SNAP is a hybrid of direct benefits and formula grants to states. States play a key role in SNAP—determining eligibility and benefit levels and administering a related

[50] The option to receive advance payments of the EITC through employers was repealed for tax years beginning after Dec. 31, 2010 by P.L. 111-226.

employment and training program—but assistance to purchase food is provided directly to beneficiaries, typically through electronic benefit transfer.

A few housing and development programs provide benefits directly. For example, the Department of Agriculture either makes or guarantees single-family rural housing loans, and makes direct payments to property owners who participate in the Rural Rental Assistance Payments program. Likewise, HUD makes payments directly to property owners under the Section 8 Project-Based Rental Assistance Program; these subsidies enable owners to rent units to low-income families at affordable rates.

Among education programs, Pell Grants and Academic Competitiveness and Smart Grants are paid to participating institutions on behalf of eligible students; the schools receive an administrative allowance for the cost of determining students' eligibility and benefit levels.

Matching and Related Requirements

This report does not attempt to quantify nonfederal spending related to federal programs for limited-income populations. However, a significant amount of such spending occurs. For example, as already explained, Medicaid is a federal-state matching program in which states spend considerable amounts of their own money. Specifically, in calendar year (CY) 2009, national health expenditures under Medicaid totaled $385 billion, of which $254 billion were federal and $131 billion were state or local. In CY2008, national expenditures under Medicaid totaled $354 billion, of which $209 billion were federal and $145 billion were state or local.[51] The decrease in state and local expenditures from CY2008 to CY2009 is likely a function of the increased federal medical assistance percentage (FMAP) in effect for FY2009, as authorized by ARRA (P.L. 111-5).

Many low-income programs have provisions that require states or other grantees to match federal funds with a specified amount of nonfederal resources ("matching" requirements), or require grantees to maintain the same level of their own spending that occurred in a previous year ("maintenance-of-effort" provisions), or prohibit grantees from substituting federal funds for nonfederal funds that would have been available otherwise ("supplement and not supplant" requirements).

Matching grants are generally designed in one of two ways. Under certain programs (e.g., Medicaid), the federal government reimburses grantees for a portion of their eligible expenditures, generally based on a cost-sharing formula. Additional examples are CHIP, Child Support Enforcement, Foster Care, and Adoption Assistance.

More typically, matching programs require grantees to demonstrate that they can provide nonfederal resources equal to a percentage of the federal grant, but the federal government is not necessarily reimbursing grantees for expenditures already incurred. Some federal programs require the nonfederal share to be in cash, but many also allow in-kind contributions (e.g., the value of donated real estate or other property, the services of volunteers). Programs with nonfederal matching requirements include the Ryan White program for people with HIV/AIDS,

[51] These data are for calendar year instead of fiscal year, and their source is the National Health Expenditure Data reported by the Centers for Medicare and Medicaid Services; thus, federal expenditures cited here are slightly different from the fiscal year obligations data shown elsewhere in this report.

Breast/Cervical Cancer Early Detection, and the Maternal and Child Health block grant; Older Americans Act nutrition and social services programs; the Public Works and Economic Development program, certain Homeless Assistance Grants, and HOME; Adult Basic Education, Supplemental Education Opportunity Grants, and GEAR-UP; Head Start, State Councils on Developmental Disabilities, the Chafee Foster Care Independence Program; Community Service Employment for Older Americans, and Foster Grandparents.

As noted above, some programs use maintenance-of-effort (MOE) requirements to ensure a minimum level of nonfederal spending. A key example is TANF, which requires states to spend annually at least 75% of the amount they had spent under the predecessor AFDC program in FY1994 (or 80% if they fail to meet certain work participation requirements). Other programs with MOE provisions include School Lunch, The Emergency Food Assistance Program (TEFAP), Title I-A of ESEA, and CCDF.

Education programs in particular use the "supplement and not supplant" concept, which provides that grantees may not use federal funds to replace nonfederal (or in some cases, other federal) funds that would otherwise have been used for the same purpose. Programs with such provisions include Title I-A of ESEA, the Rural Education Achievement Program, Math and Science Partnerships, Improving Teacher Quality State Grants, and Institutional Aid for higher education.

Policies Affecting Indian Tribes

Several programs specifically for Indian populations are included in this report, namely the Indian Health Service, Indian Housing Block Grants, Indian Education, and Indian Human Services. However, tribes and tribal organizations are eligible to participate in additional programs, either by applying for competitive or discretionary awards, or through funding specifically set-aside for them. Moreover, individuals who are American Indians or Native Americans likely participate in many programs for limited-income populations, not because of their heritage or tribal affiliation but because they otherwise meet a program's eligibility rules.

Examples of programs for which tribes and tribal organizations or other Indian entities are explicitly eligible to participate include the Ryan White program and Breast/Cervical Cancer Early Detection; WIC and TEFAP; Water and Waste Disposal grants and loans, Public Works and Economic Development, Homeless Assistance Grants, and HOME; Institutional Aid for colleges and universities; the Community Service Employment Program for Older Americans, Foster Grandparents and Job Corps. In addition, tribes may apply to the federal government to participate directly (rather through states) under several block grant programs, including TANF, CSBG, Weatherization Assistance, and LIHEAP.

Several education programs reserve funds specifically for transfer to the Interior Department's Bureau of Indian Education (BIE) for schools overseen by BIE. These programs include Title I-A of ESEA, Education for Homeless Children and Youth, 21st Century Community Learning Centers, Reading First, a component of the Rural Education Achievement Program, and Improving Teacher Quality State Grants. In the social services category, funds are set-aside for Indian tribes under CCDF and for Indian Head Start programs.

The authorizing laws for certain programs establish a separate Indian component that is funded and administered independently of the primary program. These include SNAP (the law authorizes a separate Food Distribution Program on Indian Reservations), the Older Americans Act (Title VI authorizes separate nutrition and social services programs for Native Americans), and

Community Development Block Grants (the law authorizes a separate Indian Community Development grant).

Policies Affecting U.S. Territories

United States territories or their residents are eligible to participate in the majority of federal programs that provide benefits and services to people with limited income. The specific territories that are eligible to participate, however, and the rules that apply to their participation vary by program. Territories may or may not actually participate in all programs for which they are eligible. In addition, Title V of P.L. 95-134 authorizes federal agencies to consolidate grants for certain territories, specifically American Samoa, Guam, the Commonwealth of the Northern Mariana Islands, the U.S. Virgin Islands, and the Trust Territory of the Pacific Islands (which include Micronesia, the Marshall Islands, and Palau).

A detailed discussion of the eligibility of U.S. territories and their rules of participation, by program, is beyond the scope of this report.[52] A few general observations can be made about the treatment of territories in programs included here.

About two-thirds of programs included in this report have some provisions for participation by at least one of the territories. Among programs that include the territories, Puerto Rico, along with American Samoa, Guam, the U.S. Virgin Islands, and the Commonwealth of the Northern Mariana Islands, are most commonly included; however, not every program includes every one of these territories. Some statutes also allow for participation by Micronesia, the Marshall Islands, and Palau.

Puerto Rico is more likely than other territories to be defined as a state, subject to the same rules as the 50 states and the District of Columbia. However, while some formula grants apply the same general policies to Puerto Rico that apply to states, they sometimes use different criteria to determine its funding level. Formula grants often set aside a percentage or specific amount of funds to be made available to specified territories, subject to their meeting program-related criteria, while discretionary or competitive grants often include the territories among the various other entities and organizations that are eligible to apply.

Benefit Levels Under Selected Cash and Near-Cash Programs

This report generally does not discuss the value of benefits and services received under programs targeted toward low-income people. For many of the programs included here, the process of quantifying their value is complex. Moreover, there may be different ways to look at the value of a particular benefit. For example, the value of Medicaid could be considered its "market value"

[52] For a discussion of participation in major social welfare programs by American Samoa, Guam, the Northern Mariana Islands, Puerto Rico, and the U.S. Virgin Islands, see House Ways and Means Committee 2008 *Green Book*, Section 12, "Social Welfare Programs in the Territories:" http://democrats.waysandmeans.house.gov/media/pdf/110/gb12.pdf. For limited information on the treatment of territories under programs included in this report, readers are referred to **Table B-3**, and for more complete information, to the legal citations, CRS reports, and executive branch agencies identified in **Appendix C**.

(what a family would have to pay in the private insurance market to purchase comparable coverage), or it could be considered the amount of a family's resources that are "freed up" as a result of Medicaid coverage and therefore available to purchase other goods and services.[53]

Estimating the value of benefits provided under the range of education, housing, food assistance, and service programs included in this report raises similarly difficult questions. For many programs, benefit computations depend on factors that vary for each individual case. For example, rental assistance is a function of both family income and the fair market rent of a particular housing unit. Pell Grants and certain other higher education benefits are calculated based on a family's available resources and the cost of attendance at the student's particular college or university. In other words, both housing programs and student aid consider the cost of goods and services (i.e., the rent for a particular apartment or the cost at a particular school) as a component in the benefit calculation, in addition to an individual's income and/or assets.

Calculating the value of cash and near-cash benefits (such as SNAP) is somewhat more straightforward. However, even with cash and near-cash benefits, the amount an individual or family receives depends on their specific circumstances, and the benefit computation can be complicated. Under certain programs, benefits are larger for larger family sizes, reflecting greater need. Benefits are generally reduced when a family has other sources of cash income, such as earnings or Social Security benefits.[54]

Table 6 shows the maximum benefit, under each program's specific rules, for certain individuals and family types from cash assistance programs, specifically SSI, EITC, ACTC, veterans' pensions, and TANF. It also shows the maximum benefit amounts under the "near-cash" SNAP program. Benefit amounts are shown for FY2008 and FY2009 (the years covered by this report) and, for comparison, FY2011. The table shows either maximum monthly benefits or maximum annual benefits, depending on the program, with annual benefits also shown as per month equivalents, to allow comparison. Benefits are shown for different family sizes; however, for the ACTC, the maximum benefit shown is *per child*. There is no limit on the number of eligible children for whom the credit may be claimed in an individual family. For TANF, the benefit levels shown are for families and households with no other source of family income, who also are in compliance with behavioral rules (notably, work requirements).

SSI, EITC, veterans' pensions, and SNAP are generally adjusted each year for price inflation. However, SNAP benefits were raised by ARRA, which effectively suspended benefit adjustments in 2010 and 2011. SSI and veterans' benefit adjustments are tied to Social Security cost-of-living adjustments (COLAs); there were no such COLAs for 2010 and 2011 because of the low rate of price inflation accompanying the economic downturn that began in 2007. EITC benefits are also adjusted for price changes through indexing to the Consumer Price Index; ACTC benefits are not indexed.

SSI, EITC, ACTC, veterans' pensions, and SNAP benefits are determined in federal law. It should be noted that states can also supplement SSI benefits with their own funds and many states also

[53] For a discussion of how the economic value of noncash benefits might be estimated, see U.S. Bureau of the Census, *Measuring the Effect of Benefits and Taxes on Income and Poverty*, Consumer Income, Series P60-186RD, September 1993.

[54] Note the earlier discussion on treatment of income in determining individual eligibility for federal benefits and services. Definitions of countable income in determining eligibility vary; likewise, programs have varying rules governing the treatment of income in determining benefit levels.

have their own EITCs that can increase benefits for families above the amounts shown in the table.

TANF benefits are set by the states, and vary greatly from one state to another. States typically do not make regular adjustments for price inflation. Rather, states make ad-hoc adjustments to TANF cash benefits. The table shows maximum TANF cash benefits for states with the highest benefits (Alaska) and with the lowest benefits (Tennessee for family size of two, Mississippi for family size of three). Benefit levels remained the same for cash assistance recipients in these states in 2008 and 2009. However, some states did increase benefit amounts, as illustrated by the slight increase in the median state maximum benefit for both a family of two and a family of three.

Table 6. Cash and Near-Cash Benefit Amounts: As of July 2008, July 2009, and July 2011

(maximum benefit amounts shown)

Program	2008	2009	2011
Supplemental Security Income (benefits for calendar year)			
Individual	$637 per month	$674 per month	$674 per month
Couple	$956 per month	$1,011 per month	$1,011 per month
Earned Income Tax Credit (benefits for tax year)			
Filers without a qualifying child	$438 per year ($36.50 per month equivalent)	$457 per year ($38.08 per month equivalent)	$464 per year ($38.67 per month equivalent)
Filers with one qualifying child	$2,917 per year ($243.08 per month equivalent)	$3,043 per year ($253.58 per month equivalent)	$3,094 per year ($257.83 per month equivalent)
Filers with two qualifying children	$4,824 per year ($402.00 per month equivalent)	$5,028 per year ($419.00 per month equivalent)	$5,112 per year ($426.00 per month equivalent)
Filers with three or more qualifying children	$4,824 per year ($402.00 per month equivalent)	$5,657 per year ($471.42 per month equivalent)	$5,751 per year ($479.25 per month equivalent)
Additional Child Tax Credit (benefits for tax year)			
Maximum benefit per child	$1,000 per year ($83.33 per month equivalent)	$1,000 per year ($83.33 per month equivalent)	$1,000 per year ($83.33 per month equivalent)
TANF			
Maximum benefit, family size of two	Varies by state. Ranges from $142 per month (Tennessee) to $821 per month (Alaska). Median state's maximum benefit is $322 per month.	Varies by state. Ranges from $142 per month (Tennessee) to $821 per month (Alaska). Median state's maximum benefit is $352 per month.	Not available.

Program	2008	2009	2011
Maximum benefit, family size of three	Varies by state. Ranges from $170 per month (Mississippi) to $923 per month (Alaska). Median state's maximum benefit is $424 per month.	Varies by state. Ranges from $170 per month (Mississippi) to $923 per month (Alaska). Median state's maximum benefit is $429 per month.	Not available.
Veterans' Pensions			
Veteran without a spouse or child	$11,181 per year ($932 per month equivalent)	$11,830 per year ($986 per month equivalent)	$11,830 per year ($986 per month equivalent)
Veteran with one dependent	$14,643 per year ($1,220 per month equivalent)	$15,493 per year ($1,291 per month equivalent)	$15,493 per year ($1,291 per month equivalent)
Housebound veterans without a dependent	$13,664 per year ($1,139 per month equivalent)	$14,457 per year ($1,205 per month equivalent)	$14,457 per year ($1,205 per month equivalent)
Housebound veteran with one dependent	$17,126 per year ($1,427 per month equivalent)	$18,120 per year ($1,510 per month equivalent)	$18,120 per year ($1,510 per month equivalent)
Supplemental Nutrition Assistance Program (SNAP, formerly food stamps)			
Household Size 1	$162 per month	$200 per month	$200 per month
Household Size 2	$298 per month	$367 per month	$367 per month
Household Size 3	$426 per month	$463 per month	$463 per month

Source: Prepared by the Congressional Research Service (CRS).

Final Notes and Outstanding Questions

Federal programs providing benefits and services to low-income people are extremely diverse and are rarely looked at collectively. These programs and their underlying policies evolved over many decades; they were created to achieve different policy goals in response to different perceived policy problems. Their common feature is an explicit focus on low-income populations.

This report provides a snapshot of policies and spending in FY2008 and FY2009 on specified categories of benefits and services for low-income people. It looks at the broad purposes of these programs and then focuses primarily on concepts used to determine eligibility for individual participants and to distribute federal resources according to need. The report also briefly examines the units of government or other entities that receive and administer these federal funds.

Numerous additional questions can be raised about this collection of benefits and services targeted toward low-income people. For example, the report does not address programs' effectiveness in meeting their policy goals, either individually or by category. A comprehensive review of program evaluations is beyond the scope of this report; moreover, a consistent body of evaluation literature on all programs for low-income populations is not available. Likewise, the report generally does not attempt to quantify the benefits provided under these programs, for reasons stated in the previous section.

Many programs included in this report rely on the federal poverty guidelines for determining income eligibility, or population statistics based on federal poverty thresholds to allocate funds. In addition to issues raised by use of different multiples of the poverty guidelines by different programs, the guidelines themselves—and the thresholds on which they are based—are the subject of considerable controversy.

Despite different eligibility rules, using various concepts in addition to the federal poverty guidelines, many federal programs for low-income people have overlapping target populations. However, these programs were not necessarily designed intentionally to be consistent with or complementary to one another. Thus, questions can be raised—about potential duplication, the ease with which people can understand and access benefits or services, whether gaps exist among programs in terms of eligibility and available benefits, and the efficiency of service delivery mechanisms. The variety of targeting provisions raises questions about equity and whether "need" is addressed uniformly across the country.

As for the level of participation in federal low-income programs, the fact sheets in **Appendix C** provide very limited data, primarily to give a sense of scope for each program. However, many questions can be asked about participation in these programs, both individually and collectively. For example, what percent of eligible beneficiaries are served or participate in each program? Assuming most programs do not serve everyone eligible, what are the characteristics of those who actually participate? Are programs targeting the lowest-income individuals, or do other criteria determine who gets served? For programs with overlapping target populations, to what extent are people served under multiple programs?

Administrative data for some programs provide information about the number and characteristics of participants, but these data are inconsistent across programs, and cannot be used in combination to get a picture of multiple program participation. The Survey of Income and Program Participation (SIPP), administered by the Census Bureau, provides some insight. The most recent SIPP data, for the third quarter of 2008, indicate that about 28.4 million households—24% of total households in the United States—received cash or noncash benefits under one or more means-tested program in an average month.[55] Most often, these programs were Medicaid, free and reduced-price school meals, or SNAP; other programs included housing assistance, SSI, TANF, WIC, LIHEAP, and veterans' pensions. Notably, however, the SIPP data do not identify the extent to which households receive benefits under the EITC or ACTC, although these cash assistance programs are among the 10 largest federal benefits for low-income people.

Returning to the discussion of benefits and services by category, **Figure 1** clearly demonstrates that certain categories—most notably health—have grown larger than others. The relative size of the programs, the budgetary classification of their spending (e.g., discretionary or mandatory, open-ended or capped), and the diversity of design elements have implications for the ability of lawmakers to enact new policies, change existing policies, or adjust spending priorities in a time of fiscal constraint.

Finally, the report notes that many programs for low-income people operate through formula grants, typically to states. Many of these programs require states, or sometimes other entities within states, to spend a certain amount of nonfederal funds to access their full federal grant.

[55] See "Economic Characteristics of Households in the United States: Third Quarter 2008," Report P70-119, U.S. Census Bureau, April 2010.

Even in some programs that provide benefits directly to individuals, such as SNAP or SSI, states play a role in determining eligibility or conducting other administrative functions and, in some cases, in supplementing the federal benefits provided. In the current fiscal environment, with many state budgets in critical condition, the ability of states to fully access federal funding and to maintain their level of support for low-income benefits and services is an outstanding question. At the same time, continued federal spending on these benefits and services is at issue, in light of current concerns about the size of federal deficits and long-term debt.

Appendix A. Methodology of Report

Selection of Programs

Programs were selected for inclusion in this report if they (1) have provisions that base an individual's eligibility or priority for service on a measure (or proxy) of low or limited income; or (2) target resources in some way (e.g., through allocation formulas, variable matching rates) using a measure (or proxy) of low or limited income.

A few programs without an explicit low-income provision were included because either their target population is disproportionately poor or their purpose clearly indicates a presumption that participants will be low-income. Such programs that serve disproportionately low-income people include the Indian Health Service, Homeless Assistance Grants, Indian Education, Title I Migrant Education Program, and Indian Human Services. Programs with purposes that presume a low-income target population include Adult Basic Education and Social Services Block Grants.

Federal student loan programs were considered for inclusion because they determine benefit levels through the same need analysis system that is used for Pell Grants and several smaller postsecondary education programs. However, this system can result in students from relatively well-off families receiving assistance, as there is no absolute income ceiling on eligibility. Pell Grants are structured in such a way that the majority of recipients are low-income and the lowest-income students receive the largest benefits. Student loan programs are not as strongly targeted and therefore, are not included in the report.[56]

On the other hand, deliberations about whether to include the Additional Child Tax Credit (ACTC) reached a different conclusion. The regular Child Tax Credit (CTC) is a nonrefundable credit and phases out at relatively high income levels. The ACTC is a refundable credit that allows families with no or insufficient tax liability to get all or part of the benefit they would otherwise receive from the CTC. Because of the refundable nature and other design features of the ACTC, including certain recently enacted changes, it serves predominantly low-income families. For example, for tax year 2008, 87% of returns that claimed the ACTC were filed by families with adjusted gross incomes (AGI) below $40,000 and 83% of the credit went to such families; 94% of returns that claimed the ACTC were filed by families with AGI below $50,000 and 93% of the credit went to such families.[57] Thus, ACTC is included in the report.

Categorization of Programs

Most programs are easily assigned to broad categories, such as health, cash aid, food assistance, or education. A few, however, have multiple purposes or allowable activities. For some of those programs, spending can be disaggregated into the relevant categories. For example, using state reporting of actual expenditures, it is possible to estimate the amount of TANF obligations attributable to cash aid, social services, and employment and training. Other programs cannot be

[56] The following are loan subsidy outlays associated with the Federal Family Education Loan (FFEL) and William D. Ford Federal Direct Loan (DL) programs: FY2008 cohort: FFEL: -$2.7 billion; DL: -$2.2 billion; and FY2009 cohort: FFEL: -$1.9 billion; DL: -$2.6 billion.

[57] Internal Revenue Service, *SOI Tax Stats – Individual Income Tax Returns Publication 1304*, Table 3.3.

disaggregated, however, and must be assigned to a single category. For example, Transitional Cash and Medical Services for Refugees was categorized as health care, and Indian Human Services was categorized as social services although it also provides cash and housing assistance.

The social services category, in general, is not well-defined and some analysts might assign some programs differently. Head Start, for example, could be considered an education program, since its purpose is to promote school readiness; however, it supports a very broad range of activities—including for children age 0-3 through its Early Head Start component—that can best be characterized collectively as social services. Foster Care and Adoption Assistance both give cash to families or other care providers, but income support is not the programs' purpose or sole use of funding. Foster Care subsidizes maintenance payments and administrative activities on behalf of children who cannot remain safely at home, and Adoption Assistance makes payments to facilitate the adoption of children who would otherwise lack permanent homes. Thus, in this report, these programs were categorized as social services and not cash assistance.

Selection of Spending Measure

New obligations incurred in the indicated fiscal year were chosen as the measure of spending for this report, although for many programs, readers may be more accustomed to seeing appropriations (budget authority) or outlays. These spending concepts are related. Congress and the President enact *budget authority* through appropriations measures or other authorizing laws. Budget authority in turn allows federal agencies to incur *obligations*, through actions such as entering into contracts, employing personnel, and submitting purchase orders. *Outlays* represent the actual payment of these obligations, usually in the form of electronic transfers or checks issued by the Treasury Department.[58] Obligations are used in this report because they are the most consistent measure available at the necessary level of detail for the majority of programs. The source of obligations data is the U.S. Budget Appendix for FY2011 (for final FY2009 obligations) and FY2010 (for final FY2008 obligations).

Obligations were either not available or not appropriate for a small number of programs. Because obligations were not available at the necessary program level, appropriations were used for the following: Transitional Cash and Medical Services for Refugees, Breast/Cervical Cancer Early Detection, the Title I Migrant Education Program, Social Services and Targeted Assistance for Refugees, and Foster Grandparents.

For veterans' medical care, the Budget Appendix shows obligations for the entire program, and not solely the income-tested component. Thus, for this report, estimated obligations for Priority Group 5 veterans (needy veterans without service-connected disabilities) were calculated from Department of Veterans Affairs data on obligations for Priority Groups 1-6 and 7-8 and number of patients receiving care by individual priority group.

The Budget Appendix also does not show obligations solely for the low-income subsidy portion of the Medicare Part D prescription drug program. Therefore, the report uses aggregate reimbursements for the low-income subsidy for the calendar year (instead of fiscal year), available from the annual report of the Medicare trustees.[59]

[58] See CRS Report 98-410, *Basic Federal Budgeting Terminology*, by Bill Heniff Jr.

[59] *2010 Annual Report of the Boards of Trustees of the Federal Hospital Insurance and Federal*
(continued...)

Loan subsidy outlays were used as the more appropriate measure of spending for the Section 502 single-family rural housing loan program. Direct and guaranteed loan subsidy outlays, available from the Budget Appendix, were adjusted for re-estimates provided in the Federal Credit Supplement to the U.S. Budget for the relevant years.

Finally, as noted above, TANF obligations provided in the Budget Appendix were disaggregated into the categories of cash aid, social services, and employment and training, based on states' reporting to the Department of Health and Human Services of their actual expenditures.

Spending Threshold

Programs are included in this report if they had obligations in either FY2008 or FY2009 of at least $100 million. To simplify the analysis without significantly changing the overall picture, smaller programs were excluded, even if they met the low-income criteria. Only one program included in the report—Education for Homeless Children and Youth—had spending above the threshold in one year but below the threshold in the other. Therefore, spending totals for FY2009 include obligations for this program, but spending totals for FY2008 do not. Thus, each year's spending total is a snapshot of spending *in that year* for low-income programs which—*in that year*—had obligations totaling at least $100 million.

Comparison with Predecessor CRS Report Series

From 1979 to 2006, the Congressional Research Service issued a series of reports, typically every other year, called *Cash and Noncash Benefits for Persons with Limited Income*. The series was conceived and produced (except for the last edition in 2006) by Vee Burke, Specialist in Social Policy, who retired from CRS in 2004.

The current report is meant to replace the *Cash and Noncash* series. However, this report uses different methodologies to select and categorize programs and measure spending; therefore, the current report cannot be considered an update of *Cash and Noncash* for various reasons. For example, the older series did not include certain programs that are included in this report, such as the low-income subsidy under Medicare Part D, Title I-A of the Elementary and Secondary Education Act, and Community Development Block Grants. At the same time, the older series had no minimum spending threshold, so it included several smaller programs that are not included here. In addition, the older series included student loans, which are not included in this report for reasons explained above. Several programs were also categorized differently in the previous series (e.g., Head Start was categorized as education; Foster Care and Adoption Assistance as cash aid; and Homeless Assistance Grants as social services). The older series used different measures of spending for different programs, while this report uses obligations where possible. The older series also provided estimates of state-local spending, which are not included in this report. Finally, the older series traced spending back to 1968, which is beyond the scope of the current report. Changes in programs and appropriations accounts over time make it virtually impossible to trace obligations backward with precision.

(...continued)

Supplementary Medical Insurance Trust Funds, August 2010, Table IV.B.11.

Appendix B. Detailed Program Tables

The following three tables identify and provide specific information about programs included in this report. Programs are organized by category. Within categories, programs are listed in order of their Catalog of Federal Domestic Assistance number (see **Appendix C**).

Table B-1 shows obligations (or another measure of spending, as noted) for each program for FY2008 and FY2009. ARRA amounts are included in the FY2009 amounts; they are also shown in a separate column. The table also indicates the federal administering agency for each program.

Table B-2 identifies, for each program, the general target population and the concept (or multiple concepts) used to determine individual income eligibility and (if relevant) the concept used to target federal resources broadly based on need. These concepts are discussed in detail earlier in the report. The table indicates the general concept used but not the specific application of the concept. For example, the table might indicate that federal poverty guidelines (FPG) are used as a concept in determining income eligibility for a particular program, but does not indicate what percent of FPG is used. Likewise, the table might show that a program uses formula allocation factors to direct federal resources toward areas with the greatest need, but does not identify the specific factors or their weighting or any mitigating factors, such as small-state minimums or hold-harmless provisions. Readers are referred to the fact sheets in **Appendix C**, relevant CRS reports, or the statutes themselves for these details.

Table B-3 shows the type of federal assistance provided (typically formula grants, competitive or discretionary grants, or direct benefits) and the immediate recipients of this assistance. As noted in the table, "immediate" recipient refers to the level of government or the organization that directly receives the federal grant or award. As discussed in the body of the report, many programs require that funds be further distributed (by formula or other criteria) to other units of government or organizations. For example, federal grants may be awarded by formula to states, but states are then required to subaward these funds to local governments or other entities. This table only shows the "immediate" grantee. The table also indicates whether a program has provisions for participation by U.S. territories or residents or organizations located within the territories. The specific details of these provisions are not provided in the table, however; readers are referred to statutory language or the federal agency that administers the program for this information.

