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FEDERAL AND STATE-LOCAL
EXPENDITURES FOR INCOME
TRANSFERS TO PERSONS WITH
LIMITED INCOME, FISCAL YEARS
1975 AND 1976

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TABLE OF CONTENTS

	<u>Page</u>
Summary	1
Cash Aid	3
1. Aid to Families with Dependent Children (AFDC)	3
2. Supplemental Security Income (SSI)	5
3. Pensions for Needy Veterans, Their Dependents, and Survivors	7
4. Dependency and Indemnity Compensation for Parents of Veterans	8
5. Assistance to Cuban Refugees	8
6. General Assistance to Indians	9
7. Emergency Assistance to Needy Families with Children (EA)	10
8. Assistance to Indochinese Refugees	10
9. General Assistance	11
Medical Care	12
1. Medicaid	12
2. Medical Care for Veterans with a Non-Service-Connected Disability	15
3. Indian Health Services	15
4. Maternal and Child Health Services	16
5. Community Health Centers	18
6. Crippled Children's Services	19
Food Aid	20
1. Food Stamps	20
2. National School Lunch Program	21
3. Nutrition Program for the Elderly	22
4. Special Milk Program	23
5. Special Supplemental Food Program for Women, Infants and Children (WIC)	24
6. Summer Food Service Program for Children	24
7. School Breakfast Program	25
8. Child Care Food Program	26
9. Food Distribution Program for Needy Families	27
Jobs and Training	28
1. Comprehensive Manpower Programs (CETA Title I, II, and III)	28
2. Temporary Employment Program (CETA Title VI)	28
3. Work Incentive Program (for AFDC Recipients)	29
4. Job Corps	30
5. Senior Community Service Employment Program	30
6. Foster Grandparents	31
7. Senior Companions	32
8. Career Opportunities Program	32

Housing Aid33

1. Section 502 Rural Housing Loans33
2. Low-Rent Public Housing34
3. Section 236 Interest Reduction Payments36
4. Section 101 Rent Supplements37
5. Section 235 Homeownership Assistance for Low-Income Families38
6. Section 8 Lower Income Housing Assistance39
7. Section 504 Rural Housing Repair Loans40
8. Section 514 Farm Labor Housing Loans and Section 516 Farm Labor
Housing Grants41
9. Indian Housing Improvement Grants41
10. Section 523 Rural Self-Help Housing Technical Assistance42
11. Section 515 Rural Rental Housing Loans43

Education Aid44

1. Basic Educational Opportunity Grants44
2. Head Start46
3. Guaranteed Student Loans47
4. College Work-Study Program48
5. National Direct Student Loans49
6. Supplemental Educational Opportunity Grants50
7. Follow Through41
8. Health Professions Student Loans and Scholarship Grants52
9. Nursing Student Loans and Scholarship Grants53
10. Vocational Education Work Study54

Other Services56

1. Social Services56
2. Legal Services57

Table: Federal and State-Local Expenditures for Income Transfers to
Persons with Limited Income, Fiscal Years 1975 and 1976 (1976
Data Estimated)59

Footnotes65

FEDERAL AND STATE-LOCAL EXPENDITURES FOR INCOME TRANSFERS^{1/} TO PERSONS
WITH LIMITED INCOME, FISCAL YEARS 1975 AND 1976

SUMMARY

This report lists the basic terms of 55 income transfer programs that benefit persons of limited income and provides expenditure and recipient data for each.

In fiscal year 1975 these programs cost \$55.7 billion, and in 1976 their estimated cost was \$67.1 billion. Cash aid accounted for 33 percent of the 1976 total, medical services for 27 percent, and food aid, 14 percent. The remaining transfers consisted of jobs and training, housing aid, education aid, and other services. In 1976 the Federal government provided 76 percent of total funds.

Below is a table that summarizes spending for the 55 programs covered in this report.