Table B-1. Spending for Federal Benefits and Services for People with Low Income, by Program: FY2008, FY2009, and ARRA

(new obligations, unless otherwise noted; dollars in millions)

Program	Federal Agency	FY2008	FY2009	ARRA (included in FY2009)
Health Care				
Medical Care for Veterans without Service-Connected Disability	VA	10,717[a]	11,644[a]	
Family Planning	HHS	300	307	
Consolidated Health Centers	HHS	2,021	3,665	1,519
Transitional Cash and Medical Services for Refugees	HHS	296[b]	282[b]	
State Children's Health Insurance Program (CHIP)	HHS	6,360	9,534	
Voluntary Medicare Prescription Drug Benefit—Low-Income Subsidy	HHS	17,400[c]	20,300[c]	
Medicaid	HHS	214,015	265,058	32,632
Ryan White HIV/AIDS Program	HHS	2,141	2,227	
Breast/Cervical Cancer Early Detection	HHS	201[b]	206[b]	
Maternal and Child Health Block Grant	HHS	666	662	
Indian Health Service	HHS	4,347	5,416	294
Health Care, subtotal		*258,464*	*319,301*	*34,445*
Cash Aid				
Pensions for Needy Veterans	VA	3,777	4,134	
Temporary Assistance for Needy Families (TANF) (cash aid)	HHS	6,356[d]	6,102[d]	378[d]
Supplemental Security Income	SSA	48,926	52,446	

Program	Federal Agency	FY2008	FY2009	ARRA (included in FY2009)
Additional Child Tax Credit	IRS	34,019[e]	24,284	
Earned Income Tax Credit (refundable component)	IRS	40,600	42,418	
Cash Aid, subtotal		*133,678*	*129,622*	*378*
Food Assistance				
Supplemental Nutrition Assistance Program (SNAP)	USDA	37,179	53,396	4,478
School Breakfast Program (free/reduced price components)	USDA	2,307	2,513	
National School Lunch Program (free/reduced price components)	USDA	7,863	8,498	
Special Supplemental Nutrition Program for Women, Infants and Children (WIC)	USDA	6,400	7,028	72
Child and Adult Care Food Program (lower-income components)	USDA	2,029	2,217	
Summer Food Service Program	USDA	312	356	
Commodity Supplemental Food Program	USDA	141	165	
Nutrition Assistance for Puerto Rico	USDA	1,623	2,000	240
The Emergency Food Assistance Program (TEFAP)	USDA	240	425	125
Nutrition Program for the Elderly	HHS	756	905	97
Food Assistance, subtotal		*58,850*	*77,503*	*5,012*

Program	Federal Agency	FY2008	FY2009	ARRA (included in FY2009)
Housing and Development				
Single-Family Rural Housing Loans	USDA	121[f]	125[f]	
Rural Rental Assistance Program	USDA	479	902	
Water and Waste Disposal for Rural Communities	USDA	685	1,370	631
Public Works and Economic Development	DOC	170	285	147
Supportive Housing for the Elderly	HUD	778	800	
Supportive Housing for Persons with Disabilities	HUD	256	284	
Section 8 Project-Based Rental Assistance	HUD	7,004	9,391	1,991
Community Development Block Grants	HUD	3,645	4,733	965
Homeless Assistance Grants	HUD	1,538	2,861	1,485
Home Investment Partnerships Program (HOME)	HUD	1,647	1,911	
Housing Opportunities for Persons with AIDS (HOPWA)	HUD	310	318	
Public Housing	HUD	6,894	10,843	3,977
Indian Housing Block Grants	HUD	556	1,149	500
Section 8 Housing Choice Vouchers	HUD	15,552	16,289	
Neighborhood Stabilization Program-1	HUD	[g]	3,920	

Program	Federal Agency	FY2008	FY2009	ARRA (included in FY2009)
Grants to States for Low-Income Housing in Lieu of Low-Income Housing Credit Allocations	Treasury	[g]	2,465	2,465
Tax Credit Assistance Program	HUD	[g]	2,250	2,250
Housing and Development, subtotal		*39,635*	*59,896*	*14,411*
Education				
Indian Education	DOI	684	699	
Adult Basic Education Grants to States	ED	555	572	
Federal Supplemental Educational Opportunity Grant	ED	759	760	
Education for the Disadvantaged—Grants to Local Educational Agencies (Title I-A)	ED	13,352	21,495	9,936
Title I Migrant Education Program	ED	380[b]	395[b]	
Higher Education—Institutional Aid and Developing Institutions	ED	755	801	
Federal Work-Study	ED	989	1,156	200
Federal TRIO Programs	ED	885	905	
Federal Pell Grants	ED	18,000	26,019	8,497
Education for Homeless Children and Youth	ED	[h]	135	70
21st Century Community Learning Centers	ED	1,082	1,127	

Program	Federal Agency	FY2008	FY2009	ARRA (included in FY2009)
Gaining Early Awareness and Readiness for Undergraduate Programs (GEAR-UP)	ED	303	313	
Reading First and Early Reading First	ED	560	129	
Rural Education Achievement Program	ED	172	174	
Mathematics and Science Partnerships	ED	182	176	
Improving Teacher Quality State Grants	ED	2,946	2,687	
Academic Competitiveness and Smart Grant Program	ED	297	690	
Education, subtotal		*41,901*	*58,233*	*18,703*
Social Services				
Indian Human Services	DOI	118	115	
Older Americans Act Grants for Supportive Services and Senior Centers	HHS	351	361	
Older Americans Act Family Caregiver Program	HHS	153	154	
Temporary Assistance for Needy Families (TANF) (social services)	HHS	9,416[i]	10,826[i]	232[i]
Child Support Enforcement	HHS	4,585	4,719	
Community Services Block Grant	HHS	654	1,692	992
Child Care and Development Fund	HHS	4,979	7,034	1,990
Head Start	HHS	6,877	9,077	578

Program	Federal Agency	FY2008	FY2009	ARRA (included in FY2009)
Developmental Disabilities Support and Advocacy Grants	HHS	111	114	
Foster Care	HHS	4,525	4,705	
Adoption Assistance	HHS	2,038	2,324	
Social Services Block Grant	HHS	1,700	2,300	
Chafee Foster Care Independence Program	HHS	140	140	
Emergency Food and Shelter Program	FEMA	153	300	100
Legal Services Corporation	LSC	351	392	
Social Services, subtotal		*36,151*	*44,253*	*3,892*
Energy Assistance				
Weatherization Assistance Program	DOE	291	5,240	4,748
Low-Income Home Energy Assistance Program (LIHEAP)	HHS	2,590	5,100	
Energy Assistance, subtotal		*2,881*	*10,340*	*4,748*
Employment and Training				
Supplemental Nutrition Assistance Program (SNAP) (employment and training component)	USDA	351	367	
Community Service Employment for Older Americans	HHS	504	708	
Workforce Investment Act (WIA) Adult Activities	DOL	827	1,357	495

Program	Federal Agency	FY2008	FY2009	ARRA (included in FY2009)
Workforce Investment Act (WIA) Youth Activities	DOL	984	2,218	1,182
Social Services and Targeted Assistance for Refugees	HHS	203[b]	203[b]	
Temporary Assistance for Needy Families (TANF) (employment and training)	HHS	1,697[i]	1,832[j]	6[j]
Foster Grandparents	CNCS	109[b]	109[b]	
Job Corps	DOL	1,558	1,804	148
Employment and Training, subtotal		*6,233*	*8,598*	*1,831*
TOTAL		**$577,793**	**$707,607**	**$83,420**

Source: Prepared by the Congressional Research Service from obligations data contained in the U.S. Budget Appendix for FY2010 and for FY2011, unless otherwise noted.

Notes: VA = Department of Veterans Affairs. HHS = Department of Health and Human Services. SSA = Social Security Administration. IRS = Internal Revenue Service. USDA = Department of Agriculture. DOC = Department of Commerce. HUD = Department of Housing and Urban Development. Treasury = Department of the Treasury. DOI = Department of the Interior. ED = Department of Education. FEMA = Federal Emergency Management Agency. LSC = Legal Services Corporation. DOE = Department of Energy. DOL = Department of Labor. CNCS = Corporation for National and Community Service.

a. Estimated obligations on behalf of Priority Group 5 veterans.

b. Appropriations.

c. Aggregate reimbursements for calendar year.

d. Estimated obligations for cash aid and administration under TANF, based on state reporting of actual expenditures.

e. Includes an unspecified amount for a one-time $300-per-child tax rebate that was not targeted on low-income families.

f. Subsidy outlays, adjusted.

g. Program not authorized.

h. Obligations totaled $64 million for this program in FY2008, which is below the dollar threshold for inclusion in the report. This funding is not included in spending totals. (See **Appendix A** for explanation of threshold.)

i. Estimated obligations for social services under TANF, based on state reporting of actual expenditures.

j. Estimated obligations for employment and training activities under TANF, based on state reporting of actual expenditures.

Table B-2. Target Populations and Concepts Used to Determine Individual Income Eligibility Criteria and/or Target Federal Resources, by Program

Program	Target Population	Concept(s) Used to Determine Individual Income Eligibility	Concept(s) Used to Target Federal Resources
Health			
Medical Care for Veterans without Service-Connected Disability	Needy veterans without service-connected disabilities.	Specific dollar amounts.	None.
Family Planning	Low-income individuals.	FPG.	None.
Consolidated Health Centers	"Medically underserved" groups.	FPG.	Eligibility limited to areas or populations designated by the Secretary as "medically underserved."
Transitional Cash and Medical Services for Refugees	Refugees, asylees, other humanitarian cases, trafficking victims, unaccompanied refugee minor children.	Automatic eligibility for specific categorical groups.	Formula allocation factors.
State Children's Health Insurance Program (CHIP)	Uninsured low-income children.	FPG, automatic eligibility for specific categorical groups.	Formula allocation factors.
Voluntary Medicare Prescription Drug Benefit—Low-Income Subsidy	Low-income seniors and people with disabilities.	FPG, automatic eligibility for specific categorical groups.	None.
Medicaid	Low-income families with dependent children; aged, blind and disabled individuals.	FPG, automatic eligibility for specific categorical groups.	Federal-state cost-sharing rules.
Ryan White HIV/AIDS Program	Uninsured or underinsured people living with HIV or AIDS.	FPG.	Formula allocation factors.
Breast/Cervical Cancer Early Detection	Low-income uninsured and underserved women of specified ages.	FPG.	None.
Maternal and Child Health Block Grant	Mothers and children.	FPG.	Formula allocation factors.
Indian Health Service	American Indians and Alaskan Natives.	Automatic eligibility for specific categorical groups.	Assistance generally provided to eligible individuals in IHS service delivery areas.
Cash Aid			
Pensions for Needy Veterans	Needy veterans, their dependents and survivors.	Specific dollar amounts.	None.
Temporary Assistance for Needy Families (TANF)	Needy families with children.	Defined by states.	Eligibility for certain funds limited to states that meet need-related tests.

Program	Target Population	Concept(s) Used to Determine Individual Income Eligibility	Concept(s) Used to Target Federal Resources
Supplemental Security Income	Low-income aged, blind and disabled individuals.	Specific dollar amounts.	None.
Additional Child Tax Credit	Working families with children below specified ages.	Specific calculations determine when families incur tax liability and become eligible for nonrefundable Child Tax Credit instead of ACTC.	None.
Earned Income Tax Credit	Working families with children below specified ages, and childless adults.	Specific dollar amounts.	None.
Food Assistance			
Supplemental Nutrition Assistance Program (SNAP)	Low-income households.	FPG, automatic eligibility for specific categorical groups.	None.
School Breakfast Program (free/reduced price components)	Low-income children.	FPG, automatic eligibility for specific categorical groups.	Cost-sharing rules; federal reimbursement varies by family income of participating child.
National School Lunch Program (free/reduced price components)	Low-income children.	FPG, automatic eligibility for specific categorical groups.	Cost-sharing rules; federal reimbursement varies by family income of participating child.
Special Supplemental Nutrition Program for Women, Infants and Children (WIC)	Low-income women, infants and young children who are at nutritional risk.	FPG, automatic eligibility for specific categorical groups.	Formula allocation factors.
Child and Adult Care Food Program (lower-income components)	Low-income children and chronically impaired and elderly adults.	FPG, automatic eligibility for specific categorical groups.	Cost-sharing rules; federal reimbursement varies by family income of participating child or adult.
Summer Food Service Program	Low-income children.	FPG, automatic eligibility for specific categorical groups.	Cost-sharing rules; federal reimbursement varies by family income of participating child.
Commodity Supplemental Food Program	Low-income elderly individuals and pregnant and postpartum and breastfeeding women, infants and young children.	FPG, automatic eligibility for specific categorical groups.	Formula allocation factors.
Nutrition Assistance for Puerto Rico	Needy persons living in Puerto Rico.	Defined by Puerto Rico.	Eligibility is limited to Puerto Rico.
The Emergency Food Assistance Program (TEFAP)	Low-income individuals.	Defined by states.	Formula allocation factors.
Nutrition Program for the Elderly	Older individuals.	FPG.	Formula allocation factors.

Program	Target Population	Concept(s) Used to Determine Individual Income Eligibility	Concept(s) Used to Target Federal Resources
Housing and Development			
Single-Family Rural Housing Loans	Low-income households in rural areas.	AMI.	None.
Rural Rental Assistance Program	Low-income households in rural areas.	AMI.	Formula allocation factors.
Water and Waste Disposal for Rural Communities	Residents of poor rural communities.	None.	Formula allocation factors; cost-sharing rules.
Public Works and Economic Development	Residents of distressed communities.	None.	Eligibility is limited to projects located in areas that meet need-related tests; cost-sharing rules.
Supportive Housing for the Elderly	Low-income housing with at least one elderly member.	AMI.	Formula allocation factors.
Supportive Housing for Persons with Disabilities	Low-income households with at least one member with a disability.	AMI.	Formula allocation factors.
Section 8 Project-Based Rental Assistance	Low-income families (which may include single individuals).	AMI.	Assistance is limited to projects under contract with the federal government.
Community Development Block Grants	Low and moderate-income residents of targeted communities.	None. (However, a specified percentage of funds must be used to benefit low and moderate-income individuals, defined using AMI.)	Formula allocation factors.
Homeless Assistance Grants	Homeless individuals and families.	Automatic eligibility for specific categorical groups.	Emergency Shelter Grant uses formula allocation factors.
Home Investment Partnerships Program (HOME)	Low-income homeowners, homebuyers, and renters.	AMI.	Formula allocation factors.
Housing Opportunities for Persons with AIDS (HOPWA)	Low-income individuals who are HIV-positive or have AIDS.	AMI.	Formula allocation factors.
Public Housing	Low-income families, elderly and disabled individuals.	AMI.	Assistance is limited to publicly-owned housing projects.
Indian Housing Block Grants	Low-income Indian families living on reservations or other Indian lands, certain specified non-Indians also living on reservations or other Indian lands.	Automatic eligibility for specific categorical groups.	Formula allocation factors; eligibility limited to recognized Indian tribes.

Program	Target Population	Concept(s) Used to Determine Individual Income Eligibility	Concept(s) Used to Target Federal Resources
Section 8 Housing Choice Vouchers	Low-income families (which may include single individuals).	AMI.	Formula allocation factors.
Neighborhood Stabilization Program-1	Low-income individuals and families.	AMI.	Formula allocation factors.
Grants to States for Low-Income Housing in Lieu of Low-Income Housing Credit Allocations	Low-income households.	AMI.	Eligibility limited to projects in which a specified percentage of units are rent-restricted and serve a specified percentage of low-income households.
Tax Credit Assistance Program	Low-income households.	AMI.	Eligibility limited to projects in which a specified percentage of units are rent-restricted and serve a specified percentage of low-income households.
Education			
Indian Education	American Indian and Alaskan Native children and postsecondary students.	Automatic eligibility for specific categorical groups.	Depending on the program, assistance provided through recognized tribes.
Adult Basic Education Grants to States	Adults who lack basic education skills or cannot speak, write, or read English.	Automatic eligibility for specific categorical groups.	Formula allocation factors.
Federal Supplemental Educational Opportunity Grant	Low-income undergraduate students.	"Need analysis" system.	Formula allocation factors.
Education for the Disadvantaged—Grants to Local Educational Agencies (Title I-A)	Low-achieving elementary and secondary students.	None.	Formula allocation factors.
Title I Migrant Education Program	Migratory children.	Automatic eligibility for specific categorical groups.	Formula allocation factors.
Higher Education—Institutional Aid and Developing Institutions	Low-income and minority postsecondary students.	None.	Eligibility limited to institutions that meet need-related tests.
Federal Work-Study	Postsecondary students.	"Need analysis" system.	Formula allocation factors.
Federal TRIO Programs	Low-income secondary and postsecondary students who are first-generation college students.	FPG, automatic eligibility for specific categorical groups.	None.
Federal Pell Grants	Low-income postsecondary students.	"Need analysis" system.	None.

Program	Target Population	Concept(s) Used to Determine Individual Income Eligibility	Concept(s) Used to Target Federal Resources
Education for Homeless Children and Youth	Homeless children and youth.	Automatic eligibility for specific categorical groups.	Formula allocation factors.
21st Century Community Learning Centers	Children who attend high-poverty and low-performing schools.	None.	Funds must be used to serve children in schools that meet need-related test.
Gaining Early Awareness and Readiness for Undergraduate Programs (GEAR-UP)	Low-income secondary school students.	Automatic eligibility for specific categorical groups.	Funds must be used to serve cohorts of students in at least one grade level at schools that meet need-related tests.
Reading First and Early Reading First	Low-income children from preschool through grade 3.	Automatic eligibility for specific categorical groups.	Formula allocation factors (Reading First).
Rural Education Achievement Program	Students in rural and rural low-income school districts.	None.	Eligibility for certain grants limited to local educational agencies that meet need-related test.
Mathematics and Science Partnerships	Teachers and students in high-need local educational agencies.	None.	Eligibility limited to partnerships that meet need-related tests.
Improving Teacher Quality State Grants	Elementary school teachers and principals.	None.	Formula allocation factors; eligibility for certain grants limited to partnerships that meet need-related tests.
Academic Competitiveness and Smart Grant Program	Needy undergraduate students pursuing a rigorous curriculum or majoring in selected subjects.	Automatic eligibility for specific categorical groups.	None.
Social Services			
Indian Human Services	American Indian children and adults with various needs.	Automatic eligibility for specific categorical groups.	None.
Older Americans Act Grants for Supportive Services and Senior Centers	Older individuals.	FPG.	Formula allocation factors.
Older Americans Act Family Caregiver Program	Family and other caregivers for older individuals and grandparents or other relative caregivers for children with disabilities.	FPG, automatic eligibility for specific categorical groups.	Formula allocation factors.
Child Support Enforcement	Custodial parents and their children.	Automatic eligibility for specific categorical groups.	None.
Community Services Block Grant	Low-income individuals and families.	FPG.	Formula allocation factors.

Program	Target Population	Concept(s) Used to Determine Individual Income Eligibility	Concept(s) Used to Target Federal Resources
Child Care and Development Fund	Low-income children and their families.	SMI, automatic eligibility for specific categorical groups.	Formula allocation factors; federal-state cost-sharing rules for certain funds.
Head Start	Low-income infants, toddlers and preschool children.	FPG, automatic eligibility for specific categorical groups.	Formula allocation factors.
Developmental Disabilities Support and Advocacy Grants	Individuals with developmental disabilities.	Automatic eligibility for specific categorical groups.	Formula allocation factors; federal-state cost-sharing rules.
Foster Care	Children who cannot remain safely in their own homes.	Automatic eligibility for specific categorical groups.	Federal-state cost-sharing rules.
Adoption Assistance	Children with special needs that make it difficult for them to be placed with adoptive families.	Automatic eligibility for specific categorical groups.	Federal-state cost-sharing rules.
Social Services Block Grant	Defined by states.	Defined by states. (FPG used for certain funds.)	Formula allocation factors.
Chafee Foster Care Independence Program	Current and former foster youth.	Automatic eligibility for specific categorical groups.	Formula allocation factors.
Emergency Food and Shelter Program	Homeless and hungry individuals.	Defined by local administering boards.	Eligibility is limited to jurisdictions that meet need-related tests.
Legal Services Corporation	Low-income individuals.	FPG.	Formula allocation factors.
Energy Assistance			
Weatherization Assistance Program	Low-income households.	FPG, automatic eligibility for specific categorical groups.	Formula allocation factors.
Low-Income Home Energy Assistance Program (LIHEAP)	Low-income households.	FPG, SMI, automatic eligibility for specific categorical groups.	Formula allocation factors.
Employment and Training			
Community Service Employment for Older Americans	Low-income unemployed individuals above a specified age.	FPG, priority for specific categorical groups.	Formula allocation factors.
Workforce Investment Act (WIA) Adult Activities	Adults for core services. For intensive and training services: adults who need services to become employed or obtain and retain a job that allows for self-sufficiency.	None for core services. For intensive and training services: FPG, LLSIL, and priority for specific categorical groups.	Formula allocation factors.

Program	Target Population	Concept(s) Used to Determine Individual Income Eligibility	Concept(s) Used to Target Federal Resources
Workforce Investment Act (WIA) Youth Activities	Low-income youth who are deficient in basic skills, school dropouts, runaway or foster children, pregnant or parenting, or offenders.	FPG, LLSIL, and automatic eligibility for specific categorical groups.	Formula allocation factors.
Social Services and Targeted Assistance for Refugees	Refugees, asylees, other humanitarian cases, and trafficking victims.	Automatic eligibility for specific categorical groups.	Formula allocation factors.
Foster Grandparents	Low-income older individuals.	FPG.	None.
Job Corps	Low-income youth who need and can benefit from the program.	FPG, automatic eligibility for specific categorical groups.	None.

Source: Prepared by the Congressional Research Service (CRS).

Notes: FPG = federal poverty guidelines. AMI = area median income. SMI = state median income. LLSIL = lower living standard income levels.

Table B-3. Types of Grants or Awards, and Eligible Immediate Grantees or Beneficiaries, by Program

Program	Grant or Award Types	Eligible Immediate Grantees or Beneficiaries
Health		
Medical Care for Veterans without Service-Connected Disability	Direct benefits.	Eligible veterans served at VA facilities or through contracts with the VA.
Family Planning	Competitive grants.	Public and private nonprofit agencies. Includes provisions for territories.
Consolidated Health Centers	Competitive grants.	Public and private nonprofit agencies.
Transitional Cash and Medical Services for Refugees	Formula and discretionary grants.	Formula grants: states. Discretionary grants: "state-alternative" programs and voluntary agencies. Includes provisions for territories.
State Children's Health Insurance Program (CHIP)	Formula grants.	States. Includes provisions for territories.
Voluntary Medicare Prescription Drug Benefit—Low-Income Subsidy	Direct benefits (through contracts with participating prescription drug plans).	Eligible beneficiaries enrolled in participating prescription drug plans.
Medicaid	Formula grants (reimbursement for eligible expenditures).	States. Includes provisions for territories.
Ryan White HIV/AIDS Program	Formula and competitive grants.	Formula grants: eligible metropolitan areas, "transitional grant" areas and states. Competitive grants: qualified health centers, family planning clinics, hemophilia centers, rural health clinics, Indian Health Service facilities, and certain other health facilities and organizations; public and private nonprofit organizations; and dental schools. Includes provisions for territories.
Breast/Cervical Cancer Early Detection	Competitive grants.	States. Includes provisions for territories.
Maternal and Child Health Block Grant	Formula grants.	States. Includes provisions for territories.
Indian Health Service	Direct benefits.	Eligible American Indians or Alaskan Natives served at IHS or tribal health facilities or through contracts.
Cash Aid		
Pensions for Needy Veterans	Direct benefits.	Eligible veterans, their dependents and survivors.

Program	Grant or Award Types	Eligible Immediate Grantees or Beneficiaries
Temporary Assistance for Needy Families (TANF)	Formula grants (block grant, supplemental grants, contingency fund) and competitive grants (promoting healthy marriage and strengthening fatherhood).	Formula grants: states. Competitive grants: public and private nonprofit organizations. Includes provisions for territories.
Supplemental Security Income	Direct benefits.	Eligible individuals.
Additional Child Tax Credit	Direct benefits.	Eligible individuals.
Earned Income Tax Credit	Direct benefits.	Eligible individuals.
Food Assistance		
Supplemental Nutrition Assistance Program (SNAP)	Direct benefits and formula grants (reimbursement for eligible expenditures).	Direct benefits: eligible households. Formula grants: states. Includes provisions for territories.
School Breakfast Program (free/reduced price components)	Formula grants (reimbursement for eligible expenditures).	State educational agencies. Includes provisions for territories.
National School Lunch Program (free/reduced price components)	Formula grants (reimbursement for eligible expenditures).	State educational agencies. Includes provisions for territories.
Special Supplemental Nutrition Program for Women, Infants and Children (WIC)	Formula grants.	States. Includes provisions for territories.
Child and Adult Care Food Program (lower-income components)	Formula grants.	States. Includes provisions for territories.
Summer Food Service Program	Formula grants.	State educational agencies. Includes provisions for territories.
Commodity Supplemental Food Program	Formula grants and commodity support.	States. Includes provisions for territories.
Nutrition Assistance for Puerto Rico	Formula grants.	Puerto Rico.
The Emergency Food Assistance Program (TEFAP)	Formula grants and commodity support.	States.
Nutrition Program for the Elderly	Formula grants.	States. Includes provisions for territories.
Housing and Development		
Single-Family Rural Housing Loans	Direct benefits.	Eligible individuals.
Rural Rental Assistance Program	Direct benefits (through contracts with property owners).	Eligible households in units owned by participating owners.
Water and Waste Disposal for Rural Communities	Loans and formula grants.	Local governments, public and private nonprofit organizations. Includes provisions for territories.
Public Works and Economic Development	Competitive grants.	Designated economic development districts, states, local governments, institutions of higher education, public and private nonprofit organizations and associations acting in cooperation with local governments. Includes provisions for territories.

Program	Grant or Award Types	Eligible Immediate Grantees or Beneficiaries
Supportive Housing for the Elderly	Competitive grants (from amounts allocated among HUD multifamily "hubs" according to a formula).	Private nonprofit organizations and for-profit general partnerships where the sole general partner is a nonprofit organization. Includes provisions for territories.
Supportive Housing for Persons with Disabilities	Competitive grants (from amounts allocated among HUD field offices according to a formula).	Private nonprofit organizations and for-profit general partnerships where the sole general partner is a nonprofit organization. Includes provisions for territories.
Section 8 Project-Based Rental Assistance	Direct benefits (through contracts with property owners).	Eligible households in units owned by participating owners.
Community Development Block Grants	Formula grants.	"Entitlement communities" (i.e., cities and urban counties of specified sizes), and states on behalf of non-entitlement communities. Includes provisions for territories.
Homeless Assistance Grants	Competitive grants (SHP, S+C, SRO) and formula grants (ESG).	Competitive grants: states, local governments, public housing authorities, private nonprofit organizations, community mental health centers. Formula grants: states, metropolitan cities and urban counties. Includes provisions for territories.
Home Investment Partnerships Program (HOME)	Formula grants.	States and local participating jurisdictions (i.e., metropolitan cities or urban counties that meet minimum funding thresholds). Includes provisions for territories.
Housing Opportunities for Persons with AIDS (HOPWA)	Formula and competitive grants.	Formula grants: states and eligible metropolitan statistical areas that meet minimum AIDS case requirements. Competitive grants: states, local governments, and private nonprofit agencies. Includes provisions for territories.
Public Housing	Formula grants (operating and capital funds) and competitive grants (HOPE VI).	Public housing authorities.
Indian Housing Block Grants	Formula grants.	Federally recognized Indian tribes or their tribally designated housing entity; state recognized Indian tribes that were funded under prior law.
Section 8 Housing Choice Vouchers	Formula grants.	Public housing authorities.
Neighborhood Stabilization Program-1	Formula grants.	States and local governments. Includes provisions for territories.
Grants to States for Low-Income Housing in Lieu of Low-Income Housing Credit Allocations	Formula grants.	State housing credit agencies. Includes provisions for territories.

Program	Grant or Award Types	Eligible Immediate Grantees or Beneficiaries
Tax Credit Assistance Program	Formula grants.	State housing credit agencies. Includes provisions for Puerto Rico.
Education		
Indian Education	Formula grants.	BIE schools, public schools, tribally controlled colleges and universities.
Adult Basic Education Grants to States	Formula grants.	States. Includes provisions for territories.
Federal Supplemental Educational Opportunity Grant	Formula grants.	Institutions of higher education. Includes provisions for Palau.
Education for the Disadvantaged—Grants to Local Educational Agencies (Title I-A)	Formula grants.	Local educational agencies. Includes provisions for territories.
Title I Migrant Education Program	Formula grants.	State educational agencies. Includes provision for Puerto Rico.
Higher Education—Institutional Aid and Developing Institutions	Formula and competitive grants.	Institutions of higher education. Includes provisions for territories.
Federal Work-Study	Formula grants.	Institutions of higher education. Includes provisions for Palau.
Federal TRIO Programs	Competitive grants.	Institutions of higher education, public and private organizations, secondary schools, and consortia of such entities. Includes provisions for territories.
Federal Pell Grants	Direct benefits (through payments to participating institutions of higher education).	Eligible students at participating institutions. Includes provisions for territories.
Education for Homeless Children and Youth	Formula grants.	State educational agencies. Includes provisions for territories.
21st Century Community Learning Centers	Formula grants.	State educational agencies. Includes provisions for territories.
Gaining Early Awareness and Readiness for Undergraduate Programs (GEAR-UP)	Competitive grants.	States and partnerships consisting of at least one degree-granting institution of higher education and one or more local agencies and, if desired, at least two other partners such as community organizations, business, and public or private agencies or organizations. Includes provisions for territories.
Reading First and Early Reading First	Formula grants (Reading First) and competitive grants (Early Reading First).	Formula: state educational agencies. Competitive: local educational agencies eligible under Title I-A, one or more public or private organizations acting on behalf of programs that serve preschool children in an area served by a Title I-A-eligible local educational agency, or a consortium of the above. Includes provisions for territories.

Program	Grant or Award Types	Eligible Immediate Grantees or Beneficiaries
Rural Education Achievement Program	Formula grants.	Small local educational agencies and states on behalf of local educational agencies that do not meet small-size thresholds. Includes provisions for territories.
Mathematics and Science Partnerships	Formula grants.	State educational agencies.
Improving Teacher Quality State Grants	Formula grants.	State educational agencies and state agencies of higher education. Includes provisions for territories.
Academic Competitiveness and Smart Grant Program	Direct benefits (through payments to participating institutions of higher education).	Eligible students at participating institutions. Includes provisions for territories.
Social Services		
Indian Human Services	Discretionary grants.	Federally recognized Indian tribes and tribal organizations.
Older Americans Act Grants for Supportive Services and Senior Centers	Formula grants.	State agencies on aging. Includes provisions for territories.
Older Americans Act Family Caregiver Program	Formula grants.	State agencies on aging. Includes provisions for territories.
Child Support Enforcement	Formula grants (reimbursement for eligible expenditures).	States. Includes provisions for territories.
Community Services Block Grant	Formula grants.	States. Includes provisions for territories.
Child Care and Development Fund	Formula grants.	States. Includes provisions for territories.
Head Start	Formula grants.	Local public and private nonprofit and for-profit entities. Includes provisions for territories.
Developmental Disabilities Support and Advocacy Grants	Formula grants.	States. Includes provisions for territories.
Foster Care	Formula grants (reimbursement for eligible expenditures).	States. Includes provisions for territories.
Adoption Assistance	Formula grants (reimbursement for eligible expenditures).	States. Includes provisions for territories.
Social Services Block Grant	Formula grants.	States. Includes provisions for territories.
Chafee Foster Care Independence Program	Formula grants.	States. Includes provisions for territories.
Emergency Food and Shelter Program	Formula grants.	Local boards. Includes provisions for territories.
Legal Services Corporation	Formula grants.	Public and private nonprofit entities. Includes provisions for territories.

Program	Grant or Award Types	Eligible Immediate Grantees or Beneficiaries
Energy Assistance		
Weatherization Assistance Program	Formula grants.	States. Includes provisions for territories.
Low-Income Home Energy Assistance Program (LIHEAP)	Formula grants.	States. Includes provisions for territories.
Employment and Training		
Community Service Employment for Older Americans	Formula grants.	States and national nonprofit organizations. Includes provisions for territories.
Workforce Investment Act (WIA) Adult Activities	Formula grants.	States. Includes provisions for territories.
Workforce Investment Act (WIA) Youth Activities	Formula grants.	States. Includes provisions for territories.
Social Services and Targeted Assistance for Refugees	Formula and competitive grants.	Formula grants: states. Competitive grants: public and private nonprofit entities.
Foster Grandparents	Discretionary grants.	Public and private nonprofit entities. Includes provisions for territories.
Job Corps	Competitive contracts and interagency agreements.	Federal, state and local agencies; area vocational schools, residential vocational schools, or private organizations.

Source: Prepared by the Congressional Research Service.

Notes: "Immediate" grantee refers to the level of government or other organization that directly receives the grant or award from the federal government. Many programs require that funds be further distributed (by formula or other criteria) to other units of government or organizations. For example, federal grants may be awarded by formula to states, but states are then required to subaward these funds to local governments or other entities. This table only shows the "immediate" grantee.