	<u>Federal</u>		<u>State-Local</u>		<u>Total</u>	
	<u>1975</u>	<u>1976</u>	<u>1975</u>	<u>1976</u>	<u>1975</u>	<u>1976</u>
Cash Aid	\$12,778	\$14,388	\$ 6,617	\$7,430	\$19,395	\$21,818
Medical Care	10,198	11,711	5,698	6,604	15,896	18,315
Food Aid	7,053	8,508	667	786	7,720	9,294
Jobs and Training	3,656	6,204	39	37	3,695	6,241
Housing Aid	4,037	5,160	--	--	4,037	5,160
Education Aid	2,160	3,008	123	129	2,283	3,137
Other Services	<u>2,035</u>	<u>2,346</u>	<u>650</u>	<u>750</u>	<u>2,685</u>	<u>3,096</u>
Totals	\$41,917	\$51,325	\$13,794	\$15,736	\$55,711	\$67,061

^{1/} "Income transfers" are defined in this report as government payments of cash and of certain goods and services, for which no services or payment are made in return.

This report deals only with income transfers that are financed from general revenues. Thus, among other programs, it excludes Social Security cash benefits, unemployment insurance, and Medicare, which collectively cost \$107 billion in Federal funds in 1976. It also excludes transfers that may be regarded as "deferred compensation," such as veterans' educational benefits (\$5.6 billion in 1976), veterans' housing benefits, and medical care for veterans with a service-connected disability.

The report does not include tax transfers, also known as "tax expenditures," which increase families' disposable income by reducing their income tax liability. An example is the deductibility of mortgage interest and property taxes on owner-occupied property (\$4.5 billion and \$3.7 billion, respectively, in 1976).

For each program in this report a narrative section provides the funding formula, basic eligibility rules, and benefit levels. At the end of the report a detailed table gives expenditure and recipient totals for 1975 and 1976.

CASH AID1. Aid to Families with Dependent Children (AFDC)A. Funding Formula

The Social Security Act offers two matching formulas: the "Medicaid" formula, chosen by all but 7 States in early 1976, and the "regular" AFDC formula. Each relates the Federal share, in part, to a State's relative per capita income. The regular formula prohibits Federal funding for average AFDC payments higher than \$32 per person, but the Medicaid formula sets no maximum. The regular formula provides 5/6ths of the first \$18 in average monthly payments (\$15), plus a percentage, called the "Federal percentage," of the next \$14, and zero beyond that. The Medicaid formula provides Federal reimbursement for at least 50 percent and, in fiscal years 1976 and 1977, for no more than 78.28 percent of a State's total AFDC payments. Under this formula, if the square of a State's per capita income equals or exceeds the national average per capita income, the State must pay the maximum share of 50 percent.

President Ford's 1976 and 1977 budgets proposed to eliminate the "regular" AFDC matching formula.*

Here are the equations for finding the State share (N equals national average per capita income and S equals State average per capita income):

Federal percentage, regular formula (applicable only to average AFDC payments between \$14 and \$32 monthly)

$$\text{State share} = \frac{S^2}{N} \times 50$$

Federal share = 100% - State share (but with a minimum of 50% and a maximum of 65%)

*In Spring 1976 the House Ways and Means Committee voted to eliminate the "regular" AFDC matching formula over a 5-year period (H.R. 13502).

Federal medical assistance percentage, Medicaid formula (applicable to total AFDC payments)

$$\text{State share} = \frac{S}{2} \times 45 \quad \text{Federal share} = 100\% - \text{State share (but with a minimum of 50\% and a maximum of 83\%)}$$

N

HEW calculates these percentages for each State in August of even-numbered years for the following two fiscal years, using per capita income data of the most recent three years. Nationwide, the Federal share of AFDC payments usually is about 54 percent.

The law provides that the Federal government will pay half the costs of State and local administration of AFDC. States themselves decide whether local governments must help pay for the non-Federal costs of AFDC payments and administration.

B. Eligibility Requirements

Title IV of the Social Security Act permits States to give AFDC cash to needy children and their caretakers in fatherless families and to those with incapacitated or unemployed fathers. Children must be under the age of 18 or, if students, under 21. In December, 1975 all States aided needy families without able-bodied fathers in the home, but only 26 States (plus D.C. and Guam) offered AFDC to unemployed fathers, defined by HEW as those working no more than 100 hours a month. For AFDC families must be "needy" by State standards, and States, within outer limits set in HEW regulations, establish resource limits for eligibility. Federal law requires almost all able-bodied AFDC recipients to register for training or jobs unless they are school children or mothers of preschool children.

C. Benefit Levels

States set benefit levels. In July 1975 maximum payments per family of four without countable income ranged from \$60 per month in Mississippi to \$400 or more in Alaska,

Connecticut, Hawaii, New York, Oregon, and Wisconsin. In February 1976 AFDC benefits averaged \$228.80 per family and \$71.45 per recipient.

To preserve financial incentive to work, Federal law requires States to disregard a portion of an AFDC family's earnings (the first \$30 earned monthly plus 1/3, plus work expenses) in calculating its welfare grant.

2. Supplemental Security Income (SSI)

A. Funding Formula

SSI provides a minimum income floor, Federally financed and Federally administered, to persons eligible under Federal rules. States may provide additional payments to SSI recipients, and a "grandfather" clause requires States to provide supplements in certain cases, to prevent a loss in aggregate income to beneficiaries of the former Federal-State programs replaced by SSI. If States choose to have the Federal government administer their supplements, they must consent to supplementation of all SSI recipients. If the Federal government administers State supplements to SSI, it pays all administrative costs plus that portion, if any, of benefit costs that exceed the State's cost of aid to the aged, blind, and disabled in 1972, provided that benefits are not above the level needed to maintain the State's average payment level in effect as of January, 1972, plus, if the State so chooses, the bonus value of food stamps. In effect, this "hold-harmless" clause limits a State's liability for SSI supplements to its calendar 1972 costs for adult welfare plus any benefit increases above the 1972 level. It protects States from increased costs due to caseload expansion resulting from the generally more liberal eligibility rules of the SSI program. In fiscal year 1975, six States received "hold-harmless" payments from the Federal government to help pay for their SSI supplements. If States administer their own supplements, they must pay all their costs; and in February 1976, 22 States did so.

B. Eligibility Requirements

Title XVI of the Social Security Act entitles to SSI payments aged (age 65 and over), blind, or disabled persons whose counted income and resources fall within limits set by law and regulation. Countable income limits (July 1975-July 1976) are \$473.10 quarterly per individual and \$711 quarterly for couples. In fiscal year 1977 these will rise to \$503.40 and \$755.40, respectively. Countable resources may not exceed \$1,500 per individual and \$2,250 per couple per year. Excluded assets include a home valued up to \$25,000, household goods and personal effects, an automobile, and a life insurance policy not exceeding \$1,500 in cash surrender value.

C. Benefit Levels

The Social Security Act establishes benefit levels and requires that they be adjusted annually to take into account changes in the cost of living. States are free to raise supplementary benefit levels at their own expense. SSI basic guarantees (July 1975-July 1976) are \$158 monthly per individual and \$237 for couples. State supplements for the aged range from \$9 per couple in Alabama to \$251 in California, yielding guarantee levels in those States of \$246 and \$488, respectively. On July 1, 1976 SSI basic guarantees will climb to \$168 per individual and \$252 per couple.

Not counted as income by SSI is the first \$60 received quarterly. Thus dual recipients of Social Security and SSI have guarantee levels \$20 higher per month than those without Social Security. SSI also disregards a portion of recipients' earnings to assure some gain from work.

3. Pensions for Needy Veterans, Their Dependents, and Survivors

A. Funding Formula

The Federal government provides full funding for veterans' pensions.

B. Eligibility Requirements

Under Title 38 of the United States Code, Chapter 5, veterans are eligible for pensions provided: they served honorably for at least 90 days in wartime, they are totally and permanently disabled for reasons not related to their military service, and their countable income is below \$3,300 per year, a rate of \$275 per month (\$4,500 per year, \$375 per month, if they have any dependents). At age 65 veterans are deemed to be disabled, regardless of physical condition. For widows and widowers of veterans with non-service-connected disabilities, the countable income limits also are \$3,300 (no child) and \$4,500 (one child). Chief exclusions from countable income are 10 percent of Social Security payments, 100 percent of earnings of the veteran's spouse (or the first \$1,200 of a spouse's unearned income if that is greater), and welfare payments. However, 100 percent of earnings of a widow or widower are counted. A surviving spouse loses eligibility for pension upon remarriage.