Appendix C. Program Fact Sheets

The following fact sheets provide brief information about each program included in this report's analysis. Efforts were made to present the information in a relatively consistent manner; however, the programs are sufficiently different that the fact sheets vary in scope and level of detail.

For each program, the following information is provided: Catalog of Federal Domestic Assistance (CFDA) number(s); statutory and regulatory citations; the name of the federal administering agency and (where appropriate) the specific office within that agency; the program's purpose; the type of benefit or service provided; criteria used to determine individual eligibility; the form and recipient of federal assistance; the allocation formula used if relevant; any matching or related nonfederal spending requirements; the amount of new obligations in FY2008 and FY2009; the budgetary classification of the program's spending; some limited detail on program participation in FY2009 or the most recent year for which data are available; and citations to relevant CRS reports. Information was derived from statutes, regulations, agency websites, or other authoritative sources.

Only selected information is included in these fact sheets, relevant to the overall analysis in this report. Moreover, programs are generally described as they existed in FY2009, although references are provided in cases where significant changes have been enacted affecting years after FY2009. For complete information about a particular program of interest, readers are referred to the legal citations provided, the federal administering agency, or the identified CRS report.

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Health Care

Medical Care for Veterans Without Service-Connected Disability (CFDA #64.009)

Authority: *Statute:* 38 USC Part 2, Chapter 17. *Regulations:* 38 CFR Part 17.

Federal administering agency: Department of Veterans Affairs, Veterans Health Administration.

Purpose of program: To provide primary care, specialized care, and related social and support services to eligible veterans.

Benefit/service: Standardized medical benefits package including preventive services, such as immunizations, screening tests, and health education and training classes; primary health care diagnosis and treatment, prescription drugs, comprehensive rehabilitative services, mental health services, including professional counseling, home health care, respite (inpatient), hospice and palliative care; and emergency care. Some veterans also may receive long-term care, including nursing home care, domiciliary care, adult day care, and limited dental care.

Individual eligibility criteria: In general, eligibility for VA health care is based on veteran status, service-connected disabilities or exposures, and other factors such as veterans who were former prisoners of war or who are awarded the Purple Heart. Veterans with no service-connected conditions and who are Medicaid-eligible, or who have income below a certain VA means-test threshold *and* below a median income threshold for the geographic area in which they live are eligible to enroll in the VA health care system. These veterans are classified as Priority Group 5 veterans.

Form and recipient of federal assistance: Services are provided directly by the VA in VA facilities or through contracts.

Allocation formula: Not applicable.

Matching or related requirements: None.

New obligations: *FY2009:* $11.644 billion. *FY2008:* $10.717 billion. (Estimated obligations on behalf of Priority Group 5 veterans.)

Budgetary classification: Discretionary.

Participation data: In FY2009, 1,484,467 Priority Group 5 veteran patients received care from the VA.

CRS report: CRS Report R41343, *Veterans Medical Care: FY2011 Appropriations*, by Sidath Viranga Panangala.

Family Planning (CFDA #93.217)

Authority: *Statute:* Title X of the Public Health Service Act, established in the Family Planning and Services and Population Research Act of 1970 (P.L. 91-572); 42 USC 300 et seq. *Regulations:* 42 CFR Part 59.

Federal administering agency: Department of Health and Human Services, Office of Public Health and Science, Office of Population Affairs, Office of Family Planning.

Purpose of program: To assist individuals to determine freely the number and spacing of their children through the provision of education, counseling, and medical services.

Benefit/service: A broad range of family planning methods and services (including natural family planning methods, infertility services, and services for adolescents). Family planning services include clinical family planning and related preventive health services; information, education and counseling related to family planning; and referral services. Services are free for persons whose income does not exceed federal poverty guidelines (unless covered by Medicaid or other health insurers) and are provided on a sliding fee scale basis for those with incomes between 100% and 250% of federal poverty guidelines.

Individual eligibility criteria: Priority is given to individuals from low-income families, defined in regulation as individuals whose family income does not exceed 100% of federal poverty guidelines, and individuals whose family income exceeds 100% of federal poverty guidelines but who otherwise are unable to afford family planning services.

Form and recipient of federal assistance: Competitive grants to public and nonprofit agencies. Allows participation by agencies in territories (American Samoa, Guam, Northern Mariana Islands, Puerto Rico, the U.S. Outlying Islands, the Marshall Islands, the Federated States of Micronesia, Republic of Palau, and the U.S. Virgin Islands).

Allocation formula: Not applicable.

Matching or related requirements: None. However, regulations provide that no project may be fully supported by Title X funds.

New obligations: *FY2009:* $307 million. *FY2008:* $300 million.

Budgetary classification: Discretionary.

Participation data: In calendar year 2008, a total of 5.051 million users were served by Title X-funded sites.

CRS report: CRS Report RL33644, *Title X (Public Health Service Act) Family Planning Program*, by Angela Napili.

Consolidated Health Centers (CFDA #93.224)

Note: The following describes this program as it operated in FY2009; see CRS report listed below for discussion of changes made by the Patient Protection and Affordable Care Act (P.L. 111-148).

Authority: *Statute:* Section 330 of the Public Health Service Act, established by the Health Centers Consolidation Act of 1996 (P.L. 104-299) and most recently reauthorized by the Patient Protection and Affordable Care Act (P.L. 111-148); 42 USC 254b. *Regulations:* 42 CFR Subpart 51c and 42 CFR Parts 56.201-56.604.

Federal administering agency: Department of Health and Human Services, Health Resources and Services Administration, Bureau of Primary Health Care.

Purpose of program: To provide health care services to groups that are determined to be medically underserved.

Benefit/service: Primary and additional health care services defined in statute, delivered by community health centers, migrant health centers, health centers for the homeless, and health centers for residents of public housing.

Individual eligibility criteria: The statute defines "medically underserved" as "the population of an urban or rural area designated by the Secretary as an area with a shortage of personal health services or a population group designated by the Secretary as having a shortage of such services." Regulations provide that, in designating these populations, the Secretary may consider economic factors, such as the percentage of the population with incomes below poverty. Grant funds may be used to pay the full cost of services to individuals and families with income at or below federal poverty guidelines; services are provided on a sliding fee scale basis for those with incomes between 100% and 200% of federal poverty guidelines and no discount is provided for those with incomes above 200% of poverty.

Form and recipient of federal assistance: Competitive grants to public and private nonprofit entities.

Allocation formula: Not applicable.

Matching or related requirements: None. Grantees are expected to collect fees from third-party payors, such as Medicare, Medicaid, and private health insurance; centers may also collect fees from patients with family income above the federal poverty guidelines; and centers may also receive funding from state, local and other federal sources. For grants serving certain populations, federal funds must supplement and not supplant other funds used by the health center to serve the same population.

New obligations: *FY2009:* $3.665 billion (includes $1.519 billion under the American Recovery and Reinvestment Act). *FY2008:* $2.021 billion.

Budgetary classification: Discretionary.

Participation data: In FY2008, a total of 1.7 million patients were served.

CRS reports: CRS Report R41278, *Public Health, Workforce, Quality, and Related Provisions in PPACA: Summary and Timeline*, coordinated by C. Stephen Redhead and Erin D. Williams; and CRS Report RL32046, *Federal Health Centers Program*, by Barbara English.

Transitional Cash and Medical Services to Refugees (CFDA #93.566)

Authority: *Statute:* Title IV, Chapter 2 of the Immigration and Nationality Act, established by the Refugee Act of 1979 (P.L. 96-212) and most recently reauthorized by P.L. 106-104; 8 USC 1521-1524. *Regulations:* 45 CFR Parts 400-401.

Federal administering agency: Department of Health and Human Services, Administration for Children and Families, Office of Refugee Resettlement.

Purpose of program: To provide for the effective resettlement of refugees and to assist them to achieve economic self-sufficiency as quickly as possible.

Benefit/service: Cash payments to eligible individuals that are at least equal to the payment rate to a family of the same size under the state's Temporary Assistance for Needy Families (TANF) program; and medical benefits, through payments to doctors, hospitals and pharmacists. Those eligible for Supplemental Security Income (SSI) may receive refugee cash assistance while their SSI applications are pending.

Individual eligibility criteria: Adult refugees, asylees, other specified humanitarian cases, and trafficking victims who meet the income and asset tests for TANF or Medicaid but who are not categorically eligible for those programs; and unaccompanied refugee minor children.

Form and recipient of federal assistance: Formula grants to states, and discretionary grants to state-alternative programs and voluntary agencies. Allows participation by territories (American Samoa, Guam, Northern Marianas, Puerto Rico, the Trust Territories of the Pacific, and the U.S. Virgin Islands).

Allocation formula: Formula funds are allocated to states based on their estimates of eligible expenditures.

Matching or related requirements: No matching requirements for formula grants. Voluntary agencies receiving discretionary grants must provide a $1 match for each 2 federal dollars.

New obligations: *FY2009:* $282 million. *FY2008:* $296 million. (Appropriations.)

Budgetary classification: Discretionary.

Participation data: No data available.

CRS report: CRS Report R41570, *U.S. Refugee Resettlement Assistance*, by Andorra Bruno.

State Children's Health Insurance Program (CHIP) (CFDA #93.767)

Note: The following describes this program as it operated in FY2009; see CRS reports listed below for discussion of changes made by the Patient Protection and Affordable Care Act (P.L. 111-148).

Authority: *Statute:* Title XXI of the Social Security Act, established by the Balanced Budget Act of 1997 (P.L. 105-33) and most recently reauthorized by the Children's Health Insurance Program Reauthorization Act of 2009 (CHIPRA, P.L. 111-3); 42 USC 1397aa-mm. *Regulations:* 42 CFR Parts 431, 433, 435.

Federal administering agency: Department of Health and Human Services, Centers for Medicare and Medicaid Services.

Purpose of program: To provide health coverage to uninsured, low-income children in an effective and efficient manner that is coordinated with other sources of health benefits coverage for children.

Benefit/service: Health care coverage is available through expansion of a state's existing Medicaid program, creation of a separate CHIP program, or a combination of both. In general, for separate CHIP programs under which the majority of children are enrolled, states may offer one of three "benchmark" benefit packages: (1) the standard Blue Cross/Blue Shield preferred provider plan offered under the Federal Employees Health Benefits Program (FEHBP), (2) the health coverage that is offered and generally available to state employees, and (3) the health coverage that is offered by a health maintenance organization (HMO) with the largest commercial (non-Medicaid) enrollment in the state. (States also have the option of providing "Secretary-approved" coverage for which benefits are suitable for the target population.) States that use the Medicaid expansion option can provide the full range of mandatory Medicaid benefits as well as all optional services specified in their state Medicaid plans. Alternatively, under a CHIP Medicaid expansion, states may offer benchmark benefit plans similar to those listed above. States may also waive many of the basic benefit rules described above to conduct demonstration projects under Section 1115 authority that test alternative methods of meeting the overall purpose of CHIP. Medicaid expansion programs must follow the nominal Medicaid cost-sharing rules or, for certain populations, may apply alternative higher premiums and service-related cost-sharing. States with separate CHIP programs may vary cost-sharing requirements by family income, but the total annual aggregate cost-sharing (including premiums, copayments, and similar charges) for a family may not exceed 5% of total income in a year, and certain services such as preventive care are exempt from cost-sharing.

Individual eligibility criteria: Target populations are defined by states within federal parameters. Children must be under age 19, lack health insurance, and not be qualified for regular Medicaid. States may set the upper income limit for targeted children at up to 200% of federal poverty guidelines or 50 percentage points above the applicable pre-CHIP (1997) Medicaid income level. States may seek federal approval to serve higher-income children. States also may cover pregnant women who lack health insurance and meet specified income thresholds. Other groups (e.g., parents) may be covered under certain circumstances (e.g., through Section 1115 waivers or CHIP premium assistance payments).

Form and recipient of federal assistance: Formula grants to states. Allows participation by territories (American Samoa, Guam, Northern Mariana Islands, Puerto Rico, and the U.S. Virgin Islands).

Allocation formula: The allotment methodology was changed by CHIPRA, beginning with FY2009. Rather than dividing the entire national appropriation among states, the law now calculates allotment amounts for each state, which they will receive unless the national appropriation is inadequate. The new allotment formula is based primarily on states' past and/or projected federal CHIP spending (depending on the year) increased by a growth factor. For FY2009 onward, annual allotments are available for two years, with unspent funds available for redistribution first to shortfall states and then for bonus payments directed at states that exceed certain child enrollment levels and that implement certain outreach and enrollment initiatives. Prior to CHIPRA, funds were allocated among states according to a formula based on a combination of the number of low-income children and low-income uninsured children in the state, and including a cost factor that represented average health service industry wages in the state compared to the national average.

Matching or related requirements: State expenditures are matched at an "enhanced" federal medical assistance percentage (E-FMAP). The E-FMAP for CHIP lowers the state's share of CHIP expenditures by 30% compared to the regular Medicaid FMAP. The CHIP E-FMAP rate is subject to a ceiling of 85% and a floor of 65%.

New obligations: *FY2009:* $9.534 billion. *FY2008:* $6.360 billion.

Budgetary classification: Mandatory (capped entitlement to states).

Participation data: During FY2009, the total number of children ever enrolled during the year was 7,717,317; and the total number of adults ever enrolled during the year was 504,915.

CRS reports: CRS Report R40444, *State Children's Health Insurance Program (CHIP): A Brief Overview*, by Elicia J. Herz and Evelyne P. Baumrucker; and CRS Report R41210, *Medicaid and the State Children's Health Insurance Program (CHIP) Provisions in PPACA: Summary and Timeline*, coordinated by Julie Stone.

Voluntary Medicare Prescription Drug Benefit—Low-Income Subsidy (CFDA 93.770)

Note: The following describes this program as it operated in FY2009; see CRS reports listed below for discussion of changes made by the Patient Protection and Affordable Care Act (P.L. 111-148).

Authority: *Statute:* Part D of Title XVIII of the Social Security Act, established by the Medicare Prescription Drug, Improvement and Modernization Act of 2003 (P.L. 108-173); 42 USC 1395w-101-152. *Regulations:* 42 CFR Part 423.

Federal administering agency: Department of Health and Human Services, Centers for Medicare and Medicaid Services.

Purpose of program: To provide low-income seniors and people with disabilities with comprehensive prescription drug benefits.

Benefit/service: Prescription drug coverage with reduced premiums, copayments and other out-of-pocket expenses.

Individual eligibility criteria: Individuals with incomes below 150% of federal poverty guidelines and limited resources are eligible for subsidized prescription drug coverage. Those with incomes no higher than 135% of federal poverty guidelines receive the highest level of subsidy. Certain individuals are automatically eligible: those also eligible for Medicaid (i.e., "dual eligibles"); Medicare Savings Program recipients; and Supplemental Security Income (SSI) recipients.

Form and recipient of federal assistance: Contracts with participating prescription drug plans; payments are made to plans for the monthly premiums, deductibles and coverage gap expenses of low-income subsidy beneficiaries.

Allocation formula: Not applicable.

Matching or related requirements: Not applicable.

New obligations: *CY2009:* $20.300 billion. *CY2008:* $17.400 billion. (Aggregate reimbursements under Low-Income Subsidy in calendar year.)

Budgetary classification: Mandatory (entitlement to individuals).

Participation data: In calendar year 2009, 10 million beneficiaries received low-income subsidies.

CRS reports: CRS Report R40611, *Medicare Part D Prescription Drug Benefit*, by Patricia A. Davis; and CRS Report R41196, *Medicare Provisions in the Patient Protection and Affordable Care Act (PPACA): Summary and Timeline*, coordinated by Patricia A. Davis.

Medicaid (CFDA #93.778)

Note: The following describes this program as it operated in FY2009; see CRS reports listed below for discussion of changes made by the Patient Protection and Affordable Care Act (P.L. 111-148).

Authority: *Statute:* Title XIX of the Social Security Act, established by the Social Security Amendments of 1965 (P.L. 89-97); 42 USC 1396. *Regulations:* 42 CFR Parts 430-456.

Federal administering agency: Department of Health and Human Services, Centers for Medicare and Medicaid Services.

Purpose of program: To provide medical assistance to families with dependent children and aged, blind or disabled individuals who have insufficient income and resources to afford necessary medical care, and to provide rehabilitation and other services to help such families and individuals achieve independence and self-care.

Benefit/service: Federal law requires states to cover certain health benefits under Medicaid; other services may be offered at state option. Examples of *mandatory* services for most eligibility groups include inpatient hospital services, services provided by qualified federal health centers, laboratory and x-ray services, physician services, pregnancy-related services, nursing facility services for individuals 21 and older, and home health care for those entitled to nursing home care. Examples of *optional* services provided for most eligibility groups in many states include prescribed drugs, physician-directed clinic services, other licensed practitioners (e.g., optometrists, podiatrists, psychologists), inpatient psychiatric care for the elderly and individuals under age 21, nursing facility services for individuals under age 21, physical therapy, prosthetic devices, and transportation.

Individual eligibility criteria: Individuals must meet financial (i.e., income and sometimes resource) and nonfinancial (i.e., categorical) requirements. Federal law defines more than 50 potentially eligible population groups; some groups are mandatory (all states must cover them) and others are optional (states may cover them at their discretion). In some cases, income eligibility standards are tied directly to specified percentages of the federal poverty guidelines. For example, Medicaid *mandatory* coverage groups include pregnant women and children under age 6 with family incomes at or below 133% of poverty; children ages 6-18 with family incomes at or below 100% of poverty; certain parents and children in working families who are entitled to Medicaid for at least 6 months and up to 12 months if their income does not exceed 185% of poverty (i.e., Transitional Medical Assistance, TMA)); individuals who qualify for Medicare Part A whose incomes do not exceed 100% of poverty (Qualified Medicare Beneficiaries (QMBs)); and individuals who are entitled to Medicare Part A with incomes between 100% and 120% of poverty (Specified Low-Income Beneficiaries (SLMs)). Mandatory groups also include families who qualify via rules applicable to the former Aid to Families with Dependent Children (AFDC) program; also, families who lose Medicaid as a result of increased child/spousal support or earned income may receive TMA for four months. Medicaid *optional* groups with income eligibility standards tied directly to specified percentages of the federal poverty guidelines include pregnant women and infants with incomes between 133% and 185% of poverty; CHIP-financed targeted low-income children; disabled and elderly (age 65+) individuals with incomes up to 100% of poverty; disabled working individuals whose family income does not exceed 250% of poverty;

and individuals who would be QMBs except that their incomes are between 120% and 135% of poverty (i.e., Qualifying Individuals (QI-1s)).

Form and recipient of federal assistance: Partial reimbursement to states of eligible expenditures, with no cap on federal spending. Allows participation by territories (American Samoa, Guam, Northern Marianas, Puerto Rico and the U.S. Virgin Islands).

Allocation formula: Payments to states are based on their eligible expenditures and the applicable FMAP (see below).

Matching or related requirements: The federal share of expenditures on Medicaid services is called the federal medical assistance payment (FMAP) and is inversely related to a state's per capita income. The FMAP is higher for states with lower per capita income relative to the national average and vice versa for states with higher per capita income. The FMAP ranges from a statutory low of 50% to a statutory high of 83%. Medicaid administrative expenditures are generally matched at a 50% rate, with certain exceptions. For expenditures in FY2009, the American Recovery and Reinvestment Act authorized a temporary increase in FMAPs for states. (Subsequent legislation extended this increase through June 2011.)

New obligations: *FY2009:* $265.058 billion (includes $32.632 billion in estimated additional federal matching provided under the American Recovery and Reinvestment Act). *FY2008:* $214.015 billion.

Budgetary classification: Mandatory (open-ended entitlement to states).

Participation data: During FY2009, an average of 51.1 million individuals were enrolled in Medicaid each month (including 24.9 million children); and a total of 65.2 million individuals were enrolled during the year (including 31.3 million children).

CRS reports: CRS Report RL33202, *Medicaid: A Primer*, by Elicia J. Herz; and CRS Report R41210, *Medicaid and the State Children's Health Insurance Program (CHIP) Provisions in PPACA: Summary and Timeline*, coordinated by Julie Stone.

Ryan White HIV/AIDS Program (CFDA #93.917)

Authority: *Statute:* Title XXVI of the Public Health Service Act, established by the Ryan White Comprehensive AIDS Resources Emergency Act of 1990 (P.L. 101-381) and most recently reauthorized by the Ryan White HIV/AIDS Treatment Extension Act of 2009 (P.L. 111-87); 42 USC 300ff. *Regulations:* no formal program-specific regulations.

Federal administering agency: Department of Health and Human Services, Health Resources and Services Administration, HIV/AIDS Bureau.

Purpose of program: To address the unmet care and treatment needs of persons living with HIV/AIDS who are uninsured or underinsured, and therefore are unable to pay for HIV/AIDS health care and vital health-related supportive services.

Benefit/service: Primarily core medical services; i.e., outpatient and ambulatory health services, drug treatments (including through the AIDS Drug Assistance Program, ADAP), oral health, early intervention services, health insurance premium and cost-sharing assistance for low-income individuals, home health, medical nutrition therapy, hospice, home and community-based services, mental health, substance abuse outpatient care, and medical case management, including treatment adherence services; and some supportive services; i.e., outreach, medical transportation, language services, respite care for caregivers, and referrals for health care and support services. Services are provided without charge for individuals whose incomes are below federal poverty guidelines and are provided on a sliding fee scale basis for those whose incomes exceed federal poverty guidelines.

Individual eligibility criteria: Individuals and families with HIV disease. Specific clinical and income eligibility criteria are set by states.

Form and recipient of federal assistance: Formula grants to eligible metropolitan areas, "transitional grant" areas, and to states and territories; competitive supplemental grants are awarded based on need. Competitive grants are made to qualified health centers, family planning clinics, hemophilia centers, rural health clinics, Indian Health Service facilities and certain other health facilities and organizations; public and private nonprofit organizations; and dental schools. Allows participation by territories (American Samoa, Guam, Marshall Islands, Micronesia, Northern Mariana Islands, Palau, Puerto Rico, and the U.S. Virgin Islands).

Allocation formula: Funds are allocated on the basis of number of living HIV and AIDS cases.

Matching or related requirements: Any state with more than 1% of the nation's confirmed cases of HIV/AIDS must provide a nonfederal match equal to $1 for every federal $5 in the first year of payments under the grant, $1 for every federal $4 in the second year, $1 for every federal $3 in the third year, and $1 for every federal $2 in the fourth and fifth years of the grant.

New obligations: *FY2009:* $2.227 billion. *FY2008:* $2.141 billion.

Budgetary classification: Discretionary.

Participation data: It is estimated that the program serves more than a half-million low-income people with HIV/AIDS each year.

CRS report: CRS Report RL33279, *The Ryan White HIV/AIDS Program*, by Judith A. Johnson.

Breast/Cervical Cancer Early Detection (CFDA #93.919)

Authority: *Statute:* Title XV of the Public Health Service Act, established by the Breast and Cervical Cancer Mortality Prevention Act of 1990 (P.L. 101-354) and most recently reauthorized by the National Breast and Cervical Cancer Early Detection Program Reauthorization Act of 2007 (P.L. 110-18); 42 USC 300k. *Regulations:* no formal program-specific regulations.

Federal administering agency: Department of Health and Human Services, Centers for Disease Control and Prevention, Division of Cancer Prevention and Control.

Purpose of program: To provide low-income, uninsured, and underserved women access to timely breast and cervical cancer screening and diagnostic services.

Benefit/service: Clinical breast examinations, mammograms, Pap tests, pelvic examinations, diagnostic testing if results are abnormal, and referrals to treatment. No fees for services may be charged for women with incomes below 100% of federal poverty guidelines. (Under the Breast and Cervical Cancer Prevention and Treatment Act of 2000, P.L. 106-354, women who are screened through the CDC program are an optional Medicaid coverage group, which means that states may offer them medical services through their Medicaid programs.)

Individual eligibility criteria: States must give priority to low-income women. CDC defines the eligible population as uninsured and underinsured women with income at or below 250% of federal poverty guidelines, aged 18-64 for cervical screening and 40-64 for breast screening.

Form and recipient of federal assistance: Competitive grants to states, which enter into grants and contracts with public and private nonprofit entities. Allows participation by territories (Puerto Rico, American Samoa, Northern Mariana Islands, Marshall Islands, Micronesia, Palau) and Indian tribes and tribal organizations.

Allocation formula: Not applicable.

Matching or related requirements: A nonfederal match, in cash or in-kind, of $1 for every federal $3 is required. Programs must also maintain their previous level of effort before additional resources will be considered toward the matching requirement.

New obligations: *FY2009:* $206 million. *FY2008:* $201 million. (Appropriations.)

Budgetary classification: Discretionary.

Participation data: In program year 2009 (July 2008-June 2009), a total of 324,912 women were screened for breast cancer and 320,627 women were screened for cervical cancer.

Maternal and Child Health Block Grant (CFDA #93.994)

Note: The following describes this program as it operated in FY2009; see CRS report listed below for discussion of changes made by the Patient Protection and Affordable Care Act (P.L. 111-148).

Authority: *Statute:* Title V of the Social Security Act, enacted in 1935 and converted into a block grant by the Omnibus Budget Reconciliation Act of 1981 (P.L. 97-35); 42 USC 701. *Regulations:* 42 CFR Part 96.

Federal administering agency: Department of Health and Human Services, Health Resources and Services Administration, Maternal and Child Health Bureau.

Purpose of program: To improve the health of all mothers and children consistent with applicable health status goals and national health objectives established by the Secretary of HHS.

Benefit/service: Preventive and primary health care services (excluding inpatient services with some exceptions) for women, infants and children, including children with special health care needs.

Individual eligibility criteria: Defined by the states. Federal law emphasizes services to low-income mothers and children, defined as those with income at or below the federal poverty guidelines.

Form and recipient of federal assistance: Formula grants to states. Allows participation by territories (Puerto Rico, U.S. Virgin Islands, Guam, American Samoa, Northern Mariana Islands, and Micronesia, Marshall Islands, and Palau).

Allocation formula: Funds are allocated among states based on two factors: the amount awarded to each state in 1983 under previous programs that were consolidated into the block grant; and each state's relative share of low-income children.

Matching or related requirements: States must provide $3 for every $4 in federal funding received. States must maintain their level of spending from state funds in 1989 on maternal and child health services.

New obligations: *FY2009:* $662 million. *FY2008:* $666 million.

Budgetary classification: Discretionary.

Participation data: In FY2008, an estimated 35 million children were served.

CRS report: CRS Report R41278, *Public Health, Workforce, Quality, and Related Provisions in PPACA: Summary and Timeline*, coordinated by C. Stephen Redhead and Erin D. Williams.

Indian Health Service (no CDFA #)

Note: The following describes this program as it operated in FY2009; see CRS report listed below for discussion of changes made by the Patient Protection and Affordable Care Act (P.L. 111-148).

Authority: *Statute:* Snyder Act of 1921 (P.L. 83-568) and the Indian Health Care Improvement Act of 1976 (P.L. 94-437), most recently reauthorized by the Patient Protection and Affordable Care Act (P.L. 111-148); 25 USC 1601 et seq. *Regulations:* 42 CFR Part 136.

Federal administering agency: Department of Health and Human Services, Indian Health Service.

Purpose of program: To elevate the health status of the Indian population to a level at parity with the general U.S. population.

Benefit/service: Hospital, medical, and dental care, behavioral health, environmental health and sanitation services as well as outpatient services and the services of mobile clinics and public health nurses, and preventive care, including immunizations and health examinations of special groups, such as school children. Services are provided free of charge.

Individual eligibility criteria: Persons of American Indian or Alaskan Native (AI/AN) descent who are members of a federally recognized Indian tribe, live within an Indian Health Service Health Service Delivery Area (HSDA), or are the natural minor children (18 years old or younger) of such an eligible member AI/AN and live within an HSDA.

Form and recipient of federal assistance: Services are provided directly by the Indian Health Service in IHS or tribal health facilities or through contracts.

Allocation formula: Not applicable.

Matching or related requirements: None. The Indian Health Service collects reimbursements from Medicare and Medicaid for services that it provides to members of its eligible population who also are eligible for those programs. If an eligible AI/AN has private health insurance, IHS is reimbursed for services provided.

New obligations: *FY2009:* $5.416 billion (includes $294 million under the American Recovery and Reinvestment Act). *FY2008:* $4.347 billion. (Services and facilities.)

Budgetary classification: Discretionary.

Participation data: In FY2009, the IHS service population was estimated at 1.9 million American Indians and Alaskan Natives.

CRS report: CRS Report R41152, *Indian Health Care Improvement Act Provisions in the Patient Protection and Affordable Care Act (PPACA)*, by Elayne J. Heisler and Roger Walke.

Cash Aid

Pensions for Needy Veterans, their Dependents and Survivors (CFDA #64.104 and #64.105)

Authority: *Statute:* 38 USC Chapter 15. *Regulations:* 38 CFR Subpart A of Part 3.

Federal administering agency: Department of Veterans Affairs, Veterans Benefits Administration.

Purpose of program: To provide assistance to needy veterans, their dependents and survivors.

Benefit/service: Cash assistance.

Individual eligibility criteria: Veterans, age 65 and older or who are permanently and totally disabled (not due to military service or willful misconduct) regardless of age, who served in the active military for a minimum duration during a period of war, whose income is below a specified amount and whose net worth is not considered excessive. Also, surviving spouses and unmarried dependent children of deceased veterans who served in the active military for a minimum duration during a period of war, whose income is below a specified amount and whose net worth is not considered excessive.

Form and recipient of federal assistance: Direct payment to individuals.

Allocation formula: Not applicable.

Matching or related requirements: Not applicable.

New obligations: *FY2009:* $4.134 billion. *FY2008:* $3.777 billion.

Budgetary classification: Mandatory (entitlement to individuals).

Participation data: In FY2009, benefits were paid to 315,842 veterans and 194,807 survivors.

CRS report: CRS Report RS22804, *Veterans' Benefits: Pension Benefit Programs*, by Christine Scott and Carol D. Davis.

Temporary Assistance for Needy Families (CFDA #93.558)

Authority: *Statute:* Title IV-A of the Social Security Act, established by the Personal Responsibility and Work Opportunity Reconciliation Act of 1996 (P.L. 104-193) and most recently reauthorized by the Claims Resolution Act of 2010 (P.L. 111-291); 42 USC 601-619. *Regulations:* 45 CFR Parts 260-270.

Federal administering agency: Department of Health and Human Services, Administration for Children and Families, Office of Family Assistance.

Purpose of program: To increase state flexibility in operating programs designed to (a) provide assistance to needy families so that children may be cared for in their own homes or in the homes of relatives; (b) end the dependence of needy parents on government benefits by promoting job preparation, work, and marriage; (c) prevent and reduce the incidence of out-of-wedlock pregnancies and establish annual numerical goals for preventing and reducing the incidence of these pregnancies; and (d) encourage the formation and maintenance of two-parent families.

Benefit/service: Benefits or services reasonably calculated to achieve the four statutory goals above, and certain "grandfathered" activities conducted under predecessor program (Aid to Families with Dependent Children) prior to enactment of P.L. 104-193. (More than 70% of total TANF federal and state expenditures in FY2009 were for noncash services, including child care, work activities, child welfare services, and various social services directed toward the statutory goals of family formation and reduced nonmarital pregnancies.) Cash assistance benefit levels are defined by the individual states.

Individual eligibility criteria: Families with dependent children as determined eligible under income and asset criteria defined by the states.

Form of assistance: Formula grants to states; competitive awards to public and private entities for healthy marriage promotion and responsible fatherhood grants. Allows participation by territories (American Samoa, Guam, Puerto Rico and the U.S. Virgin Islands) and federally recognized Indian tribes and certain Alaskan Native organizations.

Allocation formula: The basic TANF block grant is allocated among states according to their peak expenditures for pre-TANF programs during the FY1992-FY1995 period. Supplemental TANF grants are provided to states that meet certain criteria of high population growth and/or low historic grants per poor person. TANF contingency funds are available to states that meet a test of economic "need" and increase spending from their own funds above what they spent in FY1994 on cash, emergency assistance, and job training in TANF's predecessor programs. For FY2009 (and FY2010), states could draw down additional funds from the TANF Emergency Contingency Fund, created by the American Recovery and Reinvestment Act (ARRA), which reimbursed states for increased expenditures on basic assistance, nonrecurring short-term benefits, and subsidized employment.

Matching or related requirements: None. The basic TANF block grant requires states to maintain spending from their own funds on TANF or TANF-related activities for needy families with children equal to 75% of what was spent from state funds in FY1994 under TANF's predecessor programs. This maintenance-of-effort (MOE) requirement increases to 80% of FY1994 spending

for states that fail to meet TANF work participation requirements. For the TANF contingency fund, a higher state spending requirement applies (100% of the historic level).

New obligations: *FY2009:* $18.761 billion (includes $616 million under the American Recovery and Reinvestment Act). *FY2008:* $17.469 billion.

Obligations are broken down as follows in this report, based on states' reporting of expenditures: *FY2009:* $6.102 billion (cash assistance); $10.826 billion (social services); and $1.832 billion (employment and training). *FY2008:* $6.356 billion (cash assistance); $9.416 billion (social services); and $1.697 billion (employment and training). (Cash assistance and employment and training amounts include obligations under the TANF block grant, supplemental grants, territories and tribal grants, and contingency funds. Social services amounts include obligations under these grants as well as healthy marriage promotion and responsible fatherhood grants.)

Budgetary classification: Mandatory (capped entitlement to states).

Participation data: In June 2009, a total of 1.8 million families, composed of 4.3 million recipients (including 3.3 million children), received TANF- or MOE-funded cash assistance. In June 2010, a total of 1.9 million families, composed of 4.5 million recipients (including 3.4 million children), received TANF- or MOE-funded cash assistance. The larger number of individuals or families receiving any TANF- or MOE-funded benefit or service is not known.

CRS report: CRS Report R40946, *The Temporary Assistance for Needy Families Block Grant: An Introduction*, by Gene Falk.

Supplemental Security Income (CFDA #96.006)

Authority: *Statute:* Title XVI of the Social Security Act, established by the Social Security Amendments of 1973 (P.L. 92-603); 42 USC 1381-1383f. *Regulations:* 20 CFR Part 416.

Federal administering agency: Social Security Administration.

Purpose of program: To provide a minimum income for aged, blind or disabled individuals who have very limited income and assets.

Benefit/service: Cash assistance. The basic federal SSI benefit is the same for all beneficiaries nationwide (reduced by any countable income). States may supplement the federal benefit.

Individual eligibility criteria: Individuals who are aged 65 or older, blind or disabled (adults and children of any age), whose countable income and resources fall within certain specified limits.

Form and recipient of federal assistance: Direct payments to individuals. Allows participation by individuals in the Northern Mariana Islands.

Allocation formula: Not applicable.

Matching or related requirements: Not applicable. However, states may supplement the federal benefit with their own funds.

New obligations: *FY2009:* $52.446 billion. *FY2008:* $48.926 billion.

Budgetary classification: Mandatory (entitlement to individuals).

Participation data: In FY2009, a total of 7,691,602 beneficiaries received benefits, of which 263,386 received state supplements only.

CRS reports: 94-486, *Supplemental Security Income: A Fact Sheet*, by Scott Szymendera; and CRS Report RL32279, *Primer on Disability Benefits: Social Security Disability Insurance (SSDI) and Supplemental Security Income (SSI)*, by Umar Moulta-Ali.

Additional Child Tax Credit (no CFDA #)

Authority: *Statute:* 26 USC 24, established by the Taxpayer Relief Act of 1997 (P.L. 105-34). *Regulations:* no formal program-specific regulations.

Federal administering agency: Internal Revenue Service.

Purpose of program: To assist eligible parents with dependent children whose tax liability is not sufficient to receive the full benefit of the regular nonrefundable Child Tax Credit.

Benefit/service: Refundable tax credit.

Individual eligibility criteria: Families with qualifying children (i.e., under age 17) who have earned income above a specified threshold, and whose tax liability is not sufficient for them to receive the full benefit of the regular nonrefundable Child Tax Credit.

Form and recipient of federal assistance: The credit is provided in a refund check.

Allocation formula: Not applicable.

Matching or related requirements: None.

New obligations: *FY2009:* $24.284 billion. *FY2008:* $34.019 billion. (Note: FY2008 amount includes an unspecified amount of spending for a one-time tax rebate of $300 per child, as authorized by the Economic Stimulus Act of 2008, P.L. 110-185, which was not targeted toward low-income families.)

Budgetary classification: Mandatory (entitlement to individuals).

Participation data: For tax year 2008, 18.2 million returns claimed the Additional Child Tax Credit.

Earned Income Tax Credit (refundable portion) (no CFDA #)

Authority: *Statute:* 26 USC 32, established by the Tax Reduction Act of 1975 (P.L. 94-12). *Regulations:* 26 CFR 1.32.

Federal administering agency: Internal Revenue Service, Earned Income Tax Credit Office.

Purpose of program: To offset the burden of taxes, including Social Security taxes, and provide an incentive to work.

Benefit/service: Tax credit to reduce the amount of income taxes owed; an eligible worker may receive the credit regardless of whether taxes are owed (i.e., the credit is refundable).

Individual eligibility criteria: Families with qualifying children (i.e., under age 19 or 24 if a full-time student, or permanently or totally disabled) and childless adults (aged 25-64) who have earned income below specified levels.

Form and recipient of federal assistance: The refundable portion of the credit can be provided in a refund check, or (prior to 2011) for eligible families with children, as an adjustment to income throughout the year. (This advance payment option was repealed for tax years beginning after Dec. 31, 2010, by P.L. 111-246.)

Allocation formula: Not applicable.

Matching or related requirements: None.

New obligations: *FY2009:* $42.418 billion. *FY2008:* $40.600 billion.

Budgetary classification: Mandatory (entitlement to individuals).

Participation data: For tax year 2008, 21.7 million returns claimed the refundable portion of the EITC.

CRS report: CRS Report RL31768, *The Earned Income Tax Credit (EITC): An Overview*, by Christine Scott.

Food Assistance

Supplemental Nutrition Assistance Program (formerly the Food Stamp Program) (CFDA #10.551)

Authority: *Statute:* Food Stamp Act of 1964 (P.L. 88-525), renamed and most recently reauthorized as the Food and Nutrition Act of 2008, by the Food, Conservation and Energy Act of 2008 (P.L. 110-246); 7 USC 2011-2036. *Regulations:* 7 CFR Part 271.

Federal administering agency: Department of Agriculture, Food and Nutrition Service.

Purpose of program: To alleviate hunger and malnutrition and permit low-income households to obtain a more nutritious diet by increasing their food purchasing power.

Benefit/service: Cash benefits that can be used to purchase food, typically provided through electronic benefit transfer. Allotments are determined on the basis of a low-cost model diet plan (called the Thrifty Food Plan). An individual household's allotment is equal to the inflation-indexed maximum allotment for that household's size, reduced by 30% of the household's net monthly income (gross income, less allowances for non-food living expenses).

Individual eligibility criteria: Eligible households must (1) have gross monthly income no higher than 130% of federal poverty guidelines and limited liquid assets (special, higher standards apply to households with elderly/disabled members) or (2) be categorically (automatically) eligible because they receive benefits/services financed by Temporary Assistance for Needy Families (TANF) programs or the Supplemental Security Income (SSI) program. Some individuals are categorically ineligible: most noncitizens, able-bodied adults without dependents (ABAWDs) after three months (unless they are working or in a work/training program), strikers, and post-secondary students without dependents who are not working or in a work/training program.

Form and recipient of federal assistance: Direct benefits to individuals; grants to states for assistance with administrative costs and operating expenses for employment/training programs for recipients. Allows participation by territories (Guam and the U.S. Virgin Islands). Separate programs operate in Puerto Rico (described later in this report), American Samoa, the Northern Mariana Islands and on Indian reservations.

Allocation formula: Not applicable.

Matching or related requirements: None for expenditures on benefits; 50% for state administrative and the majority of employment/training expenditures.

New obligations: *FY2009:* $53.763 billion (includes $4.478 billion under the American Recovery and Reinvestment Act). *FY2008:* $37.530 billion. (Benefits, state administration, employment and training program, and other program costs.)

Obligations are broken down as follows in this report: *FY2009:* $53.396 billion (food assistance) and $367 million (employment and training). *FY2008:* $37.179 billion (food assistance) and $351 million (employment and training).

Budgetary classification: Mandatory (entitlement to individuals, and open-ended entitlement to states for administrative costs).

Participation data: In FY2009, average monthly participation was 33.49 million persons.

CRS report: CRS Report RL33829, *Domestic Food Assistance and the 2008 Farm Bill*, by Joe Richardson.

School Breakfast Program (Free and Reduced-Price Components) (CFDA #10.553)

Authority: *Statute:* Section 4 of the Child Nutrition Act of 1966 (P.L. 89-642), most recently reauthorized by the Healthy, Hunger-Free Kids Act of 2010 (P.L. 111-296); 42 USC 1773. *Regulations:* 7 CFR Part 220.

Federal administering agency: Department of Agriculture, Food and Nutrition Service.

Purpose of program: To promote learning readiness and healthy eating behaviors through provision of nutritious breakfasts.

Benefit/service: Breakfasts that meet minimum federal nutrition standards and are served free or at reduced price by participating public and private elementary and secondary schools and residential child care institutions.

Individual eligibility criteria: Children are eligible to receive free school breakfasts if their family income is below 130% of federal poverty guidelines, or if they receive Temporary Assistance for Needy Families (TANF) or Supplemental Nutrition Assistance Program (SNAP) benefits or services. Children are eligible to receive reduced-price school breakfasts if their family income is between 130% and 185% of federal poverty guidelines.

Form and recipient of federal assistance: Cash is allocated to state educational agencies, which distribute benefits to participating schools and institutions to subsidize the costs of school breakfasts. Meals that are served free receive a higher subsidy than meals served at reduced price. Participating schools and institutions also receive a small subsidy for meals served at full price to non-needy children. Allows participation by territories (American Samoa, Guam, the Northern Marianas, Puerto Rico, and the U.S. Virgin Islands).

Allocation formula: Inflation-adjusted per-meal reimbursement rates are specified for each type of breakfast served (free, reduced-price, full-price).

Matching or related requirements: None, although children's meal payments help finance the cost of the program.

New obligations: *FY2009:* $2.513 billion. *FY2008:* $2.307 billion. (Free and reduced-price components only.)

Budgetary classification: Mandatory (open-ended entitlement to participating schools and institutions).

Participation data: In FY2009, average monthly participation in the free and reduced-price components was 9.068 million children.

CRS report: CRS Report R41354, *Child Nutrition and WIC Reauthorization: Issues and Legislation in the 111th Congress*, by Joe Richardson.

National School Lunch Program (Free and Reduced-Price Components) (CFDA #10.555)

Authority: *Statute:* Richard B. Russell National School Lunch Act (P.L. 79-396), most recently reauthorized by the Healthy, Hunger-Free Kids Act of 2010 (P.L. 111-296); 42 USC 1751-1769i. *Regulations:* 7 CFR Parts 210 and 245.

Federal administering agency: Department of Agriculture, Food and Nutrition Service.

Purpose of program: To safeguard the health and well-being of the nation's children and to encourage the domestic consumption of nutritious agricultural commodities and other food.

Benefit/service: Lunches that meet minimum federal nutrition standards and are served free or at reduced price by participating public and private elementary and secondary schools and residential child care institutions.

Individual eligibility criteria: Children are eligible to receive free school lunches if their household income is below 130% of federal poverty guidelines, or if they receive Temporary Assistance for Needy Families (TANF) or Supplemental Nutrition Assistance Program (SNAP) benefits or services. Children are eligible to receive reduced-price school lunches if their household income is between 130% and 185% of federal poverty guidelines.

Form and recipient of federal assistance: Cash and commodity support are allocated to state educational agencies, which distribute benefits to participating schools and institutions to subsidize the costs of school lunches. Meals that are served free receive a higher subsidy than meals served at reduced price. Participating schools also receive a small subsidy for meals served at full price to non-needy children. Allows participation by territories (American Samoa, Guam, the Northern Marianas, Puerto Rico, and the U.S. Virgin Islands).

Allocation formula: Inflation-adjusted per-meal reimbursement rates are specified for each type of lunch served (free, reduced-price, full-price).

Matching or related requirements: None, although children's meal payments help finance the cost of the program. States must maintain the level of support they offered in 1980.

New obligations: *FY2009:* $8.498 billion. *FY2008:* $7.863 billion. (Free and reduced-price components only.)

Budgetary classification: Mandatory (open-ended entitlement to participating schools and institutions).

Participation data: In FY2009, average monthly participation in the free and reduced-price components was 19.45 million children.

CRS report: CRS Report R41354, *Child Nutrition and WIC Reauthorization: Issues and Legislation in the 111th Congress*, by Joe Richardson.

Special Supplemental Nutrition Program for Women, Infants and Children (WIC) (CFDA #10.557)

Authority: *Statute:* Section 17 of the Child Nutrition Act of 1966, established by the National School Lunch Amendments (P.L. 92-433) and most recently reauthorized by the Healthy, Hunger-Free Kids Act of 2010 (P.L. 111-296); 42 USC 1786. *Regulations:* 7 CFR Part 246.

Federal administering agency: Department of Agriculture, Food and Nutrition Service.

Purpose of program: To provide supplemental food and nutrition education to eligible women and children to serve as an adjunct to good health care during critical times of development, to prevent the occurrence of health problems, including drug abuse, and improve the health status of beneficiaries.

Benefit/service: Food assistance (in the form of vouchers for the purchase of specifically prescribed food packages), nutrition risk screening, and related services (e.g., nutrition education and breastfeeding support, medical care referral).

Individual eligibility criteria: Eligible individuals are pregnant, postpartum or breastfeeding women, infants (to age 1) or children (to age 5) who are at nutritional risk (as defined by the Secretary), and who have family income no greater than 185% of federal poverty guidelines or who receive or are eligible for benefits or services under the Supplemental Nutrition Assistance Program (SNAP), Temporary Assistance for Needy Families (TANF), or Medicaid.

Form and recipient of federal assistance: Formula grants to states. Allows participation by territories (American Samoa, Guam, Northern Mariana Islands, and the U.S. Virgin Islands) and Indian tribes and tribal organizations.

Allocation formula: State allocations are based on a formula established through regulations that reflect food and caseload costs, inflation, and "need" as evidenced by poverty indices.

Matching or related requirements: None. States are required to operate a cost containment system for infant formula, which results in manufacturers' rebates that reduce the cost of WIC food packages.

New obligations: *FY2009:* $7.028 billion (includes $72 million under the American Recovery and Reinvestment Act). *FY2008:* $6.400 billion.

Budgetary classification: Discretionary.

Participation data: In FY2009, 9.1 million participants were served.

CRS report: CRS Report R41354, *Child Nutrition and WIC Reauthorization: Issues and Legislation in the 111th Congress*, by Joe Richardson.

Child and Adult Care Food Program (Lower-Income Components) (CFDA #10.558)

Authority: *Statute:* Section 17 of the Richard B. Russell National School Lunch Act, established by the National School Lunch and Child Nutrition Act Amendments (P.L. 94-105) and most recently reauthorized by the Healthy, Hunger-Free Kids Act of 2010 (P.L. 111-296); 42 USC 1766. *Regulations:* 7 CFR Part 226.

Federal administering agency: Department of Agriculture, Food and Nutrition Service.

Purpose of program: To enable nonresidential day care institutions to integrate a nutritious food service with organized care services for enrolled children or adults.

Benefit/service: Breakfasts, lunches, suppers and snacks that meet minimum federal nutrition standards.

Individual eligibility criteria: Eligible children are age 12 or under, migrant children age 15 or under, disabled children of any age; also eligible are chronically impaired and elderly adults. In centers, individuals are eligible to receive free meals/snacks if their household income is below 130% of federal poverty guidelines, or reduced-price meals/snacks if their household income is between 130% and 185% of federal poverty guidelines. Children whose families receive benefits or services under the Supplemental Nutrition Assistance Program (SNAP), Food Distribution Program on Indian Reservations (FDPIR), or Temporary Assistance for Needy Families (TANF) program are automatically eligible for free meals/snacks. Children who are income-eligible for Head Start or Even Start, or who are residents of emergency shelters, also are automatically eligible for free meals/snacks. Adults who receive SNAP, FDPIR, Supplemental Security Income (SSI) or Medicaid benefits are automatically eligible for free meals/snacks.

Form and recipient of federal assistance: Cash and commodity support are allocated to state agencies, which distribute benefits to eligible public or private nonprofit centers and sponsoring organizations to subsidize the costs of meals and snacks. Meals that are served free receive a higher subsidy than meals served at reduced price. Participating institutions also receive a small subsidy for meals served at full price to non-needy children and adults. Allows participation by territories (American Samoa, Guam, the Northern Mariana Islands, Puerto Rico, Trust Territories of the Pacific, and the U.S. Virgin Islands).

Allocation formula: Centers are reimbursed for meals based on the eligibility of participating children and adults for free, reduced-price, or full-price meals/snacks. Reimbursements to day care homes differ depending on whether they are "Tier 1" homes (located in low-income areas or operated by low-income providers) or "Tier 2" homes (not located in low-income areas or operated by low-income providers).

Matching or related requirements: None.

New obligations: *FY2009:* $2.217 billion. *FY2008:* $2.029 billion. (Lower-income components only.)

Budgetary classification: Mandatory (open-ended entitlement to participating centers and sponsoring organizations).

Participation data: In FY2009, total participation was 3.33 million persons; 82% of meals served to these participants were served either free or at reduced price.

CRS report: CRS Report R41354, *Child Nutrition and WIC Reauthorization: Issues and Legislation in the 111th Congress*, by Joe Richardson.

Summer Food Service Program (CFDA #10.559)

Authority: *Statute:* Section 13 of the Richard B. Russell National School Lunch Act, established by the National School Lunch and Child Nutrition Act Amendments (P.L. 94-105) and most recently reauthorized by the Healthy, Hunger-Free Kids Act of 2010 (P.L. 111-296); 42 USC 1761. *Regulations:* 7 CFR Part 225.

Federal administering agency: Department of Agriculture, Food and Nutrition Service.

Purpose of program: To help children in low-income areas get necessary nutrition during the summer months when they are out of school.

Benefit/service: Meals and snacks.

Individual eligibility criteria: Children age 18 or younger and certain individuals with disabilities over the age of 18, who live in low-income areas where at least half the children are from families with incomes below 185% of federal poverty guidelines (open sites), or who are enrolled in an activity program where half the children are from families with incomes below 185% of federal poverty guidelines (enrolled sites), and children from families with incomes below 185% of federal poverty guidelines at participating camps. Automatically eligible are homeless or runaway children and children in Head Start, Early Head Start, Even Start, or state-funded pre-kindergarten programs that have received authorized waivers.

Form and recipient of federal assistance: Cash and commodity support are allocated to state educational agencies, which distribute benefits to approved local public or private nonprofit sponsors to subsidize the costs of meals. Meals that are served free receive a higher subsidy than meals served at reduced price. Allows participation by territories (American Samoa, Guam, Northern Mariana Islands, Puerto Rico, and the U.S. Virgin Islands).

Allocation formula: Inflation-adjusted per-meal reimbursement rates are specified for the type of meal served (free or reduced-price).

Matching or related requirements: None.

New obligations: *FY2009:* $356 million. *FY2008:* $312 million.

Budgetary classification: Mandatory (open-ended entitlement to approved sponsors).

Participation data: In FY2009, a daily average of 2.23 million children participated.

CRS report: CRS Report R41354, *Child Nutrition and WIC Reauthorization: Issues and Legislation in the 111th Congress*, by Joe Richardson.

Commodity Supplemental Food Program (CFDA #10.565)

Authority: *Statute:* Sections 4(a) and 5 of the Agriculture and Consumer Protection Act of 1973 (P.L. 93-86), most recently reauthorized by the Food, Energy and Conservation Act of 2008 (P.L. 110-246); 7 USC 612c note. *Regulations:* 7 CFR Part 247 and 250.

Federal administering agency: Department of Agriculture, Food and Nutrition Service.

Purpose of program: To meet the nutritional needs of low-income elderly persons and pregnant, postpartum, and breastfeeding women, infants, children.

Benefit/service: Food packages and nutrition education.

Individual eligibility criteria: Eligible elderly participants (60 years or older) must have incomes below 130% of federal poverty guidelines; eligible women, infants (under one year of age) and children (under six years old) may have incomes up to 185% of federal poverty guidelines. Regardless of income, individuals may participate if they are eligible for the Supplemental Nutrition Assistance Program (SNAP), Temporary Assistance for Needy Families (TANF), or Medicaid. Individuals who participate in the Special Supplemental Nutrition Program for Women, Infants and Children (WIC) may not also participate in this program.

Form and recipient of assistance: Formula grants and commodity support to states. Allows participation by territories (American Samoa, Guam, Northern Mariana Islands, Puerto Rico, and the U.S. Virgin Islands).

Allocation formula: Funding and commodities are allocated among states according to the caseload, or number of slots, allotted to each project, which is based on previous participation levels. Subject to available appropriations, states may request additional caseload slots.

Matching or related requirements: None.

New obligations: *FY2009:* $165 million. *FY2008:* $141 million.

Budgetary classification: Discretionary.

Participation data: In FY2009, a monthly average of 467,000 persons participated.

CRS report: CRS Report RL33829, *Domestic Food Assistance and the 2008 Farm Bill*, by Joe Richardson.

Nutrition Assistance for Puerto Rico (CFDA #10.566)

Authority: *Statute:* Food Stamp Act of 1977 (P.L. 95-113), renamed and most recently reauthorized as the Food and Nutrition Act of 2008, by the Food, Conservation and Energy Act of 2008 (P.L. 110-246); 7 USC 2028. *Regulations:* 7 CFR Part 285.

Federal administering agency: Department of Agriculture, Food and Nutrition Service.

Purpose of program: To improve diets of needy persons living in Puerto Rico.

Benefit/service: Nutrition assistance benefits. Benefits are provided through electronic benefit transfers, and at least 75% must be used for food purchases.

Individual eligibility criteria: "Needy" is defined by Puerto Rico.

Form and recipient of federal assistance: Block grant to Puerto Rico.

Allocation formula: An annually indexed amount is specified in law.

Matching or related requirements: No match required for costs of benefits; 50% match required for administrative costs.

New obligations: *FY2009:* $2.000 billion (includes $240 million under the American Recovery and Reinvestment Act). *FY2008:* $1.623 billion.

Budgetary classification: Mandatory (capped entitlement to Puerto Rico).

Participation data: In FY2009, a monthly average of 1.19 million individuals participated.

CRS report: CRS Report RL33829, *Domestic Food Assistance and the 2008 Farm Bill*, by Joe Richardson.

The Emergency Food Assistance Program (TEFAP) (CFDA #10.568 and 10.569)

Authority: *Statute:* The Emergency Food Assistance Act of 1983 (P.L. 98-8), most recently reauthorized by the Food, Conservation and Energy Act of 2008 (P.L. 110-246); 7 USC 7501 et seq. *Regulations:* 7 CFR 251.

Federal administering agency: Department of Agriculture, Food and Nutrition Service.

Purpose of program: To supplement the diets of low-income Americans, including elderly people, by providing them with emergency food and nutrition assistance at no cost.

Benefit/service: Food commodities that are distributed to local feeding programs and the administrative costs necessary to store and transport the commodities.

Individual eligibility criteria: Eligible individuals must be needy as defined by the state. State criteria must ensure that only households in need of food assistance because of inadequate income receive assistance under the program. At state discretion, income-based criteria may be met through participation in other income-tested health or welfare programs.

Form and recipient of federal assistance: Formula grants and commodities to states, which distribute funds and commodities among eligible local feeding organizations. Allows participation by Indian tribal organizations.

Allocation formula: Commodities and funding are allocated among states according to a poverty-unemployment formula; 60% is allocated on the basis of a state's share of all persons with income below the poverty level, and 40% is based on a state's share of all unemployed persons.

Matching or related requirements: Funds retained by states for administrative costs must be matched with an equal cash or in-kind contribution. States may not reduce their level of spending of their own funds on commodities or services to organizations receiving TEFAP funds in the later of FY1988 or the year the state began administering the TEFAP program.

New obligations: *FY2009:* $425 million (includes $125 million under the American Recovery and Reinvestment Act). *FY2008:* $240 million. (Commodities and administrative costs.)

Budgetary classification: Mandatory (capped/open-ended entitlement to states) and discretionary.

Participation data: No data available.

CRS report: CRS Report RL33829, *Domestic Food Assistance and the 2008 Farm Bill*, by Joe Richardson.

Nutrition Program for the Elderly (CFDA #93.045)

Authority: *Statute:* Title III of the Older Americans Act of 1965 (P.L. 89-73), most recently reauthorized by the Older Americans Act Amendments of 2006 (P.L. 109-365); 42 USC 3030d-21 - g-22. *Regulations:* 7 CFR 250.42 and 45 CFR Parts 1321, 1326, 1328.

Federal administering agency: Department of Health and Human Services, Administration on Aging.

Purpose of program: To reduce hunger and food insecurity, promote socialization, and promote the health and well-being of older individuals and delay adverse health conditions through access to nutrition and other disease prevention and health promotion services.

Benefit/service: Meals served in congregate settings, home-delivered meals, and related nutrition services (nutrition screening, education and assessment and counseling).

Individual eligibility criteria: Individuals age 60 or older and their spouses. Individuals with disabilities younger than 60 who live in housing facilities occupied primarily by the elderly and where congregate meals are served also may receive congregate meals. To be eligible for home-delivered meals, individuals must be homebound or otherwise isolated. Preference is given to individuals with the greatest economic and social needs, with particular attention to low-income older individuals (i.e., having income no higher than federal poverty guidelines), including low-income minority older individuals, those with limited English proficiency, and those living in rural areas.

Form and recipient of federal assistance: Formula grants to state agencies on aging, which make subgrants to local area agencies on aging. Allows participation by territories (Puerto Rico, American Samoa, Guam, the Northern Mariana Islands, and the U.S. Virgin Islands). A separate nutrition program for Native Americans is authorized under Title VI of the Older Americans Act.

Allocation formula: Funds are allocated to states according to their relative share of the nation's population of older individuals (age 60 and over). States develop their own formulas for allocation of funds among local agencies, which must consider the geographic distribution of older individuals and older individuals with the greatest economic and social needs, paying particular attention to low-income minority households.

Matching or related requirements: A nonfederal share of 25% is required for administrative activities, and a nonfederal share of 15% is required for nutrition services.

New obligations: *FY2009:* $905 million (includes $97 million under the American Recovery and Reinvestment Act). *FY2008:* $756 million. (Congregate meals, home-delivered meals, and nutrition services incentive program.)

Budgetary classification: Discretionary.

Participation data: In FY2008, 1,656,634 clients received congregate meals; 909,913 received home-delivered meals; and 28,358 received nutrition counseling.

CRS report: CRS Report RS21202, *Older Americans Act: Title III Nutrition Services Program*, by Kirsten J. Colello.

Housing and Development

Single-Family Rural Housing Loans (Section 502) (CFDA #10.410)

Authority: *Statute:* Section 502 of the Housing Act of 1949 (P.L. 81-171); 42 USC 1471 et seq. *Regulations:* 7 CFR Part 3550 Subpart B and 7 CFR Part 1980.

Federal administering agency: Department of Agriculture, Rural Housing Service.

Purpose of program: To assist low-income households in obtaining adequate but modest, decent, safe, and sanitary dwellings and related facilities in rural areas.

Benefit/service: Guaranteed or direct loans to assist in purchasing homes; loans also can be used to build, repair, renovate or relocate a home, or to purchase and prepare sites, including to provide water and sewage facilities.

Individual eligibility criteria: For guaranteed loans, individuals may have incomes up to 115% of area median income. For direct loans, individuals must be either low-income (with incomes no higher than 80% of area median) or very low-income (with incomes no higher than 50% of area median).

Form and recipient of federal assistance: Guaranteed or direct loans to individuals. Allows participation by residents of territories (American Samoa, Guam, Marshall Islands, Micronesia, Northern Marianas, Palau, Puerto Rico and the U.S. Virgin Islands).

Allocation formula: Loan funds are allocated among states according to the state's share of rural substandard housing units, rural population in very small communities, rural households with incomes between 80% and 100% of area median income, and rural renter households paying more than 35% of income for rent.

Matching or related requirements: Not applicable.

New obligations: *FY2009:* $225 million. *FY2008:* $121 million. (Re-estimated direct and guaranteed loan subsidy outlays.)

Budgetary classification: Discretionary.

Participation data: In FY2009, 131,335 units received assistance.

CRS report: CRS Report RL33421, *USDA Rural Housing Programs: An Overview*, by Bruce E. Foote.

Rural Rental Assistance Payments (Section 521) (CFDA #10.427)

Authority: *Statute:* Section 521 of the Housing Act of 1949, established by the Housing and Urban Development Act of 1968 (P.L. 90-448); 42 USC 1490. *Regulations:* 7 CFR Part 3560.

Federal administering agency: Department of Agriculture, Rural Housing Service.