C. Benefit Levels

The Veterans and Survivors Pension Interim Adjustment of 1975 (P.L. 94-169) established these maximum pension rates for the period January 1, 1976-September 30, 1976: Veteran alone, \$173 per month (\$2,076 per year), plus \$13 monthly for one dependent, \$18 for two dependents and \$23 for three or more; widow or widower, \$117 per month plus \$22 for one child. Pensions are reduced by countable income at a progressively steeper rate as income rises. The minimum pension is \$5 for a veteran with or without dependents and for a surviving spouse without children, but \$53 for a widow or widower with one child. In fiscal year 1976 pensions are expected to average \$139 and \$82 monthly per case, for veterans and their survivors, respectively.

4. Dependency and Indemnity Compensation for Parents of Veterans

A. Funding Formula

The Federal government provides full funding for dependency and indemnity compensation.

B. Eligibility Requirements

Under Title 38 of the United States Code, section 415, parents of veterans who died from a service-connected cause are eligible for dependency and indemnity compensation if their countable income is below \$3,300 per year (per parent not living with his spouse) or \$4,500 (two parents living together, or a remarried parent living with his spouse). Chief exclusions from countable income are 10 percent of Social Security payments and all welfare payments.

C. Benefit Levels

The Veterans and Survivors Pension Interim Adjustment Act of 1975 (P.L. 94-169) established these maximum D.I.C. rates for parents for the period January 1, 1976-September 30, 1976: Single parent, \$133 monthly; two parents who live apart, \$93 each; and two parents who live together, \$90 each. Benefits are reduced by countable income at a progressively steeper rate as income climbs. The minimum D.I.C. payment is \$5. Benefits are expected to average about \$92 monthly per parent in fiscal year 1976.

5. Assistance to Cuban Refugees

A. Funding Formula

The Migration and Refugee Assistance Act of 1962 provides for 100 percent Federal funding for aid to Cuban refugees.

B. Eligibility Requirements

Federal rules limit this aid to needy Cuban nationals granted asylum in the U.S. and registered with the Cuban Refugee Center. Beneficiaries must be needy by State standards.

C. Benefit Levels

Benefit levels are set by States. Aid includes cash, education and other services.

6. General Assistance to Indians

A. Funding Formula

The Snyder Act provides 100 percent Federal funding for general assistance to Indians.

B. Eligibility Requirements

Eligible are needy Indians (descended from a member of a tribe that is recognized by the United States government) and Alaskan natives. They must be deemed "needy" by State standards, and they cannot be enrolled in the other Federally-aided cash welfare program, Aid to Families with Dependent Children, nor in the Federal program of Supplemental Security Income. Recipients must live in Alaska or Oklahoma or on (or near) an Indian reservation in 14 other States.

C. Benefit Levels

Benefit levels are set by States. In fiscal year 1975 they averaged \$60.67 monthly per recipient.

7. Emergency Assistance to Needy Families with Children (EA)

A. Funding Formula

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

B. Eligibility Requirements

The Social Security Act permits States to give EA (cash, in-kind aid, medical aid) to needy families with children, including migrant families, for no more than 30 days per calendar year, "to avoid destitution" of the children or to provide living arrangements for them. In December 1975, 23 States (plus D.C., Puerto Rico, and the Virgin Islands) offered this aid. However, in three it was given only when need arose from circumstances beyond control of the family, such as natural disaster, drought, flood, fire or riot. To qualify for EA, families need not be of the type eligible for AFDC, but generally well over half of the recipients are reported to be "AFDC money payment cases."

C. Benefit Levels

States establish benefit levels. In December 1975 EA benefits averaged \$158 per family (\$147 in cash and \$11 in medical care). Average family size was estimated at three persons.