Purpose of program: To reduce the rent paid by low-income households in eligible units financed under certain Rural Housing Service programs.

Benefit/service: Rental subsidies for low-income tenants provided through payments to eligible property owners; payments make up the difference between the tenant's rental payment to the owner and the approved rent for the unit.

Individual eligibility criteria: Eligible tenants must have incomes no greater than 80% of area median income, although most assistance is targeted toward tenants with incomes no greater than 50% of area median.

Form and recipient of federal assistance: Direct payments to property owners.

Allocation formula: The number of rental assistance units that may be subsidized is allocated among states according to each state's share of the rural population, rural housing units that are overcrowded and/or lack plumbing, and poor persons living in rural areas.

Matching or related requirements: None.

New obligations: *FY2009:* $902 million. *FY2008:* $479 million.

Budgetary classification: Discretionary.

Participation data: In FY2009, 202,525 units were under contract to be subsidized.

CRS report: CRS Report RL33421, *USDA Rural Housing Programs: An Overview*, by Bruce E. Foote.

Water and Waste Disposal for Rural Communities (CFDA #10.760)

Authority: *Statute:* Section 306 of the Consolidated Farm and Rural Development Act of 1972 (P.L. 92-419), most recently amended and reauthorized by the Food, Conservation and Energy Act of 2008 (P.L. 110-246); 7 USC 1926. *Regulations:* 7 CFR Parts 1779-1780.

Federal administering agency: Department of Agriculture, Rural Utility Service.

Purpose of program: To provide basic human amenities, alleviate health hazards, and promote the orderly growth of the nation's rural areas by meeting the need for new and improved rural water and waste disposal facilities.

Benefit/service: Long-term low-interest loans and grants to support the installation, repair, improvement or expansion of rural water facilities. Loan interest rates are based on the economic health of the community and are lowest in communities where the median household income is 80% of the state nonurban median or the poverty level, or less.

Individual eligibility criteria: There are no individual eligibility criteria. Eligible communities have populations of 10,000 or less and are unable to finance their projects through other means. Grants are targeted toward projects serving poorer communities.

Form and recipient of federal assistance: Loans and formula grants to local governments and public and private organizations. Allows participation by territories (American Samoa, Guam, Northern Mariana Islands, Puerto Rico, the U.S. Virgin Islands) and Indian tribes.

Allocation formula: USDA allocates grant funds among its state rural development offices based on each state's rural population, number of households in poverty, and unemployment.

Matching or related requirements: Grants and loans are intended to cover no more than 75% of project development costs in communities where median household income is 80% of the state nonurban median or the poverty level, or less; or 45% of project development costs in communities where median household income is higher than 80% but less than 100% of the state nonurban median.

New obligations: *FY2009:* $1.370 million (includes $631 million from the American Recovery and Reinvestment Act). *FY2008:* $685 million.

Budgetary classification: Discretionary.

Participation data: No data available.

CRS reports: CRS Report RL30478, *Federally Supported Water Supply and Wastewater Treatment Programs*, coordinated by Claudia Copeland; and CRS Report RL31837, *An Overview of USDA Rural Development Programs*, by Tadlock Cowan.

Public Works and Economic Development (CFDA #11.300)

Authority: *Statute:* Section 201 of the Public Works and Economic Development Act of 1965 (P.L. 89-136), most recently reauthorized by the Economic Development Administration Reauthorization Act of 2004 (P.L. 108-373); 42 USC 3141. *Regulations:* 13 CFR Part 305.

Federal administering agency: Department of Commerce, Economic Development Administration.

Purpose of program: To help the nation's most distressed communities revitalize, expand and upgrade their physical infrastructure to attract new industry, encourage business expansion, diversify local economies and generate or retain long-term private sector jobs and investments.

Benefit/service: Assistance in the acquisition or development of land and improvements for use for a public works, public service, or development facility; and assistance in the acquisition, design and engineering, construction, rehabilitation, alteration, expansion, or improvement of such a facility, including related machinery and equipment.

Individual eligibility criteria: There are no individual eligibility criteria. Eligible projects must be located in areas that have either: low per capita income (80% of the national average or lower); unemployment for the most recent 24-month period that is at least one percentage point higher than the national average; or a special need arising from actual or threatened severe unemployment or economic adjustment problems resulting from severe changes in economic conditions. Projects may be outside such an area if they would create significant employment opportunities for unemployed, underemployed, or low-income residents of such an area.

Form and recipient of federal assistance: Competitive grants to economic development districts (i.e., areas designated by EDA which have sufficient size and resources to foster economic development and which have at least one area fitting the income, unemployment or special need criteria described above), states, local governments, institutions of higher education, or public or private nonprofit organizations and associations acting in cooperation with local governments. Allows participation by territories (American Samoa, Guam, Marshall Islands, Micronesia, Northern Marianas, Palau, Puerto Rico, and the U.S. Virgin Islands) and Indian tribes.

Allocation formula: Not applicable. However, no more than 15% of available funds may be spent in a single state.

Matching or related requirements: In general, the federal share is 50%, plus an additional federal share of no more than 30% based on the relative needs of the area where the project is located. Nonfederal contributions may be in cash or in-kind. At the discretion of the Secretary of Commerce, the federal share may be increased up to 100% for grants to Indian tribes, states or localities that have exhausted their effective taxing and borrowing capacity, or nonprofit organizations that have exhausted their borrowing capacity.

New obligations: *FY2009:* $285 million (includes $147 million under the American Recovery and Reinvestment Act). *FY2008:* $170 million.

Budgetary classification: Discretionary.

Participation data: No data available.

CRS report: CRS Report R41162, *Economic Development Administration: Reauthorization and Funding Issues in the 111th Congress*, by Oscar R. Gonzales and Eugene Boyd.

Supportive Housing for the Elderly (CFDA #14.157)

Authority: *Statute:* Section 202 of the U.S. Housing Act of 1959 (P.L. 86-372), most recently reauthorized by the American Homeownership and Economic Opportunity Act of 2000 (P.L. 106-569); 12 USC 1701q. *Regulations:* 24 CFR Part 891.

Federal administering agency: Department of Housing and Urban Development, Office of Housing.

Purpose of program: To help expand the supply of affordable housing with supportive services for the elderly.

Benefit/service: Financial assistance for development of supportive housing for the elderly, and rent subsidies for eligible tenants.

Individual eligibility criteria: Very low-income households in which at least one member is at least 62 years old at the time of initial occupancy. Very low-income is defined as having income no greater than 50% of area median, adjusted for family size.

Form and recipient of federal assistance: Interest-free capital advances to finance development costs, which do not have to be repaid as long as the project serves very low-income elderly residents for at least 40 years, and project-based rental assistance contracts to cover the difference between the HUD-approved operating costs for the project and the tenant's contribution toward rent. Assistance is provided to private nonprofit organizations and for-profit general partnerships where the sole general partner is a nonprofit organization. Allows participation by territories (Puerto Rico and the possessions of the U.S).

Allocation formula: HUD uses a needs-based formula to allocate funds among HUD multifamily hubs, allocating 85% of funds to metropolitan areas and 15% to non-metropolitan areas, and considering relevant characteristics of the elderly population, such as the number of single elderly renters with incomes below 50% of area median income, and various housing factors. HUD awards funds to eligible applicants on a competitive basis.

Matching or related requirements: None.

New obligations: *FY2009:* $800 million. *FY2008:* $778 million.

Budgetary classification: Discretionary.

Participation data: In FY2009, 106,663 units were eligible for payment. (Note: Not all units may have been occupied in the year and some units may have served more than one household during the year.)

CRS report: CRS Report RL33508, *Section 202 and Other HUD Rental Housing Programs for Low-Income Elderly Residents*, by Libby Perl.

Supportive Housing for Persons with Disabilities (CFDA #14.181)

Authority: *Statute:* Section 811 of the Cranston-Gonzalez National Affordable Housing Act of 1990 (P.L. 101-625), most recently reauthorized by the Frank Melville Supportive Housing Investment Act of 2010 (P.L. 111-374); 42 USC 8013. *Regulations:* 24 CFR Parts 891 Subparts A, C and D.

Federal administering agency: Department of Housing and Urban Development, Office of Housing.

Purpose of program: To allow persons with disabilities to live as independently as possible in the community by increasing the supply of rental housing with the availability of supportive services.

Benefit/service: Financial assistance for development of supportive housing for persons with disabilities, and rent subsidies for eligible tenants.

Individual eligibility criteria: Very low-income households (which may include a single individual) in which at least one member is age 18 or older and has a disability, such as a physical or developmental disability or chronic mental illness. Very low-income is defined as having income no greater than 50% of area median, adjusted for family size.

Form and recipient of federal assistance: Interest-free capital advances to finance development costs, which do not have to be repaid as long as the project serves very low-income disabled residents for at least 40 years, and project-based rental assistance contracts to cover the difference between the HUD-approved operating costs for the project and the tenant's contribution toward rent. Assistance is provided to private nonprofit organizations.

Allocation formula: HUD uses a needs-based formula to allocate funds among HUD field offices based on the number of noninstitutionalized persons within the local office jurisdiction who are between the ages of 16 and 64 and have a disability. Field offices award funds to eligible applicants on a competitive basis.

Matching or related requirements: None.

New obligations: *FY2009:* $284 million. *FY2008:* $256 million.

Budgetary classification: Discretionary.

Participation data: In FY2009, 30,221 units were eligible for payment. (Note: Not all units may have been occupied in the year and some units may have served more than one household during the year.) In addition, 14,811 tenant-based vouchers were in use.

CRS report: CRS Report RL34728, *Section 811 and Other HUD Housing Programs for Persons with Disabilities*, by Libby Perl.

Section 8 Project-Based Rental Assistance (CFDA #14.195)

Authority: *Statute:* Section 8 of the U.S. Housing Act of 1937, established by the Housing and Community Development Act of 1974 (P.L. 93-383); 42 USC 1437f. *Regulations:* 24 CFR Parts 5, 880, 881, 883, 884, 886 and 891 Subpart E.

Federal administering agency: Department of Housing and Urban Development, Office of Housing.

Purpose of program: To help very low-income families afford decent, safe and sanitary housing in the private market.

Benefit/service: Rent subsidies tied to units in privately-owned multifamily housing properties. Tenants are expected to pay the highest of 30% of counted income, 10% of gross income, or, in states where applicable, the "welfare" rent. The program pays owners the difference between the tenant contribution and a previously negotiated rent.

Individual eligibility criteria: Eligible families must be very low-income (with incomes no higher than 50% of area median income), but 40% of units that become available each year must be given to families that are extremely low-income (incomes no higher than 30% of area median income). In some limited circumstances, families may be low-income, with incomes as high as 80% of area median income.

Form and recipient of federal assistance: Project-based rental assistance contracts between HUD and private property owners. HUD has not had the authority to enter into new contracts since 1983, but does have the authority to renew existing contracts when they expire. There are properties with project-based rental assistance contracts in the territories (U.S. Virgin Islands, Puerto Rico, and Guam).

Allocation formula: None.

Matching or related requirements: None.

New obligations: *FY2009:* $9.391 billion (includes $1.991 billion under the American Recovery and Reinvestment Act). *FY2008:* $7.004 billion.

Budgetary classification: Discretionary.

Participation data: In FY2009, 1.279 million housing units were eligible for assistance payments. (Note: Not all units may have been occupied in the year and some units may have served more than one household during the year.)

CRS report: CRS Report RL32284, *An Overview of the Section 8 Housing Programs: Housing Choice Vouchers and Project-Based Rental Assistance*, by Maggie McCarty.

Community Development Block Grants (CFDA #14.218 and #14.228)

Authority: *Statute:* Title I of the Housing and Community Development Act of 1974 (P.L. 93-383), most recently reauthorized by the Housing and Community Development Act of 1992 (P.L. 102-550); 42 USC 5301 et seq. *Regulations:* 24 CFR Part 570.

Federal administering agency: Department of Housing and Urban Development, Office of Community Planning and Development.

Purpose of program: To develop viable urban communities by providing decent housing and a suitable living environment and expanding economic opportunities, principally for persons of low to moderate income.

Benefit/service: Assistance with the acquisition of real property, relocation and demolition, rehabilitation of residential and non-residential structures, construction of public facilities and improvements, public services within certain limits, activities related to energy conservation and renewable energy resources, and assistance to nonprofit entities and to profit-motivated businesses to carry out economic development and job creation/retention activities.

Individual eligibility criteria: There are no individual eligibility criteria. At least 70% of funds must be used for activities that benefit low- and moderate-income individuals. Low-income is defined as income no greater than 50% of the state or entitlement community's median; moderate-income is defined as income above 50% but no greater than 80% of the state or entitlement community's median.

Form and recipient of federal assistance: Formula grants to "entitlement communities" (i.e., principal cities in metropolitan statistical areas, other metropolitan cities with populations of at least 50,000, and qualified urban counties with populations of at least 200,000); and states, which administer funds on behalf of non-entitlement communities (i.e., cities with populations of less than 50,000 and counties with populations of less than 200,000). HUD directly administers the state component of the program for Hawaii, which has elected not to participate in the program. Allows participation by territories (Puerto Rico, American Samoa, Guam, Northern Marianas, and the U.S. Virgin Islands) and Indian tribes.

Allocation formula: Of available funds, 70% are allocated to entitlement communities according to a formula that considers various measures of community need, including the extent of poverty, population size, housing overcrowding, age of housing, and lag in population growth as compared to other metropolitan areas. The remaining 30% are allocated to states according to a formula that considers population, poverty, incidence of overcrowded housing, and age of the housing.

Matching or related requirements: None.

New obligations: *FY2009:* $4.733 billion (includes $965 million under the American Recovery and Reinvestment Act). *FY2008:* $3.645 billion. (Community Development Formula Grants and Indian Community Development Grants.)

Budgetary classification: Discretionary.

Participation data: No data available.

Homeless Assistance Grants (CFDA #14.231, #14.235, #14.238, #14.249)

Note: The following describes this program as it operated in FY2009; see CRS report listed below for discussion of changes made by the Helping Families Save Their Homes Act (P.L. 111-22).

Authority: *Statute:* Title IV of the McKinney-Vento Homeless Assistance Act, established by the Stewart B. McKinney Homeless Assistance Act (P.L. 100-77) and most recently reauthorized by the Helping Families Save Their Homes Act (P.L. 111-22); 42 USC Chapter 119, Subchapter IV. *Regulations:* 24 CFR Parts 576, 582, 583, and 882, Subpart H. (Homeless Assistance Grants consist of four programs administered through a consolidated budget account: Supportive Housing Program (SHP), Shelter Plus Care Program (S+C), Single Room Occupancy Program (SRO), and Emergency Shelter Grants Program (ESG).)

Federal administering agency: Department of Housing and Urban Development, Office of Community Planning and Development.

Purpose of program: SHP: To develop supportive housing and services that will allow homeless persons to live as independently as possible. S+C: To provide housing and supportive services on a long-term basis for homeless persons with disabilities and their families who are living in places not intended for human habitation or in emergency shelters. SRO: To expand the supply of single room occupancy units and use them to assist homeless persons. ESG: To provide homeless persons with basic shelter and essential support services and to prevent at-risk persons and families from becoming homeless.

Benefit/service: SHP: Transitional housing for homeless individuals and families for up to 24 months, permanent housing for disabled homeless individuals, and supportive services. S+C: Rent subsidies for homeless individuals and their families, and supportive services. SRO: Permanent housing for homeless individuals in efficiency units similar to dormitories. ESG: Renovation, rehabilitation or conversion of buildings into homeless shelters, services such as employment counseling, health care and education, assistance with rent or utility payments to prevent homelessness.

Individual eligibility criteria: SHP: Homeless individuals and their families, and, for permanent housing, disabled homeless individuals. S+C: Homeless individuals with disabilities (primarily those with serious mental illness, chronic drug or alcohol problems, and AIDS) and their families. SRO: Unaccompanied homeless individuals. ESG: Homeless individuals and families and families and individuals at risk of becoming homeless.

Form and recipient of federal assistance: SHP: Competitive grants to states and local governments, public housing authorities, private nonprofit organizations, and community mental health centers. S+C: Competitive grants to states and local governments and public housing authorities. SRO: Competitive grants to public housing authorities and private nonprofit organizations. ESG: Formula grants to states, metropolitan cities and urban counties. Allows participation by territories (depending on the individual program: American Samoa, Guam, Northern Mariana Islands, Palau, Puerto Rico, Trust Territory of the Pacific, the U.S. Virgin Islands, and any other territory or possession of the United States).

Allocation formula: SHP, S+C, SRO: Not applicable. ESG: Funds are allocated on the basis of population, poverty population, housing overcrowding, age of housing, and extent of growth lag.

Matching or related requirements: SHP: Dollar-for-dollar cash matching is required for projects involving acquisition, rehabilitation or construction of new housing units; a 20% nonfederal cash match is required for supportive services; and a 25% nonfederal cash match is required for operating expenses. S+C: Grant funds used for rental assistance must be matched with an equal amount of resources used for supportive services. SRO: None. ESG: Dollar-for-dollar match (although first $100,000 provided to a state need not be matched), which might be in the form of cash or value of buildings, staff salaries or volunteer time.

New obligations: *FY2009:* $2.861 billion (includes $1.485 billion under the American Recovery and Reinvestment Act). *FY2008:* $1.538 billion.

Budgetary classification: Discretionary.

Participation data: No data available.

CRS report: CRS Report RL33764, *The HUD Homeless Assistance Grants: Distribution of Funds*, by Libby Perl.

Home Investment Partnerships Program (HOME) (CFDA #14.239)

Authority: *Statute:* Title II of the Cranston-Gonzalez National Affordable Housing Act of 1990 (P.L. 101-625); 42 USC 12722 et seq. *Regulations:* 24 CFR Part 92.

Federal administering agency: Department of Housing and Urban Development, Office of Community Planning and Development.

Purpose of program: To increase the number of families served with decent, safe, sanitary and affordable housing and expand the long-term supply of affordable housing; and to strengthen the ability of states and local governments to provide for housing needs.

Benefit/service: Assistance for existing homeowners in repairing, rehabilitating or rebuilding their homes; assistance for homebuyers in the purchase or rehabilitation of a new home; assistance for developers or other organizations in the purchase or rehabilitation of affordable rental housing; and tenant-based rental assistance.

Individual eligibility criteria: Recipient households may not have incomes above 80% of area median income. At least 90% of families receiving rental housing and tenant-based rental assistance must have incomes that are no more than 60% of area median income.

Form and recipient of federal assistance: Formula grants to states and local participating jurisdictions, which are metropolitan cities or urban counties that meet certain minimum funding thresholds. Allows participation by territories (Puerto Rico, American Samoa, Guam, the Northern Mariana Islands, and the U.S. Virgin Islands).

Allocation formula: Funds are allocated according to a formula that considers various housing quality and affordability factors, as well as certain income-related factors, including the number of older units in the jurisdiction occupied by poor households and the number of poor families in the jurisdiction.

Matching or related requirements: Nonfederal matching of 25% is required.

New obligations: *FY2009:* $1.911 billion. *FY2008:* $1.647 billion.

Budgetary classification: Discretionary.

Participation data: No annual program data are available. Between 1992 and 2009, there have been 391,669 completed homebuyer units, 349,390 completed rental units, 184,268 completed homeowner rehab units assisted through HOME (for a total of 925,563 units), along with 216,563 households receiving rental assistance.

CRS report: CRS Report R40118, *An Overview of the HOME Investment Partnerships Program*, by Katie Jones.

Housing Opportunities for Persons with AIDS (HOPWA) (CFDA #14.241)

Authority: *Statute:* AIDS Housing Opportunity Act, established by the Cranston-Gonzalez National Affordable Housing Act of 1990 (P.L. 101-625) and most recently reauthorized by the Housing and Community Development Act of 1992 (P.L. 102-550); 42 USC 12901-12912. *Regulations:* 24 CFR Parts 574.3-574.655.

Federal administering agency: Department of Housing and Urban Development, Office of Community Planning and Development, Office of HIV/AIDS Housing.

Purpose of program: To devise long-term comprehensive strategies for meeting the housing needs of persons with AIDS.

Benefit/service: Housing assistance and related supportive services, including housing information services; acquisition, rehabilitation, conversion, lease, and repair of facilities to provide housing and services; new construction (for single room occupancy dwellings and community residences only); project- or tenant-based rental assistance; short-term rent, mortgage, and utility payments to prevent homelessness; supportive services such as health and mental health services, drug and alcohol abuse treatment and counseling, day care, nutritional services, intensive care when required, and aid in gaining access to other public benefits.

Individual eligibility criteria: Eligible individuals are HIV-positive or have AIDS, and have incomes no higher than 80% of area median income.

Form and recipient of federal assistance: 90% of funds are awarded as formula grants to states and eligible metropolitan statistical areas (MSAs) that meet minimum AIDS case requirements; 10% are competitively awarded to states, local governments, and nonprofit agencies. Allows participation by territories (Puerto Rico, American Samoa, Guam, the Marshall Islands, Micronesia, Northern Mariana Islands, Palau, and the U.S. Virgin Islands).

Allocation formula: Of formula funds, 75% (base funding) is awarded to eligible cities (MSAs with population of more than 500,000 and more than 1,500 cumulative reported AIDS cases) and to eligible states (those with more than 1,500 AIDS cases in areas outside of eligible MSAs); and the remaining 25% (bonus funding) is awarded on the basis of AIDS incidence during the past three years to MSAs that have populations of more than 500,000, more than 1,500 cumulative reported AIDS cases, and a higher than average per capita incidence of AIDS.

Matching or related requirements: None.

New obligations: *FY2009:* $318 million. *FY2008:* $310 million.

Budgetary classification: Discretionary.

Participation data: In program year 2008-2009, 56,627 households received permanent, transitional or emergency housing assistance.

CRS report: CRS Report RL34318, *Housing for Persons Living with HIV/AIDS*, by Libby Perl.

Public Housing (CFDA #14.850, #14.872 and #14.866)

Authority: *Statute:* Sections 9(d), 9(e), 24 and 30 of the U.S. Housing Act of 1937, as amended (P.L. 75-412); 42 USC 1437. *Regulations:* 24 CFR Parts 5 and 901-972. (Public Housing programs include Operating Fund, Capital Fund, and HOPE VI.)

Federal administering agency: Department of Housing and Urban Development, Office of Public and Indian Housing.

Purpose of program: To provide cost-effective, decent, safe and affordable rental housing for eligible low-income families, the elderly, and persons with disabilities; and for HOPE VI, to improve the living environment for public housing residents through demolition, rehabilitation and replacement of severely distressed housing units.

Benefit/service: Subsidized publicly-owned rental housing units; eligible households pay rent equal to the highest of 30% of counted income, 10% of gross income, or, in states where applicable, the "welfare" rent.

Individual eligibility criteria: Eligible households are low-income (defined as having income at or below 80% of area median income). At least 40% of households admitted each year must be extremely low-income households (defined as having income at or below 30% of area median income). Certain residents are required to participate in an economic self-sufficiency program or contribute 8 hours per month of community service.

Form and recipient of federal assistance: Operating and Capital Funds: Formula grants to public housing authorities. HOPE VI: Competitive grants to public housing authorities. Includes public housing projects located in territories (Puerto Rico, the U.S. Virgin Islands, and Guam).

Allocation formula: Operating Fund: Funds to support ongoing costs of operating public housing are allocated according to a formula intended to make up the difference between the costs of maintaining public housing and the amount of tenant-paid rent received by the public housing authority; amounts are prorated to fit within the amount appropriated annually by Congress. Capital Fund: Funds to support development, financing and modernization of public housing are allocated on the basis of relative need.

Matching or related requirements: None. 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.

New obligations: *FY2009:* $10.843 billion (includes $3.977 billion under the American Recovery and Reinvestment Act). *FY2008:* $6.894 billion. (Operating Fund, Capital Fund, and HOPE VI.)

Budgetary classification: Discretionary.

Participation data: In FY2009, 1,128,891 public housing units were eligible for payment. (Note: Not all units may have been occupied in the year and some units may have served more than one household during the year.)

CRS reports: CRS Report RL34591, *Overview of Federal Housing Assistance Programs and Policy*, by Maggie McCarty et al., CRS Report RS22557, *Public Housing: Fact Sheet on the Operating Fund Formula*, by Maggie McCarty, and CRS Report RL32236, *HOPE VI Public Housing Revitalization Program: Background, Funding, and Issues*, by Maggie McCarty.

Indian Housing Block Grants (CFDA #14.867)

Authority: *Statute:* Native American Housing and Self-Determination Act of 1996 (P.L. 104-330), most recently reauthorized by the Native American Housing and Self-Determination Reauthorization Act of 2008 (P.L. 110-411); 25 USC 4101 et seq. *Regulations:* 24 CFR Part 1000.

Federal administering agency: Department of Housing and Urban Development, Office of Public and Indian Housing, Office of Native American Programs.

Purpose of program: To provide housing assistance and, to the extent practicable, to assist in the development of private housing finance mechanisms on Indian lands to achieve the goals of economic self-sufficiency and self-determination for tribes and their members.

Benefit/service: Housing development, assistance to housing developed under the former Indian Housing Program, housing services to eligible individuals and families, crime prevention and safety, and model activities that provide creative approaches to solving affordable housing problems.

Individual eligibility criteria: Low-income Indian families living on Indian reservations and other Indian lands; low-income is defined as having income no greater than 80% of the area median. Non-low-income families may be served if such families have a need for housing that cannot otherwise be met. Assistance also may be provided to non-Indian families living on Indian reservations or Indian lands if the presence of such families on the reservation or Indian land is essential to the well-being of Indian families and their housing needs cannot reasonably be met otherwise. Housing assistance also may be provided to law enforcement officers if their presence on the reservation or Indian land may deter crime.

Form of assistance: Formula grants to federally recognized Indian tribes or their tribally designated housing entity, and a limited number of state recognized Indian tribes that were funded under prior law. ("State" is defined to include American Samoa, Guam, the Northern Mariana Islands, Puerto Rico, the U.S. Virgin Islands, and any other territory or possession of the United States.)

Allocation formula: Funds are allocated among tribes according to a two-part formula based on "need" (e.g., Indian households with significant housing cost burdens, households that are overcrowded or lack kitchen or plumbing facilities, and number of Indian households at different levels of low-income) and "formula current assisted stock" (housing developed under the former Indian Housing Program and owned or operated by the grantee).

Matching or related requirements: None. However, grant recipients must make annual user fee payments to compensate local governments for the costs of providing governmental services or must make payments in lieu of taxes to taxing authorities.

New obligations: *FY2009:* $1.149 billion (includes $500 million under the American Recovery and Reinvestment Act). *FY2008:* $556 million.

Budgetary classification: Discretionary.

Participation data: In FY2009, the program assisted approximately 5,936 homeowners and more than 1,410 families in rental homes.

Section 8 Housing Choice Vouchers (CFDA #14.871)

Authority: *Statute:* Section 8 of the U.S. Housing Act of 1937, established by the Housing and Community Development Act of 1974 (P.L. 93-383); 42 USC 1437f. *Regulations:* 24 CFR Parts 5 and 982.

Federal administering agency: Department of Housing and Urban Development, Office of Public and Indian Housing.

Purpose of program: To help very low-income families afford decent, safe and sanitary housing in the private market.

Benefit/service: Tenant-based vouchers that can be used to subsidize the cost of privately-owned rental housing, chosen by tenants in the private market. Tenants are expected to pay an amount toward rent that is at least the greater of 30% of counted income, 10% of gross income, or, in states where applicable, the "welfare" rent. The program pays the balance, up to the payment standard set by the local public housing authority at between 90% and 110% of the HUD-established fair market rent for the unit. Public housing authorities may choose to "project-base" up to 20% of their vouchers, which means the subsidy is attached to a preselected unit of housing. However, tenants living in project-based voucher units are entitled to move with a tenant-based voucher, if they so choose, after one year.

Individual eligibility criteria: Eligible families must be very low-income (with incomes no higher than 50% of area median income), but 75% of vouchers that become available each year must go to families that are extremely low-income (incomes no higher than 30% of area median income). In some limited circumstances, families may be low-income, with incomes as high as 80% of area median income.

Form and recipient of federal assistance: Formula grants to public housing authorities. Includes public housing authorities in the territories (Puerto Rico, the U.S. Virgin Islands, Guam and Northern Mariana Islands).

Allocation formula: Congress typically specifies the allocation formula in annual appropriations laws. For FY2009, funds to renew existing vouchers were provided to public housing authorities according to their utilization rates and costs from the prior year, adjusted for inflation.

Matching or related requirements: None.

New obligations: *FY2009:* $16.289 billion. *FY2008:* $15.552 billion.

Budgetary classification: Discretionary.

Participation data: In FY2009, 2.097 million vouchers were in use.

CRS report: CRS Report RL32284, *An Overview of the Section 8 Housing Programs: Housing Choice Vouchers and Project-Based Rental Assistance*, by Maggie McCarty.

Neighborhood Stabilization Program-1 (no CFDA #)

Authority: *Statute:* Division B, Title III of the Housing and Economic Recovery Act of 2008 (P.L. 110-289); 42 USC 5301 note. *Regulations:* 73 FR 58330.

Federal administering agency: Department of Housing and Urban Development, Office of Community Planning and Development.

Purpose of program: To assist in the rehabilitation of abandoned and foreclosed homes, to reverse blight conditions, and to stabilize home values and the property tax base of affected communities.

Benefit/service: Assistance with the purchase, rehabilitation, and resale of abandoned and foreclosed homes and residential properties, demolition of blighted structures, and redevelopment of blighted and vacant properties.

Individual eligibility criteria: Individuals and families who benefit from the program must have incomes no higher than 120% of area median income. At least 25% of appropriations must be used to purchase or rehabilitate residential structures that will be used to house individuals or families with incomes no higher than 50% of area median income.

Form and recipient of federal assistance: Formula grants to states and local governments. Allows participation by territories (Puerto Rico, Guam, the Northern Marianas, American Samoa and the U.S. Virgin Islands).

Allocation formula: Funds are allocated on the basis of the number and percentage of home foreclosures in the state or locality, the number and percentage of subprime mortgages in the state or locality, and the number of homes in default or delinquency in the state or locality.

Matching or related requirements: None.

New obligations: *FY2009:* $3.920 billion. *FY2008:* None (program not authorized).

Budgetary classification: Mandatory.

Participation data: No data available.

CRS report: CRS Report RS22919, *Community Development Block Grants: Neighborhood Stabilization Program; Assistance to Communities Affected by Foreclosures*, by Eugene Boyd and Oscar R. Gonzales.

Grants to States for Low-Income Housing Projects In Lieu of Low-Income Housing Credit Allocations (no CFDA #)

Authority: *Statute:* Section 1602 of Division B of the American Recovery and Reinvestment Act of 2009 (P.L. 111-5). *Regulations:* 31 CFR Part 32.

Federal administering agency: Department of Treasury.

Purpose of program: To support the construction and rehabilitation of affordable housing typically financed with funds from the Low-Income Housing Tax Credit (LIHTC) program.

Benefit/service: Grants are provided in lieu of tax credits to help finance the construction or acquisition and rehabilitation of qualified buildings that will provide rent-restricted rental units to low-income households.

Individual eligibility criteria: Qualified projects must meet one of the following tests: at least 20% of units must be rent-restricted and occupied by households with incomes at or below 50% of area median income; or at least 40% of units must be rent-restricted and occupied by households with incomes at or below 60% of area median income.

Form and recipient of federal assistance: Grants to state housing credit agencies. Allows participation by territories (American Samoa, Guam, Puerto Rico and the U.S. Virgin Islands).

Allocation formula: States could elect to exchange for grants all of their unused and returned 2008 tax credit allocation, 40% of their 2009 tax credit allocation, and 40% of any allocation in 2009 made from the national LIHTC pool. Tax credits could be exchanged for grants at a rate of $0.85 on the dollar. Annual tax credit allocations are determined on the basis of each state's population.

Matching or related requirements: No matching requirements for the grant program; however, the LIHTC (and this related grant program) are intended to finance only part of a project and are typically combined with other resources.

New obligations: *FY2009:* $2.465 billion (entirely appropriated under ARRA). *FY2008:* None (program not authorized).

Budgetary classification: Mandatory.

Participation data: No data available.

CRS report: CRS Report RS22389, *An Introduction to the Design of the Low-Income Housing Tax Credit*, by Mark P. Keightley.

Tax Credit Assistance Program (no CFDA #)

Authority: *Statute:* Division A, Title XII of the American Recovery and Reinvestment Act (P.L. 111-5). *Regulations:* no formal program-specific regulations.

Federal administering agency: Department of Housing and Urban Development, Office of Community Planning and Development.

Purpose of program: To make funds available for capital investments in Low-Income Housing Tax Credit (LIHTC) projects where the additional funds can be spent within specified deadlines.

Benefit/service: Assistance is provided to owners of projects who received an award of LIHTCs.

Individual eligibility criteria: To qualify for LIHTCs, projects must meet one of the following tests: at least 20% of units must be rent-restricted and occupied by households with incomes at or below 50% of area median income; or at least 40% of units must be rent-restricted and occupied by households with incomes at or below 60% of area median income.

Form and recipient of federal assistance: Formula grants to state housing credit agencies, which competitively award funds to project owners. Allows participation by Puerto Rico.

Allocation formula: Funds are allocated among states according to each state's percentage of FY2008 HOME awards.

Matching or related requirements: None. However, the LIHTC is intended to finance only part of a project and is typically combined with other resources.

New obligations: *FY2009:* $2.250 billion (entirely appropriated under ARRA). *FY2008:* none (program not authorized).

Budgetary classification: Discretionary.

Participation data: No data available.

CRS reports: CRS Report RS22389, *An Introduction to the Design of the Low-Income Housing Tax Credit*, by Mark P. Keightley; and CRS Report R40118, *An Overview of the HOME Investment Partnerships Program*, by Katie Jones.

Education

Indian Education (CFDA #15.026, 15.028, 15.042, 15.043, 15.044, 15.046, 15.047, 15.058, 15.059, 15.060, 15.130, 15.114)

Authority: *Statute:* Snyder Act of 1921 (P.L. 67-85), Johnson-O'Malley Act of 1934 (P.L. 73-167), Indian Adult Vocational Training Act of 1956 (P.L. 84-959), Navajo Community College Act (P.L. 92-189), Indian Self-Determination and Education Assistance Act of 1978 (P.L. 93-638), Tribally Controlled College Assistance Act (P.L. 95-471), Education Amendments of 1978 (P.L. 95-561), Tribally Controlled Schools Act of 1988 (P.L. 100-297), and Tribal Self-Governance Act of 1994 (P.L. 103-413); 25 USC 13, 309 et seq., 450 et seq., 640a, Chapters 7, 20, 22, 27, 28, and 35. *Regulations:* 25 CFR Part 30-47, 273, 900-1001.

Federal administering agency: Department of Interior, Bureau of Indian Education.

Purpose of program: To provide comprehensive education programs and services for American Indians and Alaska Natives; to provide quality education opportunities from early childhood through life in accordance with the tribes' needs for educational, cultural and economic well-being in keeping with the wide diversity of Indian tribes and Alaska Native villages as distinct cultural and governmental entities.

Benefit/service: Preschool, elementary, secondary, postsecondary and adult education at BIE-funded institutions, public schools, and postsecondary institutions; financial assistance for postsecondary education at accredited institutions.

Individual eligibility criteria: Eligible children and postsecondary students are members of federally recognized Indian tribes or at least one-fourth degree Indian blood descendants of such members, and (for elementary and secondary students) live on or near a federal Indian reservation; members of federally recognized tribes who are accepted or enrolled at an accredited institution of higher education and are determined to have financial need by the institution's financial aid office.

Form and recipient of federal assistance: Services are provided at BIE schools and institutions, public schools, and tribally controlled colleges and universities; postsecondary assistance is provided directly to students.

Allocation formula: Depending on the individual program, funds are allocated to BIE-funded elementary and secondary schools based on number of students and their academic needs, commercial transportation costs, and the number of weighted bus miles driven; to tribes and tribal organizations based on the number of eligible preschool-age children and an administrative cost percentage rate; to tribes, states and public school districts based on historic funding in FY1995 and the number of Indian students served; to tribally controlled colleges based on Indian student counts and previous year allocations; and to BIE postsecondary schools based on prior allocations and unmet need.

Matching or related requirements: None.

New obligations: *FY2009:* $699 million. *FY2008:* $684 million.

Budgetary classification: Discretionary.

Participation data: In school year 2008-2009, an "average daily membership" of 40,710 students was reported at BIE-funded schools. Early childhood programs served 2,297 children and 2,286 parents in 2008-2009. BIE-funded postsecondary schools enrolled 2,042 students in academic year 2008-2009. Tribal colleges enrolled 24,572 students in academic year 2008-2009.

CRS report: CRS Report RL34205, *Federal Indian Elementary-Secondary Education Programs: Background and Issues*, by Cassandria Dortch.

Adult Basic Education Grants to States (CFDA #84.002)

Authority: *Statute:* Adult Education and Family Literacy Act, most recently reauthorized by Title II of the Workforce Investment Act of 1998 (P.L. 105-220); 20 USC 9201 et seq. *Regulations:* no formal program-specific regulations.

Federal administering agency: Department of Education, Office of Vocational and Adult Education, Division of Adult Education and Literacy.

Purpose of program: To assist adults to become literate and obtain the knowledge and skills necessary for employment and self-sufficiency, to assist adults who are parents obtain the educational skills necessary to become full partners in the educational development of their children, and to assist adults in completing a secondary school education.

Benefit/service: Adult education and literacy services, including workplace literacy services; family literacy services; and English literacy programs.

Individual eligibility criteria: Qualified adults are individuals age 16 or older, who are not enrolled or required to be enrolled in secondary school under their state law, and who lack sufficient mastery of basic educational skills to function effectively in society, or who lack a secondary school diploma or equivalent and have not achieved an equivalent level of education, or who cannot speak, read or write the English language.

Form and recipient of federal assistance: Formula grants to state agencies (typically state educational agencies), which fund local projects on a competitive basis. Eligible providers include local educational agencies, community-based organizations, volunteer literacy organizations, institutions of higher education, public or private nonprofit agencies, libraries, public housing authorities, other nonprofits with the ability to provide literacy services to adults and families, and consortia of eligible entities. Allows participation by territories (Puerto Rico, American Samoa, Guam, the Marshall Islands, Micronesia, Northern Mariana Islands, Palau, and the U.S. Virgin Islands).

Allocation formula: Funds are allocated among states based on their relative number of qualified adults. Hold-harmless provisions apply.

Matching or related requirements: A 25% nonfederal match is required for states.

New obligations: *FY2009:* $572 million. *FY2008:* $555 million.

Budgetary classification: Discretionary.

Participation data: In FY2009, there was an estimated total of 2,537,662 participants.

CRS report: CRS Report R41135, *The Workforce Investment Act and the One-Stop Delivery System*, by David H. Bradley.

Federal Supplemental Educational Opportunity Grants (CFDA #84.007)

Authority: *Statute:* Title IV, Part A, Subpart 3 of the Higher Education Act of 1965, most recently reauthorized by the Higher Education Opportunity Act (P.L. 110-315); 20 USC 1070b. *Regulations:* 34 CFR Parts 673 and 676.

Federal administering agency: Department of Education, Office of Federal Student Aid.

Purpose of program: To promote access to postsecondary education for low-income undergraduate students.

Benefit/service: Grants to help students with the costs of postsecondary education.

Individual eligibility criteria: Eligible students are undergraduate students who demonstrate financial need. Students demonstrate financial need if the cost of attendance of their school exceeds the sum of their expected family contribution (EFC) and estimated financial assistance from other sources. A student's EFC is determined according to an analysis of income and asset information reported on the Free Application for Federal Student Aid (FAFSA). Financial aid administrators must give priority in awarding FSEOG aid to students who are Pell Grant recipients and to those with exceptional financial need.

Form and recipient of federal assistance: Formula grants to institutions of higher education. Recipient institutions use federal funds and institutional matching funds to award aid to eligible students. Allows participation by citizens of Palau.

Allocation formula: Federal capital contributions are allocated among participating institutions first according to a statutory formula that provides a "base guarantee" that is based on past funding amounts and, if funds remain, then according to a need-based formula that considers institutional need (as measured by the aggregate need of the institution's undergraduate students).

Matching or related requirements: Participating institutions must provide a match equal to one-third of the federal funds received.

New obligations: *FY2009:* $760 million. *FY2008:* $759 million.

Budgetary classification: Discretionary.

Participation data: In academic year 2008-2009, a total of 1,451,213 students received grants.

CRS report: CRS Report RL31618, *Campus-Based Student Financial Aid Programs Under the Higher Education Act*, by David P. Smole.

Education for the Disadvantaged—Grants to Local Educational Agencies (CFDA #84.010)

Authority: *Statute:* Title I-A of the Elementary and Secondary Education Act (P.L. 89-10), most recently reauthorized by the No Child Left Behind Act (P.L. 107-110); 20 USC 6301-6339, 6571-6578. *Regulations:* 34 CFR Part 200.

Federal administering agency: Department of Education, Office of Elementary and Secondary Education, Office of Student Achievement and School Accountability Programs.

Purpose of program: To ensure that all children have a fair, equal and significant opportunity to obtain a high-quality education and reach, at a minimum, proficiency on challenging state academic achievement standards and state academic assessments.

Benefit/service: Additional academic support and learning opportunities for students in pre-kindergarten through grade 12 to help low-achieving children master challenging curricula and meet state standards in core academic subjects.

Individual eligibility criteria: Within local educational agencies (LEAs), funds are allocated to school attendance areas and schools in rank order based on their number of children from low-income families. Schools in which at least 40% of children are poor may operate schoolwide programs that serve all children. Otherwise, schools must focus services on children who are failing or most at risk of failing state academic standards.

Form and recipient of federal assistance: Formula grants to local educational agencies (LEAs). Allows participation by territories (Puerto Rico, Guam, American Samoa, the U.S. Virgin Islands, and Northern Mariana Islands).

Allocation formula: Portions of available annual funds are allocated under four different formulas—Basic, Concentration, Targeted, and Education Finance Incentive Grants (EFIG)—although funds are then combined and used for the same purposes by recipient LEAs. Although the allocation formulas have several distinctive elements, the primary factors used in all four formulas are an eligible child count and an expenditure factor. The eligible child count includes children aged 5-17: (a) in poor families; (b) in institutions for neglected or delinquent children or in foster homes; and (c) in families receiving Temporary Assistance for Needy Families payments above the poverty level. Each element of the population factor is updated annually. The expenditure factor is the state average per pupil expenditure for public K-12 education (subject to a minimum of 80% and maximum of 120% of the national average, further multiplied by 0.40), and is the same for all LEAs in the same state. Both the Targeted and EFIG formulas include weighting schemes to increase aid to LEAs with the highest numbers or concentrations of eligible children. The EFIG formula also includes an effort factor, based on average per pupil expenditure for public K-12 education compared to personal income per capita for each state compared to the nation as a whole, and an equity factor, based on variations in average per pupil expenditures among the LEAs in each state. Each formula has a hold-harmless provision (no LEA may receive less than 85%-95% of its previous year grant, depending on the LEA's poverty level and whether the LEA continues to meet the formula's eligibility threshold). All four formulas have state minimum grant provisions.

Matching or related requirements: Three requirements apply to total LEA grants under all four formulas: (1) *maintenance of effort*: recipient LEAs must provide, from state and local sources, a level of funding (either aggregate or per pupil) in the preceding year that is at least 90% as high as in the second preceding year; (2) funds must *supplement and not supplant* state and local funds that would otherwise be available for the education of disadvantaged pupils in participating schools; and (3) *comparability:* services provided with state and local funds in schools participating in Title I-A must be comparable to those in non-Title I-A schools of the same LEA.

New obligations: *FY2009:* $21.495 billion (includes $9.936 billion under the American Recovery and Reinvestment Act). *FY2008:* $13.352 billion.

Budgetary classification: Discretionary.

Participation data: For school year 2008-2009, about 19.2 million public and private school students were served (of which about 217,000 students were served in private schools). The majority of students (17.2 million or 89.8%) were served through schoolwide programs in public schools.

CRS report: CRS Report RL33960, *The Elementary and Secondary Education Act, as Amended by the No Child Left Behind Act: A Primer*, by Rebecca R. Skinner.

Title I Migrant Education Program (CFDA #84.011)

Authority: *Statute:* Title I, Part C of the Elementary and Secondary Education Act of 1965 (P.L. 89-10), most recently reauthorized by the No Child Left Behind Act (P.L. 107-110); 20 USC 6391-6399. *Regulations:* 34 CFR 200 Subpart C.

Federal administering agency: Department of Education, Office of Elementary and Secondary Education, Office of Migrant Education.

Purpose of program: To help reduce educational and other disruptions that result from repeated moves by migratory children; to ensure that migratory children are not penalized by education disparities among states; to ensure that migratory children receive appropriate educational and supportive services; to ensure that migratory students have opportunities to meet the same challenging standards as other students; and to prepare migratory children for a successful transition to postsecondary education or employment.

Benefit/service: Education and support services, including academic instruction, remedial and compensatory instruction, bilingual and multicultural instruction, vocational instruction, career education services, special guidance, counseling and testing services, health services, preschool services, professional development, and family literacy instruction.

Individual eligibility criteria: Eligible children (or their parent or spouse) are migratory agricultural workers, dairy workers, or fishermen and who, in the preceding 36 months, have moved from one school district to another for employment, or have moved for employment from one administrative area to another in a state that constitutes a single school district, or who live in a school district greater than a specified size and migrate at least 20 miles to a temporary residence to engage in a fishing activity.

Form and recipient of federal assistance: Formula grants to state educational agencies, consortia of states and other appropriate entities, or public or private nonprofit agencies, which may make subgrants to local operating agencies that may include local educational agencies and other public and nonprofit entities. Allows participation by Puerto Rico.

Allocation formula: Federal funds are allocated by formula, based on each state's per pupil expenditure for education and counts of eligible migratory children, ages 3 through 21, residing within the state.

Matching or related requirements: None.

New obligations: *FY2009:* $395 million. *FY2008:* $380 million. (Appropriations.)

Budgetary classification: Discretionary.

Participation data: During school year 2007-2008, the program served 650,007 students. (Note: This is a duplicated count; students may be counted more than once as they migrate to different schools during a single school year.)

CRS report: CRS Report RL33960, *The Elementary and Secondary Education Act, as Amended by the No Child Left Behind Act: A Primer*, by Rebecca R. Skinner.

Higher Education—Institutional Aid and Developing Institutions (CFDA #84.031, #84.120, #84.382)

Authority: *Statute:* Titles III, V and VII of the Higher Education Act of 1965, most recently reauthorized by the Higher Education Opportunity Act (P.L. 110-315) and the Health Care and Education Reconciliation Act of 2010 (P.L. 111-152); 20 USC 1051-1068h and 1101-1103g. *Regulations:* 34 CFR 606, 607, 608, 637. (Programs include Strengthening Institutions, Strengthening Tribally Controlled Colleges and Universities, Strengthening Alaska Native and Native Hawaiian-serving Institutions, Strengthening Historically Black Colleges and Universities, Strengthening Historically Black Graduate Institutions, Masters Degree Programs for Historically Black Colleges and Universities and Predominantly Black Institutions, Strengthening Predominantly Black Institutions, Strengthening Asian American and Native American Pacific Islander-serving Institutions, Strengthening Native American-serving Nontribal Institutions, Minority Science and Engineering Improvement, Developing Hispanic-serving Institutions, Developing Hispanic-serving STEM and Articulation Programs, and Promoting Postbaccalaureate Opportunities for Hispanic Americans.)

Federal administering agency: Department of Education, Office of Postsecondary Education, Institutional Development and Undergraduate Education Programs.

Purpose of program: To assist institutions of higher education that serve high percentages of low-income and minority students in improving their management, fiscal operations, and educational quality, to ensure access and equal educational opportunity for low-income and minority students.

Benefit/service: Possible activities are broad and depend on the specific program. They may include but are not limited to assistance in planning, faculty development, and establishing endowment funds; administrative management; development and improvement of academic programs; equipment and facilities improvement, acquisition, and construction; debt reduction; staff development and tutoring.

Individual eligibility criteria: There are no individual eligibility criteria. Institutional eligibility criteria differ for each program; e.g., eligible institutions must be institutions of higher education that have a high enrollment of needy students, have low educational and general expenditures per student, be accredited; be a historically black college or university; be listed in statute; be institutions of higher education with high minority enrollment; or be science-oriented societies or organizations.

Form and recipient of federal assistance: Competitive and formula grants to institutions of higher education (and nonprofit organizations in the case of the Minority Science and Engineering Program). Certain grants allow participation by institutions in territories (the College of the Marshall Islands, the College of Micronesia, Palau Community College, institutions of higher education in Guam, Puerto Rico, the U.S. Virgin Islands, American Samoa, and Northern Mariana Islands) and by tribal colleges and universities.

Allocation formula: Depending on the program, factors may include Indian student enrollment, enrollment of Pell Grant recipients, number of graduates, number of graduates seeking a higher degree, student enrollment, cost of education per student, and percentage of total degrees awarded to African-American students by the applicant institution.

Matching or related requirements: Funds must supplement and not supplant any funds that would otherwise be used for the same purposes. Funds used for endowment must be matched, if permitted.

New obligations: *FY2009:* $801 million. *FY2008:* $755 million.

Budgetary classification: Discretionary and mandatory.

Participation data: No data available.

Federal Work-Study (CFDA #84.033)

Authority: *Statute:* Title IV, Part C of the Higher Education Act of 1965, most recently reauthorized by the Higher Education Opportunity Act (P.L. 110-315); 42 USC 2751-2756b. *Regulations:* 34 CFR Parts 673 and 675.

Federal administering agency: Department of Education, Office of Federal Student Aid.

Purpose of program: To assist students in financing the costs of postsecondary education.

Benefit/service: Federally subsidized part-time employment for students.

Individual eligibility criteria: Eligible students are undergraduate, graduate and professional students who demonstrate financial need. Students demonstrate financial need if the cost of attendance of their school exceeds the sum of their expected family contribution (EFC) and estimated financial assistance from other sources. A student's EFC is determined according to an analysis of income and asset information reported on the Free Application for Federal Student Aid (FAFSA). Students must be willing to work to receive Federal Work Study (FWS) assistance.

Form and recipient of federal assistance: Formula grants to institutions of higher education. Recipient institutions combine federal funds and matching funds from FWS employers to compensate eligible students employed in part-time work-study jobs. Allows participation by citizens of Palau.

Allocation formula: Federal capital contributions are allocated among participating institutions first according to a statutory formula that provides a "base guarantee" that is based on past funding amounts and, if funds remain, then according to a need-based formula that considers institutional need (as measured by the aggregate need of the institution's students).

Matching or related requirements: Student compensation is comprised of a federal share and an employer share. In general, the federal share is 75%, but may range between 50% and 100%. The remaining share is provided by the FWS employer.

New obligations: *FY2009:* $1.156 billion (includes $200 million under the American Recovery and Reinvestment Act). *FY2008:* $989 million.

Budgetary classification: Discretionary.

Participation data: In academic year 2008-2009, a total of 677,915 students participated.

CRS report: CRS Report RL31618, *Campus-Based Student Financial Aid Programs Under the Higher Education Act*, by David P. Smole.

Federal TRIO Programs (CFDA #84.042, #84.044, #84.047, #84.066, #84.103, #84.217)

Authority: *Statute:* Title IV, Part A, Subpart 2, Chapter 1 of the Higher Education Act of 1965, most recently reauthorized by the Higher Education Opportunity Act (P.L. 110-315); 20 USC 1070a-11 – 1070a-18. *Regulations:* 34 CFR Parts 642-647. (Federal TRIO programs consist of: Student Support Services, Talent Search, Upward Bound, Educational Opportunity Centers, Staff Training, and Ronald E. McNair Postbaccalaureate Achievement.)

Federal administering agency: Department of Education, Office of Postsecondary Education, TRIO Programs.

Purpose of program: To motivate and support students from disadvantaged backgrounds through outreach and support programs designed to help them move through the academic pipeline from middle school to postbaccalaureate programs.

Benefit/service: Depending on the program, academic instruction; personal, academic and career counseling; tutoring; exposure to cultural events and academic programs; information on the availability of financial and academic assistance available for postsecondary education; assistance in filling out college applications and financial aid request forms; summer internships; research opportunities; stipends; grant aid; and staff development.

Individual eligibility criteria: Specific eligibility requirements differ among the TRIO programs but generally require that two-thirds of participants be low-income students who are first-generation college students. Low-income is defined as income no greater than 150% of federal poverty guidelines. The programs also target to varying extents students from educationally underrepresented groups, students with disabilities, low-income students, first generation college students, students at high risk of academic failure, and military veterans.

Form and recipient of federal assistance: Competitive grants to institutions of higher education, public and private organizations, secondary schools, and consortia of such entities. Allows participation by agencies or institutions in territories (American Samoa, Puerto Rico, the U.S. Virgin Islands, Micronesia, the Marshall Islands, or Palau).

Allocation formula: Not applicable.

Matching or related requirements: None.

New obligations: *FY2009:* $905 million. *FY2008:* $885 million.

Budgetary classification: Discretionary and mandatory.

Participation data: In FY2009, the programs served a total of 2,613,890 students. (Note: This is a duplicated count; some students may have participated in more than one TRIO program.)

Federal Pell Grants (CFDA #84.063)

Note: The following describes this program as it operated in FY2009; see CRS report listed below for discussion of changes made by the Health Care and Education Reconciliation Act of 2010 (P.L. 111-152).

Authority: *Statute:* Title IV, Part A, Subpart 1 of the Higher Education Act of 1965, most recently reauthorized by the Higher Education Opportunity Act (P.L. 110-315); 20 USC 1070a. *Regulations:* 34 CFR 690.

Federal administering agency: Department of Education, Office of Federal Student Aid.

Purpose of program: To promote access to postsecondary education for low-income students.

Benefit/service: Need-based grants (size of grant is capped by law) to eligible students at participating institutions of higher education.

Individual eligibility criteria: Eligible students may be undergraduate or certain other post baccalaureate students in good academic standing, who demonstrate financial need as determined through analysis of income and asset information provided in their Free Application for Federal Student Aid (FAFSA). This need analysis determines the student's expected family contribution (EFC) toward their education and the amount of federal student aid they may be eligible to receive.

Form and recipient of federal assistance: Funds are provided to participating institutions of higher education to pay eligible students; participating institutions also receive an administrative allowance per student. Individual students receive assistance either by payment to school account, direct payment (usually by check), or a combination of these methods. Allows participation by citizens of territories (American Samoa, Guam, Micronesia, the Marshall Islands, Palau Northern Mariana Islands, and U.S. Virgin Islands).

Allocation formula: Not applicable.

Matching or related requirements: Not applicable.

New obligations: *FY2009:* $26.019 billion (includes $8.497 billion under the American Recovery and Reinvestment Act). *FY2008:* $18.000 billion.

Budgetary classification: Discretionary and mandatory (entitlement to individuals).

Participation data: During award year (July-June) 2009-2010, an estimated 8,151,663 students were served.

CRS report: CRS Report R41437, *Federal Pell Grant Program of the Higher Education Act: Background, Recent Changes, and Current Legislative Issues*, by Shannon M. Mahan.

Education for Homeless Children and Youth (CFDA #84.196)

Authority: *Statute:* Title VII, Subtitle B of the McKinney-Vento Homeless Assistance Act, established by the Stewart B. McKinney Homeless Assistance Act (P.L. 100-77) and renamed by the McKinney-Vento Homeless Assistance Act (P.L. 106-400), most recently reauthorized by the Housing and Economic Recovery Act of 2008 (P.L. 110-289); 42 U.S.C. 11431 et seq. *Regulations:* no formal program-specific regulations.

Federal administering agency: Department of Education, Office of Elementary and Secondary Education, Office of Student Achievement and School Accountability Programs.

Purpose of program: To ensure that each child of a homeless individual and each homeless youth has equal access to the same free, appropriate public education, including a public preschool education, as other children and youth.

Benefit/service: Comprehensive services to facilitate the enrollment, attendance, and success in school for homeless children and youth, including, among other things, tutoring, supplemental instruction and referral services, as well as services to address barriers such as transportation, immunization, and lack of birth records.

Individual eligibility criteria: Eligible children and youth are those who lack a regular, fixed and adequate nighttime residence and include those who are sharing the housing of others due to economic hardship or a similar reason; are living in motels, hotels, trailer parks, or camping grounds due to the lack of alternative adequate accommodations; are living in emergency or transitional shelters; are abandoned in hospitals; or are awaiting foster care placement; have a primary nighttime residence that is a public or private place not designed as a regular sleeping arrangement; are living in cars, parks, public spaces, abandoned buildings, substandard housing, bus or train stations, or similar settings; or are migratory children who also qualify as homeless.

Form and recipient of federal assistance: Formula grants to state educational agencies, which make subgrants to local educational agencies. Allows participation by territories (Puerto Rico, American Samoa, Guam, the Northern Mariana Islands, and the U.S. Virgin Islands).

Allocation formula: Funds are allocated among states on the basis of their relative shares of funding under Title I, Part A of the Elementary and Secondary Education Act.

Matching or related requirements: None.

New obligations: *FY2009:* $135 million (includes $70 million under the American Recovery and Reinvestment Act). *FY2008:* $64 million.

Budgetary classification: Discretionary.

Participation data: In school year 2008-2009, a total of 956,914 children were enrolled.

CRS report: CRS Report RL30442, *Homelessness: Targeted Federal Programs and Recent Legislation*, coordinated by Libby Perl.

21st Century Community Learning Centers (CFDA #84.287)

Authority: *Statute:* Title IV, Part B of the Elementary and Secondary Education Act, established by the Improving America's Schools Act of 1994 (P.L. 103-382) and most recently reauthorized by the No Child Left Behind Act (P.L. 107-110); 20 USC 7171-7176. *Regulations:* no formal program-specific regulations.

Federal administering agency: Department of Education, Office of Elementary and Secondary Education, Office of Academic Improvement and Teacher Quality Programs.

Purpose of program: To create community learning centers that provide academic enrichment opportunities during non-school hours to help students meet state and local academic achievement standards, particularly for children who attend high-poverty and low-performing schools. Also offers a variety of additional programs intended to reinforce and complement the students' regular academic program and offers families of participating students opportunities for literacy and related educational development.

Benefit/service: Remedial education and academic enrichment learning programs, mathematics and science education activities, arts and music education activities, entrepreneurial education programs, tutoring services, after-school activities for limited-English-proficient students that emphasize language skills and academic achievement, recreational activities, telecommunications and technology education programs, expanded library service hours, programs to promote parental involvement and family literacy, academic assistance to students who are truant or suspended or expelled, drug and violence prevention programs, counseling and character education programs.

Individual eligibility criteria: Funds must be used to serve students who attend schools that are eligible for schoolwide programs under Title I-A of the Elementary and Secondary Education Act (i.e., schools in which at least 40% of the children are poor) or schools that serve a high percentage of students from low-income families, and the families of such students.

Form and recipient of federal assistance: Formula grants to state educational agencies, which make competitive subgrants to local educational agencies, community-based organizations, other public and private nonprofit organizations, or a consortium of the above. Allows participation by territories (Puerto Rico, American Samoa, Guam, Northern Mariana Islands and the U.S. Virgin Islands).

Allocation formula: Funds are allocated among states on the basis of their relative shares of funding under Title I, Part A of the Elementary and Secondary Education Act for the preceding fiscal year.

Matching or related requirements: States may require local grantees to match federal funds; however, the match may not exceed the amount of federal funds and may not come from other federal or state funds. The size of the match is adjusted based on the relative poverty of the grantee's target population and the grantee's ability to obtain the match. The match may be in cash or in-kind.

New obligations: *FY2009:* $1.127 billion. *FY2008:* $1.082 billion.

Budgetary classification: Discretionary.

Participation data: In FY2009, a total of 1,481,870 students were served.

CRS report: CRS Report RL33960, *The Elementary and Secondary Education Act, as Amended by the No Child Left Behind Act: A Primer*, by Rebecca R. Skinner.

Gaining Early Awareness and Readiness for Undergraduate Programs (GEAR-UP) (CFDA #84.334)

Authority: *Statute:* Title IV, Part A, Subpart 2, Chapter 2 of the Higher Education Act of 1965, established by the Higher Education Amendments of 1998 (P.L. 105-244) and most recently reauthorized by the Higher Education Opportunity Act (P.L. 110-315); 20 USC 1070a21-28. *Regulations:* 34 CFR Part 694.

Federal administering agency: Department of Education, Office of Postsecondary Education, Teacher and Student Development Programs Service.

Purpose of program: To assist low-income students attain a secondary school diploma or equivalent and prepare for and succeed in postsecondary education.

Benefit/service: Teacher training, scholarships and early intervention services; e.g., financial assistance necessary for attending an institution of higher education, and additional counseling, mentoring, academic support, outreach, and supportive services.

Individual eligibility criteria: A cohort of students in at least one grade level of a school in which at least 50% of students are eligible for free or reduced-price lunch; a cohort of students in at least one grade level that reside in public housing; or secondary school students eligible to be counted under the basic formula for Title I-A of the Elementary and Secondary Education Act, eligible under Title IV-B or IV-E of the Social Security Act, eligible for the homeless education program under the McKinney-Vento Act, or considered disconnected.