8. Assistance to Indochinese Refugees

A. Funding Formula

The Indochina Migration and Refugee Assistance Act of 1975 provides for 100 percent Federal funding for cash aid, medical services and other social services, to Cambodian and Vietnamese refugees.*

*On May 25, 1976 the House Judiciary Committee reported favorably a Senate-passed measure (S. 2760) to add Laotian refugees to the program.

B. Eligibility Requirements

Federal rules require that recipients be needy by State standards and have refugee status.

C. Benefit Levels

States determine benefit levels. In 1976 the Department of Health, Education and Welfare planned to offer basic adult educational grants to the States, a one-time payment of \$300 per refugee child enrolled (or \$600 depending on the volume of enrollment) for an estimated 40,000 children, and other educational services.

9. General Assistance

A. Funding Formula

No Federal aid is provided for General Assistance, sometimes known as "General Relief" or "Home Relief." As of 1969, when the Department of Health, Education and Welfare last tabulated such data, 17 States (plus D.C., Puerto Rico, Guam and the Virgin Islands) provided State funds for 100 percent of General Assistance, 17 States provided no funds, and the rest used a combination of State and local funds.

B. Eligibility Requirements

Financial "need" is the primary requirement, but definitions of need vary among States and even within them, since counties or townships sometimes write the rules. Some States refuse aid to persons deemed employable or to those with relatives whose income is above a certain sum. Some require recipients to give the State a lien on any property they own. Some provide aid only for emergency needs or for a short-term basis. In December 1975, 40 States, plus D.C., Guam, Virgin Islands, and Puerto Rico, reported making any General Assistance payments.

C. Benefit Levels

Benefit levels vary among States and, sometimes, within them. In 15 States aid is available only for emergency needs or on a short-term basis. Ten States generally provide aid in the form of vendor payments rather than cash. In December 1975 payments averaged \$146 per case and \$102 per recipient. The average G.A. "case" consisted only of 1.4 persons, indicating that relatively few family units are enrolled.

MEDICAL CARE

1. Medicaid

A. Funding Formula

The Social Security Act provides that the Federal government shall pay a minimum of 50 percent and a maximum of 83 percent of a State's medical vendor payments. Within those limits the Federal share of a State's Medicaid payments is based on its relative per capita income. If the square of a State's per capita income equals or exceeds that of the national average per capita income, the State must pay the maximum share of 50 percent. In fiscal years 1976 and 1977, twelve States must pay 50 percent, and the minimum State share is 21.72 percent (Mississippi).

Here are the equations for finding the State and Federal share of Medicaid vendor payments (N equals national average per capita income and S equals State average per capita income):

$$\text{State share} = \frac{S^2}{N^2} \times 45 \quad \text{Federal share} = 100\% - \text{State share (with a minimum of 50\% and a maximum of 83\%)}$$

The Department of Health, Education and Welfare calculates these percentages for each State in August of even-numbered years for the following two fiscal years, using per capita income data of the most recent three years. Nationwide, the Federal share of Medicaid payments usually is about 56 percent.

There is one exception to this reimbursement formula for vendor payments. Family planning services are Federally matched at a 90 percent rate in all States.

The law provides that the Federal government will pay half the costs of most State and local administrative costs of Medicaid, but a higher share of certain expenses: automated claims processing systems (90 percent for development, 75 percent for operation), skilled nursing facility inspectors (100 percent), and professional medical personnel used in program administration (75 percent). States themselves decide whether local governments must help pay for the non-Federal costs of Medicaid payments and administration.

B. Eligibility Requirements

The Social Security Act provides for two classes of eligibility: categorically needy and medically needy. Coverage of most categorically needy groups is mandatory, but coverage of medically needy groups is optional with the States.