Form and recipient of federal assistance: Competitive grants to states and to partnerships consisting of at least one degree-granting institution of higher education and one or more local educational agencies, and if desired, at least two other partners (such as community organizations, businesses, and public or private agencies or organizations). Allows participation by agencies or institutions in territories (American Samoa, Guam, Marshall Islands, Micronesia, Northern Mariana Islands, Palau, Puerto Rico, and the U.S. Virgin Islands).

Allocation formula: Not applicable.

Matching or related requirements: A 50% nonfederal match is required, unless granted a waiver.

New obligations: *FY2009:* $313 million. *FY2008:* $303 million.

Budgetary classification: Discretionary.

Participation data: In FY2009, the program served a total of 747,260 students.

Reading First and Early Reading First (CFDA #84.357 and #84.359)

Authority: *Statute:* Title I, Part B, Subparts 1 and 2 of the Elementary and Secondary Education Act, established by the No Child Left Behind Act (P.L. 107-110); 20 USC 6361-6376. *Regulations:* no formal program-specific regulations.

Federal administering agency: Department of Education, Office of Elementary and Secondary Education, Academic Improvement and Teacher Quality Programs.

Purpose of program: Reading First: To ensure that every child can read at grade level or above by no later than grade 3. Early Reading First: To enhance the early language, literacy and prereading development of preschool-aged children, particularly from low-income families.

Benefit/service: Reading First: Assistance in selecting and administering reading assessments, selecting and implementing programs of reading instruction based on scientifically based reading research (SBR) that include the essential elements of reading instruction, procuring and implementing SBR-based teaching materials, providing professional development for teachers of grades K-3 and special education teachers of grades K-12, collecting and analyzing data to document program effectiveness and identify successful schools, reporting student progress, promoting reading and library programs, supporting family literacy programs, and training parents as reading tutors. Early Reading First: High-quality oral language and literature rich environments, professional training based on SBR to early childhood staff in early reading development, SBR-based language and literacy activities and instructional materials, and SBR-based reading assessments.

Individual eligibility criteria: Reading First: Children in grades K- 3 who may have reading difficulties, are at risk of referral to special education because of their reading difficulties, have been evaluated but not identified as a child with disabilities, are receiving special education services because they have been identified as having a specific learning disability related to reading, are deficient in essential reading skills, or have limited English proficiency. Early Reading First: No specific eligibility criteria; however, services are targeted toward preschool children from low-income families with limited English proficiency, disabilities, or other special needs, who are also experiencing difficulty with spoken language, prereading and early reading skills.

Form and recipient of federal assistance: Reading First: Formula grants to state educational agencies, which award funds competitively to local educational agencies. Early Reading First: Competitive grants to local educational agencies eligible for Title I-A ESEA grants, or to one or more public or private organizations acting on behalf of programs that serve preschool-age children located in an area served by a Title I-A-eligible LEA, or to a consortium of the above. Reading First allows participation by territories (Puerto Rico, American Samoa, Guam, Northern Marianas, and the Virgin Islands).

Allocation formula: Reading First: Funds are allocated among states according to their proportion of children aged 5-17 whose families have income below federal poverty guidelines. Early Reading First: Not applicable.

Matching or related requirements: None.

New obligations: *FY2009:* $129 million. *FY2008:* $560 million. (Note: No appropriations have been made for Reading First since FY2008 or for Early Reading First since FY2009, although both programs continued to have new obligations in FY2008 and FY2009.)

Budgetary classification: Discretionary.

Participation data: In school year 2008-2009, an estimated 1,245,353 students participated in Reading First. In FY2009, grantees proposed to serve a total of 33,278 children and 3,402 educators in Early Reading First.

CRS report: CRS Report RL33960, *The Elementary and Secondary Education Act, as Amended by the No Child Left Behind Act: A Primer*, by Rebecca R. Skinner.

Rural Education Achievement Program (CFDA #84.358)

Authority: *Statute:* Title VI, Part B of the Elementary and Secondary Education Act, established by the No Child Left Behind Act (P.L. 107-110); 20 USC 7341-7372. *Regulations:* no formal program-specific regulations.

Federal administering agency: Department of Education, Office of Elementary and Secondary Education, Office of School Support and Technology Programs.

Purpose of program: To help rural and rural low-income school districts meet their state's definition of adequate yearly progress under the No Child Left Behind Act.

Benefit/service: Small Rural School Achievement Program (SRSA): Activities authorized under Title I-A (improving the academic achievement of disadvantaged children), Title II-A (teacher and principal training and recruiting), Title II-D (enhancing education through technology), Title III (language instruction for limited English proficient and immigrant children), Title IV-A (safe and drug-free schools), Title IV-B (21st century community learning centers) and Title V-A (innovative programs) of the Elementary and Secondary Education Act. Rural and Low-Income School Program (RLIS): Teacher recruitment and retention, teacher professional development, educational technology, parental involvement activities, activities under Title IV-A (safe and drug-free schools) and Title I-A (improving the academic achievement of disadvantaged children) and Title III (language instruction for limited English proficient and immigrant children) of the Elementary and Secondary Education Act.

Individual eligibility criteria: There are no individual eligibility criteria.

Form and recipient of federal assistance: SRSA: Formula grants to small local educational agencies (LEAs). RLIS: Formula grants to state educational agencies (SEAs) for suballocation to local educational agencies that do not meet the small-size thresholds for SRSA and in which 20% of the children aged 5-17 are from families below federal poverty guidelines. RLIS allows participation by territories (American Samoa, Guam, Northern Mariana Islands and the U.S. Virgin Islands).

Allocation formula: Funds are allocated among LEAs (SRSA) and SEAs (RLIS) according to a formula that considers average daily attendance.

Matching or related requirements: None. Funds must supplement and not supplant any funds that would otherwise be used for these activities.

New obligations: *FY2009:* $174 million. *FY2008:* $172 million.

Budgetary classification: Discretionary.

Participation data: In FY2009, an estimated 4,100 LEAs received SRSA grants, and 1,497 LEAs received RLIS grants.

CRS report: CRS Report R40853, *The Rural Education Achievement Program: Title VI-B of the Elementary and Secondary Education Act*, by Jeffrey J. Kuenzi.

Mathematics and Science Partnerships (CFDA #84.366)

Authority: *Statute:* Title II, Part B of the Elementary and Secondary Education Act, established by the Hawkins-Stafford Elementary and Secondary School Improvements Act of 1988 (P.L. 100-297) and most recently reauthorized by the No Child Left Behind Act (P.L. 107-110); 20 USC 6661-6663. *Regulations:* no formal program-specific regulations.

Federal administering agency: Department of Education, Office of Elementary and Secondary Education, Academic Improvement and Teacher Quality Programs.

Purpose of program: To improve the content knowledge of teachers and the performance of students in the areas of mathematics and science.

Benefit/service: Enhanced and ongoing professional development of mathematics and science teachers, promotion of strong teaching skills through integrating reliable research methods and technology-based teaching methods into the curriculum, and summer workshops or institutes including follow-up training for elementary and secondary mathematics and science teachers.

Individual eligibility criteria: There are no individual eligibility criteria.

Form and recipient of federal assistance: Formula grants to state educational agencies (SEAs), which award funds to partnerships of local educational agencies (LEAs) and institutions of higher education. At a minimum, partnerships must include a high-need LEA and an engineering, mathematics or science department of an institution of higher education.

Allocation formula: Funds are allocated among states according to the state's share of children aged 5-17 from families with income below federal poverty guidelines.

Matching or related requirements: None. Funds must supplement and not supplant any funds that would otherwise be used for these activities.

New obligations: FY2009: $176 million. FY2008: $182 million.

Budgetary classification: Discretionary.

Participation data: Most recent data available are for FY2006 (spending level of $182 million); in that year, more than 56,000 teachers received professional development.

Improving Teacher Quality State Grants (CFDA #84.367)

Authority: *Statute:* Title II, Part A of the Elementary and Secondary Education Act, established by the No Child Left Behind Act (P.L. 107-110); 20 USC 6601-6641. *Regulations:* no formal program-specific regulations.

Federal administering agency: Department of Education, Office of Elementary and Secondary Education, Academic Improvement and Teacher Quality Programs.

Purpose of program: To increase student achievement through improving teacher and principal quality and increasing the number of highly qualified teachers, principals and assistant principals in classrooms and schools.

Benefit/service: State activities include teacher and principal certification reform, professional development activities, assistance to local educational agencies in teacher and principal recruitment and retention, tenure reform, subject matter testing for teachers, across-state certification reciprocity projects, technology training for teachers, assistance to help teachers become highly qualified, and teacher recruitment and placement clearinghouses. Local activities include assistance to schools in recruitment and retention of highly qualified teachers and principals, use of such teachers to reduce class size, professional development activities, and quality improvement activities such as tenure reform, merit pay and subject-area testing for teachers.

Individual eligibility criteria: There are no individual eligibility criteria.

Form and recipient of federal assistance: Formula grants to state educational agencies, which make formula-based subgrants to local educational agencies, and to state agencies of higher education, which award competitive grants to partnerships of institutions of higher education and high-need local educational agencies (those with a high number or proportion of poor children). Allows participation by territories (Puerto Rico, American Samoa, Guam, the Northern Mariana Islands and the U.S. Virgin Islands).

Allocation formula: Funds are allocated among states and local educational agencies based first on the amounts they received under predecessor programs in 2001; excess funds are allocated according to formulas based on number of children ages 5-17 and number of children ages 5-17 from families with incomes below federal poverty guidelines.

Matching or related requirements: None. Funds must supplement and not supplant any funds that would otherwise be used for these activities.

New obligations: *FY2009:* $2.687 billion. *FY2008:* $2.946 billion.

Budgetary classification: Discretionary.

Participation data: In school year 2009-2010, funds were used to hire an estimated 17,295 teachers.

CRS report: CRS Report R41267, *Elementary and Secondary School Teachers: Policy Context, Federal Programs, and ESEA Reauthorization Issues*, by Jeffrey J. Kuenzi.

Academic Competitiveness and Smart Grant Program (CFDA #84.375 and 84.376)

Authority: *Statute:* Title IV, Part A, Subpart 1, Section 401A of the Higher Education Act of 1965, established by the Higher Education Reconciliation Act of 2005 (P.L. 109-171); 20 USC 1070a-1. *Regulations:* 34 CFR Part 691.

Federal administering agency: Department of Education, Office of Federal Student Aid.

Purpose of program: To help eligible financially needy students finance their postsecondary education by encouraging students to complete a rigorous high school curriculum, maintain a high grade point average (GPA), and major in math and science fields during their undergraduate studies.

Benefit/service: Grant aid that, together with any other student aid received, cannot exceed the student's cost of postsecondary school attendance.

Individual eligibility criteria: Eligible students are undergraduates who attend participating schools, are eligible to receive a Pell Grant, and meet other eligibility requirements related to—depending on their year in school—completing a rigorous high school curriculum; majoring in mathematics, science, or selected foreign languages; and maintaining a required minimum GPA.

Form and recipient of federal assistance: Funds are provided to participating institutions of higher education to pay eligible students; participating institutions also receive an administrative allowance per student. Individual students receive assistance either by payment to school account, direct payment (usually by check), or a combination of these methods. Allows participation by citizens of territories (American Samoa, Guam, Micronesia, the Marshall Islands, Palau Northern Mariana Islands, and U.S. Virgin Islands).

Allocation formula: Not applicable.

Matching or related requirements: Not applicable.

New obligations: *FY2009:* $690 million. *FY2008:* $297 million.

Budgetary classification: Mandatory (entitlement to individuals).

Participation data: During award year (July-June) 2009-2010, 731,653 students were served.

Social Services

Indian Human Services (CFDA #15.025, #15.113, #15.141, #15.144)

Authority: *Statute:* Snyder Act of 1921 (P.L. 67-85), Indian Self-Determination and Education Assistance Act (P.L. 93-638), Indian Child Welfare Act (P.L. 95-608), and Indian Child Protection and Family Violence Prevention Act (P.L. 101-630); 25 USC 13, 450 et seq., 1901 et seq., and 3210. *Regulations:* 25 CFR Parts 20, 23, and 256. (Programs include Social Services, Welfare Assistance, Indian Child Welfare, and Housing Improvement Program.)

Federal administering agency: Department of Interior, Bureau of Indian Affairs, Division of Human Services.

Purpose of program: To provide financial assistance for basic needs of needy eligible American Indians who live on or near reservations when such assistance is not available from state or local agencies; to fund federally recognized tribal governments to administer welfare assistance programs for American Indian adults and children, to support caseworkers and counselors, and to support tribal programs to reduce incidence of substance abuse and alcoholism in Indian country; to promote stability and security of American Indian tribes and families by protecting American Indian children, preventing separation of American Indian families, and assisting Indian tribes in the operation of child and family service programs; and to eliminate substantially substandard Indian owned and inhabited housing for very low-income Indians living in tribal service areas.

Benefit/service: Assistance in processing welfare applications, determining suitable placement of American Indian children in need of foster care, operation of emergency shelters and similar services; cash payments to meet basic needs (i.e., food, clothing, shelter), assistance for nonmedical institutional or custodial care of adults not eligible for other programs, foster home care and nonmedical institutional care for American Indian children in need of protection; counseling, family assistance, protective day care, after-school care, recreational activities, respite care, education and training, foster care subsidies, legal advice and representation, home improvement programs; and renovations, repairs, or additions to existing homes.

Individual eligibility criteria: Depending on the program, American Indian adults in need of financial assistance or social services, children in need of foster care, and youth requiring temporary emergency shelter; members of federally recognized Indian tribes who live on or near federally recognized reservations who are in need of financial assistance; American Indian children and families; and Indians who are members of federally recognized tribes.

Form and recipient of federal assistance: Discretionary grants to federally recognized Indian tribes and tribal organizations.

Allocation formula: Not applicable.

Matching or related requirements: None.

New obligations: *FY2009:* $115 million. *FY2008:* $118 million.

Budgetary classification: Discretionary.

Participation data: No data available.

Older Americans Act Grants for Supportive Services and Senior Centers (CFDA #93.044)

Authority: *Statute:* Title III, Part B of the Older Americans Act of 1965 (P.L. 89-73), most recently reauthorized by the Older Americans Act Amendments of 2006 (P.L. 109-365); 42 USC 3030d. *Regulations:* 45 CFR 1321.

Federal administering agency: Department of Health and Human Services, Administration on Aging.

Purpose of program: To secure and maintain maximum independence and dignity in a home environment for older individuals capable of self-care with appropriate supportive services, to remove individual and social barriers to economic and personal independence for older individuals, and to provide a continuum of care for older individuals.

Benefit/service: Supportive services, including health (and mental health), education and training, welfare, informational, recreational, homemaker, counseling, or referral services; transportation services; services to help older individuals use the services and facilities available to them (including language translation services); housing-related services; services to help older individuals avoid institutionalization, legal assistance and other counseling services; activities to attain and maintain physical and mental well-being; health and mental health screenings; preretirement counseling and assistance; ombudsman services for residents of long-term care facilities; services and assistive devices for disabled older persons; employment-related services and counseling; crime prevention and victim assistance; services to identify and meet the needs of low-income older individuals; abuse prevention; health and nutrition education services; coordinated services for mentally impaired older individuals; services for family caregivers; information and training for guardians or representative payees of older individuals; services to facilitate interaction between students and older individuals; in-home services for frail elderly; information about life-long learning programs; and any other services necessary for the general welfare of older individuals.

Individual eligibility criteria: Individuals age 60 or older. Preference is given to individuals with the greatest economic and social needs, with particular attention to low-income older individuals (i.e., having income no higher than federal poverty guidelines), including low-income minority older individuals, those with limited English proficiency, and those living in rural areas.

Form and recipient of federal assistance: Formula grants to state agencies on aging, which make subgrants to local area agencies on aging. Allows participation by territories (Puerto Rico, American Samoa, Guam, the Northern Mariana Islands and the U.S. Virgin Islands). Separate grants are provided for Native Americans under Title VI of the Older Americans Act.

Allocation formula: Funds are allocated among states according to their relative share of the nation's population of older individuals (age 60 or older). States develop their own formulas for allocation of funds among local agencies, which must consider the geographic distribution of older individuals and older individuals with the greatest economic and social needs, paying particular attention to low-income minority individuals.

Matching or related requirements: A nonfederal share of 25% is required for administrative activities, and a nonfederal share of 15% is required for supportive services and senior centers.

New obligations: *FY2009:* $361 million. *FY2008:* $351 million.

Budgetary classification: Discretionary.

Participation data: In FY2008, the number of clients participating by type of service were: 502,675 for case management; 165,349 for homemaker services; 109,488 for personal care; 38,432 for chore services; 44,437 for assisted transportation; and 25,204 for adult day care.

CRS report: CRS Report RL33880, *Older Americans Act: Funding*, by Angela Napili and Kirsten J. Colello.

Older Americans Act Family Caregiver Support Program (CFDA #93.052)

Authority: *Statute:* Title III, Part E of the Older Americans Act of 1965 (P.L. 89-73), most recently reauthorized by the Older Americans Act Amendments of 2006 (P.L. 109-365); 42 USC 3030s. *Regulations:* 45 CFR 1321.

Federal administering agency: Department of Health and Human Services, Administration on Aging.

Purpose of program: To provide multifaceted systems of support services for family caregivers and grandparents or older individuals who are relative caregivers.

Benefit/service: Information to caregivers about available services, assistance to caregivers in gaining access to services; individual counseling, organization of support groups, and caregiver training in the areas of health, nutrition, and financial literacy, and in making decisions and solving problems related to their caregiving roles; respite care to enable caregivers to be temporarily relieved of their caregiving responsibilities; and supplemental services, on a limited basis, to complement the care provided by caregivers.

Individual eligibility criteria: Family members or others providing informal care to an older individual, and those providing informal care to individuals of any age with specific cognitive disabilities. Also, grandparents or older individuals who are relative caregivers to children, including those caring for children of any age with a disability. Priority is given to older caregivers with the greatest social and economic need and to older individuals providing care to individuals with severe disabilities, including children with severe disabilities.

Form and recipient of federal assistance: Formula grants to state agencies on aging, which make subgrants to local area agencies on aging. Allows participation by territories (Puerto Rico, American Samoa, Guam, the Northern Mariana Islands and the U.S. Virgin Islands). Separate grants are provided for Native Americans under Title VI of the Older Americans Act.

Allocation formula: Funds are allocated to states according to their relative share of the nation's population of older individuals (age 70 or older).

Matching or related requirements: A nonfederal share of 25% is required for services and administrative activities. Funds must be used to supplement and not supplant any other federal, state or local funds used for the same purpose.

New obligations: *FY2009:* $154 million. *FY2008:* $153 million.

Budgetary classification: Discretionary.

Participation data: In FY2008, the number of clients participating by type of service were: 22,948,978 for information services, 373,130 for access assistance; 141,167 for counseling services; 72,887 for respite care; and 48,268 for supportive services.

CRS report: CRS Report RL33880, *Older Americans Act: Funding*, by Angela Napili and Kirsten J. Colello.

Child Support Enforcement (CDFA #93.563)

Authority: *Statute:* Title IV-D of the Social Security Act, established by the Social Services Amendments of 1974 (P.L. 93-647); 42 USC 651-669. *Regulations:* 45 CFR Chapter 3.

Federal administering agency: Department of Health and Human Services, Administration for Children and Families, Office of Child Support Enforcement.

Purpose of program: To enforce the support obligations owed by noncustodial parents to their children and the spouse (and former spouse) with whom such children are living through locating noncustodial parents, establishing paternity, obtaining child and spousal support, and assuring that assistance in obtaining support will be available to all children who request such assistance.

Benefit/service: Noncustodial parent location, paternity establishment, establishment of child support orders, review and modification of child support orders, collection of child support payments, distribution of child support payments, and establishment and enforcement of medical support. Services are free for families that are automatically eligible; states may charge a fee of up to $25 for all other families.

Individual eligibility criteria: Services are available to parents with custody of a child whose other parent is living outside the home. Services are automatically available for families receiving Temporary Assistance for Needy Families (TANF), federal foster care payments, or Medicaid.

Form and recipient of federal assistance: Partial reimbursement to states of eligible expenditures, with no limit on federal spending. Allows participation by territories (Guam, Puerto Rico, the U.S. Virgin Islands) and Indian tribes and tribal organizations.

Allocation formula: None. Payments to states are based on their eligible expenditures.

Matching or related requirements: The federal government reimburses states for 66% of their eligible expenditures.

New obligations: *FY2009:* $4.719 billion. *FY2008:* $4.585 billion.

Budgetary classification: Mandatory (open-ended entitlement to states).

Participation data: In FY2009, the total CSE caseload was 15.8 million cases, involving 17.4 million children.

CRS report: CRS Report RS22380, *Child Support Enforcement: Program Basics*, by Carmen Solomon-Fears.

Community Services Block Grants (CFDA #93.569)

Authority: *Statute:* Community Services Block Grant Act, established by the Omnibus Budget Reconciliation Act of 1980 (P.L. 97-35) and most recently reauthorized by the Community Opportunities, Accountability, and Training and Educational Services Act of 1998 (P.L. 105-285); 42 USC 9901 et seq. *Regulations:* 45 CFR Part 96, Subpart I.

Federal administering agency: Department of Health and Human Services, Administration for Children and Families, Office of Community Services.

Purpose of program: To reduce poverty, revitalize low-income communities, and empower low-income individuals and families in rural and urban areas to become fully self-sufficient.

Benefit/service: A wide range of activities may be supported to help low-income individuals and families become self-sufficient, find meaningful employment, attain an adequate education, make better use of available income, find and maintain adequate housing, obtain emergency assistance, and achieve greater participation in community affairs; address the needs of youth in low-income communities; and effectively use and coordinate with related programs.

Individual eligibility criteria: In general, beneficiaries must have incomes no higher than the federal poverty guidelines, although states may set eligibility criteria at 125% of the poverty guidelines when "it serves the objectives of the block grant." (The American Recovery and Reinvestment Act, P.L. 111-5, allowed states to set eligibility criteria at 200% of poverty during FY2009 and FY2010.)

Form and recipient of federal assistance: Formula grants to states. Of funds received by each state, at least 90% must be passed through to "eligible entities," which are primarily community action agencies that had been designated prior to 1981 under the former Economic Opportunity Act or their successor agencies. Allows participation by territories (Puerto Rico, American Samoa, Guam, the Northern Mariana Islands, and the U.S. Virgin Islands) and Indian tribes.

Allocation formula: Funds are allocated among states based on the relative amount received in each state in FY1981, under a section of the former Economic Opportunity Act.

Matching or related requirements: None.

New obligations: *FY2009:* $1.692 billion (includes $992 million under the American Recovery and Reinvestment Act). *FY2008:* $654 million.

Budgetary classification: Discretionary.

Participation data: In FY2008, states reported that local agencies served nearly 16 million individuals in more than 7 million families.

CRS report: CRS Report RL32872, *Community Services Block Grants (CSBG): Background and Funding*, by Karen Spar.

Child Care and Development Fund (CFDA #93.575 and #93.596)

Authority: *Statute:* Child Care and Development Block Grant Act, established by the Omnibus Budget Reconciliation Act of 1990 (P.L. 101-508) and most recently reauthorized by the Personal Responsibility and Work Opportunity Reconciliation Act (PRWORA) of 1996 (P.L. 104-193); 42 USC 9859. Section 418 of the Social Security Act, established by PRWORA (P.L. 104-193) and most recently reauthorized by the Claims Resolution Act of 2010 (P.L. 111-291); 42 USC 618. *Regulations:* 45 CFR Parts 98 and 99.

Federal administering agency: Department of Health and Human Services, Administration for Children and Families, Office of Child Care.

Purpose of program: To develop child care programs that best suit the needs of children and parents in each state, to empower working parents to make their own decisions on the child care that best suits their family's needs, to provide consumer education to help parents make informed decisions, to provide child care to parents trying to achieve independence from public assistance, and to help states implement their child care regulatory standards.

Benefit/service: Subsidized child care services for families provided on a sliding fee scale basis, which may be free for those with incomes below federal poverty guidelines (or, on a case-by-case basis, for those in foster care or receiving protective services). Child care providers may be paid directly by the state through a grant or contract, or through certificates (also known as vouchers) that parents may use to purchase child care from an eligible provider of their choice. Child care services may include center-based care, group home care, family care, and care provided in the child's own home.

Individual eligibility criteria: Eligible children must be under age 13 (or under 18 if disabled or under court supervision), have a parent who is working or attending job training (unless the child is receiving protective services), and have family income no greater than 85% of state median income or lower depending on state policy. States must give priority to very low-income children and must target a certain amount of funds to welfare families working toward self-sufficiency or families at risk of welfare dependency.

Form and recipient of federal assistance: Formula grants to states. Allows participation by Indian tribes, and for certain funds, by territories (Puerto Rico, American Samoa, Guam, the Northern Mariana Islands, and the U.S. Virgin Islands).

Allocation formula: Discretionary funds are allocated among states according to each state's proportion of children under age 5, its proportion of all children who receive free or reduced price school lunches, and its relative per capita income. Of mandatory funds, states receive a fixed amount each year based on their spending under predecessor programs in the mid-1990s ("guaranteed" funds). Remaining mandatory funds are allocated according to each state's share of children under age 13.

Matching or related requirements: No matching requirement for discretionary funds or "guaranteed" mandatory funds. States must match remaining mandatory funds at their FMAP (federal medical assistance percentage) matching rate. States also must achieve certain maintenance-of-effort targets to qualify for these funds.

New obligations: *FY2009:* $7.034 billion (includes $1.990 billion under the American Recovery and Reinvestment Act). *FY2008:* $4.979 billion.

Budgetary classification: Discretionary (Child Care and Development Block Grant Act) and mandatory (Section 418 of the Social Security Act) (capped entitlement to states).

Participation data: In FY2007 (the most recent year for which final data are available), the average monthly number of children served by the CCDF was 1.7 million. Preliminary data for FY2008 estimate the average monthly number of children served was 1.6 million.

CRS report: CRS Report RL30785, *The Child Care and Development Block Grant: Background and Funding*, by Karen E. Lynch.

Head Start (CFDA #93.600)

Authority: *Statute:* Head Start Act, established by the Omnibus Budget Reconciliation Act (P.L. 97-35) and most recently reauthorized by the Head Start for School Readiness Act (P.L. 110-134); 42 USC 9801 et seq. *Regulations:* 45 CFR Parts 1301-1311.

Federal administering agency: Department of Health and Human Services, Administration for Children and Families, Office of Head Start.

Purpose of program: To promote school readiness by enhancing the social and cognitive development of children through the provision of educational, health, nutritional, social and other services to children and their families; and (for Early Head Start) to promote healthy prenatal outcomes, enhance the development of infants and toddlers, and promote healthy family functioning.

Benefit/service: Comprehensive child development services, including educational, dental, medical, nutritional, and social services to children and their families. Services may be center-based, home-based, or a combination, and may be full- or part-day or full- or part-year.

Individual eligibility criteria: Eligible children are those from low-income families (defined as having income below 100% of federal poverty guidelines, receiving public assistance or being a foster child) or who would be eligible for public assistance in the absence of child care, and homeless children. Up to 10% of participants may not meet these eligibility criteria if they would benefit from the program. An additional 35% of participants may have family incomes between 100% and 130% of federal poverty guidelines, as long as such children are not given higher priority than poor or homeless children.

Form and recipient of federal assistance: Formula grants to local public and private nonprofit and for-profit entities. Allows participation by territories (Puerto Rico, American Samoa, Guam, Northern Mariana Islands, Palau and the U.S. Virgin Islands) and Indian Head Start programs.

Allocation formula: Funds are allocated among states but awarded directly to local grantees. The allocation formula is intended to hold states harmless at their prior year's level, award a cost-of-living adjustment, and allocate remaining funds for quality improvement and program expansion. Allocation factors include children under age 5 whose family incomes are below poverty.

Matching or related requirements: A 20% nonfederal match is required unless a waiver is granted.

New obligations: *FY2009:* $9.077 billion (includes $578 million under the American Recovery and Reinvestment Act). *FY2008:* $6.877 billion.

Budgetary classification: Discretionary.

Participation data: In FY2009, the Head Start funded enrollment level was about 965,153 children, of whom approximately 114,389 (or 12%) were in Early Head Start programs. The term "funded enrollment" refers to the number of Head Start slots that are funded, not the total number of children served throughout the year (which would be higher, accounting for turnover).

CRS report: CRS Report RL30952, *Head Start: Background and Issues*, by Karen E. Lynch.

Developmental Disabilities Basic Support and Advocacy Grants (CFDA #93.630)

Authority: *Statute:* Developmental Disabilities Assistance and Bill of Rights Act of 1978 (P.L. 95-602), most recently reauthorized by the Developmental Disabilities Assistance and Bill of Rights Act of 2000 (P.L. 106-402); 42 USC 15001 et seq. *Regulations:* 45 CFR Parts 1385-1386.

Federal administering agency: Department of Health and Human Services, Administration for Children and Families, Administration on Developmental Disabilities.

Purpose of program: To enable individuals with developmental disabilities to maximize their work potential, facilitate their ability to live independently, and foster their integration into the community.

Benefit/service: State councils on developmental disabilities identify the most pressing needs of individuals with developmental disabilities in their state and conduct activities to address these needs through training, technical assistance, barrier elimination, coalition development and citizen participation, informing policymakers, advocacy and capacity-building, and demonstration of new service approaches. Special financial and technical assistance must be given to organizations that serve individuals in areas designated as urban and rural poverty areas. Protection and advocacy agencies provide services intended to protect the legal and human rights of individuals with developmental disabilities.

Individual eligibility criteria: Developmental disability is defined as a severe, chronic disability that is attributable to a mental or physical impairment or combination of such impairments, that is manifested before an individual becomes 22 years old, is likely to continue indefinitely, and that results in substantial functional limitations in at least three of several specified areas: self-care, receptive and expressive language, learning, mobility, self-direction, capacity for independent living, and economic self-sufficiency. Additionally, an individual from birth to age 9, inclusive, who has a substantial developmental delay or specific congenital or acquired condition, may be considered to have a developmental disability without meeting three or more of the criteria described above if the individual, without services and supports, has a high probability of meeting those criteria later in life.

Form and recipient of federal assistance: Formula grants to states. Allows participation by territories (American Samoa, Guam, the Northern Mariana Islands, and the U.S. Virgin Islands).

Allocation formula: Each state receives a minimum allotment; remaining funds are allocated among states on the basis of population, extent of need for services for developmentally disabled individuals, and financial need.

Matching or related requirements: For state councils on developmental disabilities, a nonfederal share of 25% is required, except for projects in poverty areas where the nonfederal share may be reduced to as low as 10%. No match is required for protection and advocacy grants or for certain state planning activities.

New obligations: *FY2009:* $114 million. *FY2008:* $111 million.

Budgetary classification: Discretionary.

Participation data: In FY2008, 1,527,995 services were provided.

CRS report: CRS Report RL34507, *The Developmental Disabilities Act*, by Umar Moulta-Ali.

Foster Care (CFDA #93.658)

Authority: *Statute:* Title IV-E of the Social Security Act, established by the Adoption Assistance and Child Welfare Act of 1980 (P.L. 96-272); 42 USC 672. *Regulations:* 45 CFR 1355 and 1356.

Federal administering agency: Department of Health and Human Services, Administration for Children and Families, Administration for Children, Youth and Families, Children's Bureau.

Purpose of program: To provide temporary out-of-home care for children who cannot safely remain in their own homes, until the children may be safely returned home; placed permanently with adoptive families, in a legal guardianship, or with a fit and willing relative; or placed in another planned permanent living arrangement.

Benefit/service: Payments to foster care providers to cover the costs of children's maintenance (e.g., room and board, clothing and supplies, liability insurance, certain travel expenses); and support for administrative and child placement services intended to promote safety and permanency for children and well-being for children and their families.

Individual eligibility criteria: For states to receive federal reimbursement for the maintenance and related costs of providing foster care, children must have been removed from their homes pursuant to a voluntary placement agreement or certain judicial determinations and be placed in foster care settings that meet specified requirements. Children also must have been removed from homes in which they would have been considered "needy" under the former Aid to Families with Dependent Children (AFDC) program, as that program was administered in their state on July 16, 1996.

Form and recipient of federal assistance: Partial reimbursement to states of eligible expenditures, with no limit on federal spending. Allows participation by territories (Puerto Rico, Guam, American Samoa and the U.S. Virgin Islands).

Allocation formula: Payments to states are based on their eligible expenditures and the applicable matching (reimbursement) rate.

Matching or related requirements: Maintenance payment expenditures are reimbursed at each state's federal medical assistance percentage (FMAP), which varies according to state per capita income. Certain training expenditures are reimbursed at a 75% federal rate; remaining administrative and child placement expenditures are reimbursed at 50%.

New obligations: *FY2009:* $4.705 billion. *FY2008:* $4.525 billion.

Budgetary classification: Mandatory (open-ended entitlement to states).

Participation data: In FY2009, the average monthly number of children served was 186,303.

CRS report: CRS Report RL34121, *Child Welfare: Recent and Proposed Federal Funding*, by Emilie Stoltzfus.

Adoption Assistance (CFDA #93.659)

Authority: *Statute:* Title IV-E of the Social Security Act, established by the Adoption Assistance and Child Welfare Act of 1980 (P.L. 96-272); 42 USC 673. *Regulations:* 45 CFR 1355 and 1356.

Federal administering agency: Department of Health and Human Services, Administration for Children and Families, Administration on Children, Youth and Families, Children's Bureau.

Purpose of program: To facilitate the timely placement of children whose special needs (which may include age, membership in a large sibling group or a racial/ethnic minority group, physical or mental disabilities or other circumstances as determined by the state) would otherwise make it difficult to place them with adoptive families.

Benefit/service: One-time nonrecurring payments to assist with the costs of adopting a special needs child (e.g., adoption fees, court costs, attorney fees) and ongoing monthly payments to adoptive families; administrative and child placement services intended to promote child safety, permanency and well-being.

Individual eligibility criteria: For states to receive federal reimbursement for either nonrecurring or ongoing costs of adoption assistance, the children must have special needs, as defined by the state, which generally would make their placement for adoption difficult. For states to receive federal reimbursement for the ongoing costs of adoption assistance, children also must be eligible for Supplementary Security Income (SSI) or must have been removed from their homes pursuant to a voluntary placement agreement or certain judicial determinations. In addition, children (who are not eligible for SSI) must have been removed from homes in which they would have been considered "needy" under the former Aid to Families with Dependent Children (AFDC) program, as that program was administered in their state on July 16, 1996. (Under P.L. 110-351, income-related eligibility criteria are phased out for children entering the adoption assistance program beginning in FY2010 and no income eligibility criteria will remain by FY2018.)

Form and recipient of federal assistance: Partial reimbursement to states of eligible expenditures, with no limit on federal spending. Allows participation by territories (Puerto Rico, Guam, American Samoa and the U.S. Virgin Islands).

Allocation formula: Payments to states are based on their eligible expenditures and the applicable matching (reimbursement) rate.

Matching or related requirements: Adoption assistance payment expenditures are reimbursed at each state's federal medical assistance percentage (FMAP), which varies according to state per capita income. Certain training expenditures are reimbursed at a 75% federal rate; remaining administrative and child placement expenditures are reimbursed at 50%.

New obligations: *FY2009:* $2.324 billion. *FY2008:* $2.038 billion.

Budgetary classification: Mandatory (open-ended entitlement to states).

Participation data: In FY2009, the average monthly number of children served was 416,408.

CRS report: CRS Report RL34121, *Child Welfare: Recent and Proposed Federal Funding*, by Emilie Stoltzfus.

Social Services Block Grants (CFDA #93.667)

Authority: *Statute:* Title XX of the Social Security Act, established by the Omnibus Budget Reconciliation Act of 1981 (P.L. 97-35); 42 USC 1397. *Regulations:* 45 CFR Part 96, Subpart G.

Federal administering agency: Department of Health and Human Services, Administration for Children and Families, Office of Community Services.

Purpose of program: To provide services directed at the following goals: achieve or maintain economic self-support to prevent, reduce, or eliminate dependency; achieve or maintain self-sufficiency to reduce or prevent dependency; prevent or remedy abuse, neglect or exploitation of children or adults unable to protect their own interests, or to preserve, rehabilitate or reunite families; prevent or reduce inappropriate institutional care; or refer or admit individuals into institutional care when other forms of care are not appropriate or provide services to individuals in institutions.

Benefit/service: Services directed at the goals listed above, such as child care services, protective services for children and adults, services for children and adults in foster care, services related to the management and maintenance of the home, day care services for adults, transportation services, family planning services, training and related services, employment services, information, referral, and counseling services, the preparation and delivery of meals, health support services and appropriate combinations of services designed to meet the special needs of children, the aged, the mentally retarded, the blind, the emotionally disturbed, the physically disabled, and alcoholics and drug addicts.

Individual eligibility criteria: Eligibility criteria are determined by the states, except that any funds transferred into the Social Services Block Grant from the Temporary Assistance for Needy Families (TANF) program must be used to serve children and their families whose incomes are no greater than 200% of the federal poverty guidelines.

Form and recipient of federal assistance: Formula grants to states. Allows participation by territories (American Samoa, Guam, the Northern Mariana Islands, Puerto Rico, and the Virgin Islands).

Allocation formula: Funds are allocated among states according to their relative population size.

Matching or related requirements: None.

New obligations: *FY2009:* $2.300 billion. *FY2008:* $1.700 billion.

Budgetary classification: Mandatory (capped entitlement to states).

Participation data: In FY2008, nearly 24.7 million individuals (10.9 million children, and 13.8 million adults) received services supported in whole or in part by the SSBG.

CRS report: CRS Report 94-953, *Social Services Block Grant: Background and Funding* , by Karen E. Lynch.

Chafee Foster Care Independence Program (CFDA #93.674)

Authority: *Statute:* Section 477 of the Social Security Act, established by the Foster Care Independence Act of 1999 (P.L. 106-169); 42 USC 677. *Regulations:* 45 CFR 1356.

Federal administering agency: Department of Health and Human Services, Administration for Children and Families, Administration for Children, Youth and Families, Children's Bureau.

Purpose of program: To help current and former foster youth achieve self-sufficiency.

Benefit/service: Educational assistance, vocational training, employment services, life skills training, mentoring, preventive health activities, counseling, and (subject to certain limitations) room and board.

Individual eligibility criteria: Children who are likely to remain in foster care until age 18, youth age 18-21 who have aged out of the foster care system, and youth who left foster care after age 16 for kinship guardianship or adoption.

Form and recipient of federal assistance: Formula grants to states. Allows participation by Puerto Rico.

Allocation formula: Funds are allocated among states according to their share of the nation's children in foster care, except that no state may receive less than $500,000 or the amount payable to the state under the predecessor program for FY1998, whichever is greater.

Matching or related requirements: A 20% nonfederal match is required. Funds must supplement and not supplant any funds that would otherwise be used for the same general purposes.

New obligations: *FY2009:* $140 million. *FY2008:* $140 million.

Budgetary classification: Mandatory (capped entitlement to states).

Participation data: No data available.

CRS report: CRS Report RL34499, *Youth Transitioning from Foster Care: Background and Federal Programs*, by Adrienne L. Fernandes-Alcantara.

Emergency Food and Shelter Program (CFDA #97.024)

Authority: *Statute:* Title III of the Stewart B. McKinney Homeless Assistance Act of 1987 (P.L. 100-77), most recently reauthorized by the Housing and Community Development Act of 1992 (P.L. 102-550); 42 USC 11331-11346. *Regulations:* no formal program-specific regulations.

Federal administering agency: The program is administered by a National Board, which operates under the auspices of the Department of Homeland Security, Federal Emergency Management Agency.

Purpose of program: To provide shelter, food, and supportive services for homeless and hungry individuals nationwide.

Benefit/service: Mass shelter, mass feeding, food distribution through food pantries and food banks, one-month utility payments to prevent service cutoff, one-month rent/mortgage payments to prevent evictions or help people leaving shelters to establish stable living conditions.

Individual eligibility criteria: Determined by boards that administer the program at the local level.

Form and recipient of federal assistance: Formula grants to local boards in eligible local jurisdictions. Local boards further distribute funds among local service providers (called local recipient organizations), which provide direct services to homeless and hungry individuals and families. Eligible jurisdictions are chosen based on measures of population, unemployment and poverty. Some funds are set-aside for states to award to local jurisdictions that don't qualify as eligible jurisdictions but have high levels of need.

Allocation formula: Funds are allocated among eligible local jurisdictions based on their number of unemployed persons relative to other eligible local jurisdictions. Allows participation by territories (American Samoa, Guam, the Northern Mariana Islands, Puerto Rico, and the U.S. Virgin Islands).

Matching or related requirements: None.

New obligations: *FY2009:* $300 million (includes $100 million under the American Recovery and Reinvestment Act). *FY2008:* $153 million.

Budgetary classification: Discretionary.

Participation data: In FY2009, services "rendered" were estimated at 70.1 million meals and 5.4 million nights of lodging. In addition, funds were used to provide approximately 209,061 rent/mortgage payments and 226,822 utility bill payments.

CRS report: CRS Report RL30442, *Homelessness: Targeted Federal Programs and Recent Legislation*, coordinated by Libby Perl.

Legal Services Corporation (no CFDA #)

Authority: *Statute:* Legal Services Corporation of 1974 (P.L. 93-355), most recently reauthorized by the Equal Access to Courts Act (P.L. 95-222); 42 USC 2996 et seq. *Regulations:* 45 CFR Part 1600.

Federal administering agency: Legal Services Corporation.

Purpose of program: To provide equal access to the justice system for individuals who seek redress of grievances and to provide high quality legal assistance to those would be otherwise unable to afford legal counsel.

Benefit/service: Legal services in civil cases.

Individual eligibility criteria: Eligible individuals must have incomes no greater than 125% of the federal poverty guidelines, with exceptions (up to 200% of poverty) allowed in specified circumstances.

Form and recipient of federal assistance: Formula grants to public and private nonprofit entities. Allows participation by territories (American Samoa, Guam, Puerto Rico, the Trust Territory of the Pacific Islands, the U.S. Virgin Islands and any other territories or possessions of the United States).

Allocation formula: Funds are allocated among states but awarded directly to local grantees. The allocation formula is based on each state's share of the nation's poverty population.

Matching or related requirements: None.

New obligations: *FY2009:* $392 million. *FY2008:* $351 million.

Budgetary classification: Discretionary.

Participation data: In FY2009, 920,447 cases were closed.

CRS report: CRS Report RL34016, *Legal Services Corporation: Background and Funding*, by Carmen Solomon-Fears.

Energy Assistance

Weatherization Assistance (CFDA #81.042)

Authority: *Statute:* Title IV of the Energy Conservation and Production Act of 1976 (P.L. 94-385), most recently reauthorized by the Energy Independence and Security Act of 2007 (P.L. 110-140); 42 USC 6871 et seq. *Regulations:* 10 CFR Part 440.

Federal administering agency: Department of Energy, Office of Energy Efficiency and Renewable Energy.

Purpose of program: To increase the energy efficiency of homes owned or occupied by low-income persons to reduce their total residential energy costs, and improve their health and safety.

Benefit/service: Computerized energy audits and diagnostic equipment to determine the most energy-efficient measures for each individual home; labor and materials necessary to install such energy-efficient measures.

Individual eligibility criteria: Homes eligible for weatherization assistance must be occupied by persons with income below 150% of the federal poverty guidelines—increased to 200% of poverty beginning in FY2009—or who have received cash assistance under Temporary Assistance for Needy Families (TANF) or Supplemental Security Income (SSI) in the previous 12 months, or (at state option) who are eligible for assistance under the Low-Income Home Energy Assistance Program (LIHEAP).

Form and recipient of federal assistance: Formula grants to states. Allows participation by Indian tribes and, effective FY2009, by territories (American Samoa, Guam, Northern Mariana Islands, Puerto Rico and the U.S. Virgin Islands).

Allocation formula: A specified dollar "base" amount is allocated among states; the balance is allocated according to a formula that reflects each state's relative low-income population, climatic conditions, and residential energy expenditures by low-income households in each state.

Matching or related requirements: None.

New obligations: *FY2009*: $5.240 billion (includes $4.748 billion under the American Recovery and Reinvestment Act). *FY2008:* $291 million. (Weatherization and Intergovernmental Activities.)

Budgetary classification: Discretionary.

Participation data: In FY2007 (most recent year for which data are available), program funds accounted for the weatherization of 104,283 homes.

Low-Income Home Energy Assistance Program (LIHEAP) (CFDA #93.568)

Authority: *Statute:* Low-Income Home Energy Assistance Act, established by Title XXVI of the Omnibus Budget Reconciliation Act of 1981 (P.L. 97-35) and most recently reauthorized by the Energy Policy Act of 2005 (P.L. 109-58); 42 USC 8621-8630. *Regulations:* 45 CFR Parts 96.80-96.89.

Federal administering agency: Department of Health and Human Services, Administration for Children and Families, Office of Community Services.

Purpose of program: To assist low-income households, particularly those with the lowest incomes, that pay a high proportion of their income for home energy, primarily in meeting their immediate home energy needs.

Benefit/service: Assistance to households in paying their heating and cooling costs, crisis intervention, home weatherization, and services (such as counseling) to help reduce energy costs.

Individual eligibility criteria: States establish their own eligibility criteria within federal parameters. Maximum federal income eligibility is 150% of federal poverty guidelines or, if greater, 60% of state median income (75% of state median income in FY2009 and FY2010). States may not set eligibility at lower than 110% of federal poverty guidelines. States may grant categorical eligibility to households in which at least one member receives benefits under Temporary Assistance for Needy Families (TANF), Supplemental Security Income (SSI), Supplemental Nutrition Assistance Program (SNAP), or certain veterans' programs.

Form and recipient of federal assistance: Formula block grants and contingency funds to states. Allows participation by territories (American Samoa, Guam, the Northern Marianas, Puerto Rico, and the U.S. Virgin Islands) and by Indian tribes.

Allocation formula: Regular block grant funds are distributed to states based on a three-tier formula depending on the total amount of funds appropriated. Formula factors include total residential energy consumption, temperature variation, low-income heating and cooling consumption, among others; however, the formula also includes two hold-harmless provisions. Contingency funds are awarded by the President based on need.

Matching or related requirements: None.

New obligations: *FY2009:* $5.100 billion. *FY2008:* $2.590 billion.

Budgetary classification: Discretionary.

Participation data: In FY2008, 5.4 million households received heating/winter crisis assistance, and 600,000 households received cooling/summer crisis assistance. There may be duplication among those receiving heating and cooling assistance.

CRS report: CRS Report RL31865, *The Low Income Home Energy Assistance Program (LIHEAP): Program and Funding*, by Libby Perl.

Employment and Training

Community Service Employment for Older Americans (CFDA #17.235)

Authority: *Statute:* Title V of the Older Americans Act of 1965 (P.L. 89-73), most recently reauthorized by the Older Americans Act Amendments of 2006 (P.L. 109-365); 42 USC 3056 et seq. *Regulations:* 20 CFR Part 641.

Federal administering agency: Department of Labor, Employment and Training Administration.

Purpose of program: To enable individuals to become self-sufficient through placement in community service positions and job training.

Benefit/service: Part-time temporary community service jobs that pay at least minimum wage, job-related training, and supportive services that are necessary to enable an individual to participate in the program.

Individual eligibility criteria: Unemployed individuals age 55 or older with low incomes (defined as no higher than 125% of the federal poverty guidelines). Regulations require priority for certain groups, including veterans and individuals age 60 or older. Regulations also require special consideration to be given to certain groups, including individuals with the "greatest economic and social need."

Form and recipient of federal assistance: Formula grants to states and national nonprofit organizations. Allows participation by territories (Puerto Rico, American Samoa, Guam, the Northern Mariana Islands, and the U.S. Virgin Islands) and by tribal organizations.

Allocation formula: Funds are allocated to states and national organizations according to a three-part formula: a hold-harmless factor (FY2000 level of funding); each state's relative share of individuals age 55 or older; and each state's relative per capita income.

Matching or related requirements: A nonfederal share of 10% is required.

New obligations: *FY2009:* $708 million. *FY2008:* $504 million.

Budgetary classification: Discretionary.

Participation data: In program year 2009 (July 2008-June 2009), approximately 89,000 low-income workers participated in community service assignments.

CRS report: CRS Report RL33880, *Older Americans Act: Funding*, by Angela Napili and Kirsten J. Colello.

WIA Adult Activities (CFDA #17.258)

Authority: *Statute:* Chapter 5 of Title I, Subtitle B of the Workforce Investment Act of 1998 (P.L. 105-220); 29 USC 2861-2864. *Regulations:* 20 CFR Part 663.

Federal administering agency: Department of Labor, Employment and Training Administration, Office of Workforce Investment.

Purpose of program: To assist eligible individuals in finding and qualifying for meaningful employment, and to help employers find the skilled workers they need to compete and succeed in business.

Benefit/service: Core services, including outreach, job search and placement assistance, and labor market information. Intensive services, including comprehensive assessments, development of individual employment plans and counseling and career planning. Training services, including occupational skill training and basic skills training. Supportive services, including transportation, child care, housing and needs-related payments in certain circumstances.

Individual eligibility criteria: Eligible individuals are at least 18 years old. No additional eligibility criteria apply for core services. For intensive or training services, individuals must need the services in order to become employed or to obtain or retain a job that allows for self-sufficiency. If funds are limited, priority must go to recipients of cash assistance and other low-income individuals. Low-income is defined as having income below the federal poverty guidelines or 70% of the lower living standard income level, whichever is higher; receiving means-tested public assistance; being a member of a household that receives food stamps; qualifying as homeless; or being a disabled individual whose own income meets the low-income definition but whose family income exceeds it.

Form and recipient of federal assistance: Formula grants to states. Allows participation by territories (Puerto Rico, American Samoa, Guam, the Northern Mariana Islands, the U.S. Virgin Islands, Marshall Islands, Micronesia, and Palau).

Allocation formula: Funds are allocated to states on the basis of a three-part formula: state shares of the national distribution of areas of "substantial" unemployment (unemployment rate of at least 6.5%), "excess" unemployment (rate above 4.5%) and the "disadvantaged" adult population (family income below the federal poverty guidelines or 70% of the lower living standard income level).

Matching or related requirements: None.

New obligations: *FY2009:* $1.357 billion (includes $495 million under the American Recovery and Reinvestment Act). *FY2008:* $827 million.

Budgetary classification: Discretionary.

Participation data: In program year 2008 (April 2008-March 2009), there were 849,738 "exiters" from adult activities, of which 540,665 received core services only, 210,859 received core and intensive services, and 98,214 received training services. An exiter is a participant (who was determined eligible and received a service funded by WIA, including individuals who accessed self-services) who has not received a service funded by WIA or a partner program for 90 consecutive calendar days.

CRS report: CRS Report R41135, *The Workforce Investment Act and the One-Stop Delivery System*, by David H. Bradley.

WIA Youth Activities (CFDA #17.259)

Authority: *Statute:* Chapter 4 of Title I, Subtitle B of the Workforce Investment Act of 1998 (P.L. 105-220); 29 USC 2851-2954. *Regulations:* 20 CFR Part 664.

Federal administering agency: Department of Labor, Employment and Training Administration, Office of Workforce Investment.

Purpose of program: To improve educational and skill competencies of youth and develop connections to employers, mentoring opportunities with adults, training opportunities, supportive services, incentives for recognition and achievement, and leadership opportunities.

Benefit/service: Strategies to complete secondary school, alternative secondary school services, summer employment, work experience, occupational skill training, leadership development opportunities, supportive services, adult mentoring, follow-up services, and comprehensive guidance and counseling.

Individual eligibility criteria: Eligible youth are low-income, ages 14 through 21, and either deficient in basic skills, a school dropout, homeless, a runaway or foster child, pregnant or a parent, or a youth offender. Low-income is defined as receiving (or being eligible to receive) cash assistance or food stamps (now the Supplemental Nutrition Assistance Program); having family income no greater than the federal poverty guidelines or 70% of the lower living standard income level; or being homeless, a foster child for whom state or local payments are made, or a disabled person whose income meets the low-income definition but whose family income exceeds it.

Form and recipient of federal assistance: Formula grants to states. Allows participation by territories (Puerto Rico, American Samoa, Guam, the Northern Mariana Islands, and the Marshall Islands, Micronesia, and Palau).

Allocation formula: Funds are allocated to states according to a three-part formula: state shares of the national distribution of areas of "substantial" unemployment (unemployment rate of at least 6.5%); "excess" unemployment (rate above 4.5%); and population of "disadvantaged" youth (family income below the federal poverty guidelines or 70% of the lower living standard income level).

Matching or related requirements: None.

New obligations: *FY2009:* $2.218 billion (includes $1.182 billion under the American Recovery and Reinvestment Act). *FY2008*: $984 million.

Budgetary classification: Discretionary.

Participation data: In program year 2008 (April 2008-March 2009), there were 115,083 "exiters" from youth activities. An exiter is a participant (who was determined eligible and received a service funded by WIA, including individuals who accessed self-services) who has not received a service funded by WIA or a partner program for 90 consecutive calendar days.

CRS reports: CRS Report R41135, *The Workforce Investment Act and the One-Stop Delivery System*, by David H. Bradley; and CRS Report R40929, *Vulnerable Youth: Employment and Job Training Programs*, by Adrienne L. Fernandes-Alcantara.

Social Services and Targeted Assistance for Refugees (CFDA 93.566)

Authority: *Statute:* Title IV, Chapter 2 of the Immigration and Nationality Act, established by the Refugee Act of 1980 (P.L. 96-212) and most recently reauthorized by P.L. 106-104; 8 USC 1521-1524. *Regulations:* 45 CFR Part 400.

Federal administering agency: Department of Health and Human Services, Administration for Children and Families, Office of Refugee Resettlement.

Purpose of program: To provide for the effective resettlement of refugees and to assist them to achieve economic self-sufficiency as quickly as possible.

Benefit/service: Employability and other services that address participants' barriers to employment such as social adjustment services, interpretation and translation services, day care for children, citizenship and naturalization services. Services are designed to enable refugees to obtain jobs within one year of becoming enrolled.

Individual eligibility criteria: Refugees, asylees, other specified humanitarian cases, and trafficking victims. Priority goes to newly arriving refugees during their first year in the U.S. who apply for services; refugees who are receiving cash assistance; unemployed refugees who are not receiving cash assistance; and employed refugees in need of services to retain employment or to attain economic independence.

Form and recipient of federal assistance: Formula grants to states and competitive grants to public and private nonprofit entities.

Allocation formula: State formula grants are based on the number of refugees, asylees, and other eligible cases who arrived in the U.S. not more than 36 months before the start of the fiscal year and who are residing in the state.

Matching or related requirements: None.

New obligations: *FY2009:* $203 million. *FY2008:* $203 million. (Appropriations.)

Budgetary classification: Discretionary.

Participation data: No data available.

CRS report: CRS Report R41570, *U.S. Refugee Resettlement Assistance*, by Andorra Bruno.

Foster Grandparents (CFDA #94.011)

Authority: *Statute:* Domestic Volunteer Service Act of 1973, most recently reauthorized by the Serve America Act (P.L. 111-13); 42 USC 5011. *Regulations:* 45 CFR Part 2552.

Federal administering agency: Corporation for National and Community Service.

Purpose of program: To provide opportunities for older low-income people to have a positive impact on the lives of children in need.

Benefit/service: Employment (between 15 and 40 hours weekly), with hourly stipend, providing services to children with special or exceptional needs or with conditions or circumstances that limit their academic, social or economic development.

Individual eligibility criteria: Eligible individuals must be age 60 or older (55 starting in FY2010) and, to be eligible to receive a stipend, individuals must have incomes no greater than 125% of federal poverty guidelines (200% starting in FY2010).

Form and recipient of federal assistance: Discretionary grants to public and private nonprofit entities. Allows participation by entities in territories (American Samoa, Guam, Puerto Rico, the Trust Territories of the Pacific Islands, the U.S. Virgin Islands) and by Indian tribes.

Allocation formula: Not applicable.

Matching or related requirements: Nonfederal match of 10% required, which may be in cash or in-kind.

New obligations: *FY2009:* $109 million. *FY2008:* $109 million. (Appropriations.)

Budgetary classification: Discretionary.

Participation data: In FY2009, 28,400 foster grandparents participated.

CRS report: CRS Report RL33931, *The Corporation for National and Community Service: Overview of Programs and FY2010 Funding*, by Abigail B. Rudman and Ann Lordeman.

Job Corps (no CFDA #)

Authority: *Statute:* Title I-C of the Workforce Investment Act of 1998 (P.L. 105-220); 29 USC 2881-2901. *Regulations:* 20 CFR Part 670.

Federal administering agency: Department of Labor, Employment and Training Administration, Office of Job Corps.

Purpose of program: To assist eligible youth who need and can benefit from an intensive program, operated in a group setting in residential and nonresidential centers, to become more responsible, employable, and productive citizens.

Benefit/service: Education and vocational training, including advanced career training; work experience; recreational activities; physical rehabilitation and development; job placement and counseling; and child care.

Individual eligibility criteria: Low-income youth aged 16-24 who have one or more of the following characteristics: deficient in basic reading, writing or computing skills; a school drop-out; homeless, a runaway, or a foster child; a parent; in need of additional education, vocational training, or intensive counseling to accomplish regular schoolwork or to secure and hold a job. Low-income is defined as a person who receives or whose family receives cash assistance or food stamps, or has income no higher than federal poverty guidelines, is homeless or a foster child, or is a disabled person whose own income does not exceed federal poverty guidelines but whose family income does.

Form and recipient of federal assistance: Competitive contracts and interagency agreements with federal, state or local agencies, area vocational education schools or residential vocational schools, or private organizations. Allows participation by Indian tribes and tribal organizations.

Allocation formula: Not applicable.

Matching or related requirements: None.

New obligations: *FY2009:* $1.804 billion (includes $148 million under the American Recovery and Reinvestment Act). *FY2008:* $1.558 billion.

Budgetary classification: Discretionary.

Participation data: In program year 2008 (April 2008-March 2009), total Job Corps enrollment was 60,896.

CRS report: CRS Report R40929, *Vulnerable Youth: Employment and Job Training Programs*, by Adrienne L. Fernandes-Alcantara.

Appendix D. Sources of Additional Information on Selected Income Measures and Eligibility Tests

The following references provide additional information about selected measures of income, income thresholds, and eligibility or benefit calculations that are used under various programs discussed in this report.

Federal Poverty Guidelines and Related Poverty Measures

Federal Poverty Guidelines, Research and Measurement—include links to current and prior poverty guidelines and frequently asked questions about the guidelines, their use by various federal programs to determine eligibility, and the federal poverty thresholds:

http://aspe.hhs.gov/poverty/index.shtml

U.S. Census Bureau: Poverty—includes links to information about poverty data reported by the Census Bureau from several major household surveys and programs, including the Annual Social and Economic Supplement to the Current Population Survey, the American Community Survey, the Survey of Income and Program Participation, and the Small Area Income and Poverty Estimates:

http://www.census.gov/hhes/www/poverty/poverty.html

Department of Veterans Affairs Income Thresholds

VA Health Care—National Income Thresholds for FY2011 and FY2010:

http://www4.va.gov/healtheligibility/Library/pubs/VAIncomeThresholds/VAIncomeThresholds.pdf

Questions and Answers on Veterans Pension Program:

http://www.vba.va.gov/bln/21/pension/vetpen.htm#1

Pension Rate Table, effective December 2009—provides annual income limits for maximum annual pension rates, and includes links to prior year limits:

http://www.vba.va.gov/bln/21/Rates/pen01.htm

Supplemental Security Income

Monthly Federal SSI Payment (Maximum) and Monthly Income Limits, 2010:

http://www.ssa.gov/pubs/10003.html

Understanding Supplemental Security Income—SSI Eligibility Requirements, 2010 Edition:

http://www.ssa.gov/ssi/text-eligibility-ussi.htm

Earned Income Tax Credit

Income Limits and Maximum Credit Amounts, 2010, and links to prior year limits:

http://www.irs.gov/individuals/article/0,,id=150513,00.html

Median Income

State median income data published by the Census Bureau:

http://www.census.gov/hhes/www/income/statemedfaminc.html

FY2010 HUD Income Limits Briefing Material:

http://www.huduser.org/portal/datasets/il/il10/IncomeLimitsBriefingMaterial_FY10.pdf

FY2010 Income Limits for the Public Housing and Section 8 Programs:

http://www.huduser.org/portal/datasets/il/il10/HUD-sec8.pdf

Frequently Asked Questions, FY2010 Income Limits:

http://www.huduser.org/portal/datasets/il/il10/faq_10.html

"Need Analysis" System

The EFC Formula, 2010-2011 (June 2010 update)—explains the formula used to calculate a student's "expected family contribution" and the amount of aid the student would be eligible to receive:

http://www.ifap.ed.gov/efcformulaguide/attachments/062810EFCFormulaGuideUpdate1011.pdf

Lower Living Standard Income Levels

Federal Register notice of determination of Lower Living Standard Income Levels for 2010, and links to LLSILs for prior years:

http://www.doleta.gov/llsil/2010/

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