The Act entitles to Medicaid, as categorically needy, all recipients of the Federal-State cash program of Aid to Families with Dependent Children (AFDC) and those recipients of Supplemental Security Income (SSI) who would have been eligible for Medicaid under the standards in effect on January 1, 1972, before passage of SSI to replace the Federal-State cash programs for the aged, blind, and disabled. At their option, States may extend Medicaid to all SSI recipients; but if they limit it to those eligible under 1972 standards, they must provide for a "spend-down" for all aged, blind, and disabled persons (not just SSI cash recipients) by deducting any medical expenses from income used to determine Medicaid eligibility. States also must offer Medicaid to these groups: aged, blind, and disabled persons who were eligible for Medicaid in December 1973 as long as they meet the 1973 criteria; persons who would be eligible for cash aid except for a State barrier disallowed by Medicaid law; children under 21 who

would be eligible for AFDC except for a State requirement of age or school attendance; and persons who receive a mandatory State supplement to SSI.

In addition, States may extend Medicaid to all financially eligible children under 21 and to unemployed fathers and their families, or the children of unemployed fathers, as long as the father is not receiving unemployment compensation.

The medically needy, to whom States can give optional coverage, are defined as persons who would be eligible for cash aid (AFDC or SSI) except for their income level. The law permits Federal matching for Medicaid to such persons as long as their countable income does not exceed 133-1/3 percent of the maximum sum that normally would be paid to them if they had zero countable income.

C. Benefit Levels

Medicaid benefits consist of reimbursement for medical services. Certain services must be included in a State's Medicaid program, although the scope of coverage may be limited. The mandatory services are: inpatient hospital care; outpatient hospital care; other laboratory and X-ray services; skilled nursing facility services and home health services for individuals over 21 years of age; early and periodic screening, diagnosis, and treatment for children under 21 years of age (EPSDT); family planning services; and physician services. At their option, States can include additional services, such as intermediate care facility services; clinic services; prescribed drugs; dental services; care for patients 65 or over in institutions for mental diseases or tuberculosis; care for children under 21 in psychiatric hospitals; prosthetic devices; eyeglasses; services of other practitioners, such as optometrists, podiatrists, and chiropractors; private duty nursing; physical therapy and related services; other diagnostic, screening, preventive, and rehabilitative services; emergency hospital services, and skilled nursing facility services for patients under 21.

2. Medical Care for Veterans with a Non-Service-Connected Disability

A. Funding Formula

This program is fully funded by the Federal government.*

B. Eligibility Requirements

After first-priority service to veterans with a service-connected disability, medical care is available to those with a non-service-connected disability. Regulations of the Veterans Administration, pursuant to Federal law, require a statement from such veterans that they cannot pay for necessary medical expenses; this establishes their income limit for hospitalization, outpatient care, and nursing home care. Usually approximately 80 percent of VA patients are veterans without a service-connected disability.

C. Benefit Levels

Benefits include prehospitalization, hospitalization, posthospitalization, prosthetic devices and nursing home care, domiciliary care, medical devices, outpatient care, prescribed drugs and medicine, and transportation services.

3. Indian Health Services

A. Funding Formula

This program is fully funded by the Federal Government.

B. Eligibility Requirements

Federal regulations make eligible persons of Indian (or Alaskan Native) descent belonging to the Indian, Aleut, or Eskimo community served by the local health facilities, and wives of such persons, regardless of their ancestry. In addition, the rules

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

allow services for persons regarded as Indians or Alaskan Natives by their communities. The program serves Federal reservations, Indian communities in Oklahoma and certain parts of California, and Indian, Eskimo, and Aleut communities in Alaska. No standardized income test is applied, but the program concentrates on reservations, where, according to program officials, the median income is far below the poverty threshold and virtually all Indians are "indigent."

C. Benefit Levels

Regulations forbid any charge for immunizations, health examinations of school-children, or similar preventive services; or for the hospitalization of patients for tuberculosis. The rules states that persons "who are clearly able" to pay costs of hospital care and of other major care will be "encouraged" to do so, but the medical officer in charge may reduce or waive fees if he thinks this will advance the area's health objectives. Benefits include hospital and medical and dental care, including outpatient services and services of mobile clinics and public health nurses.

4. Maternal and Child Health Services

A. Funding Formula

Maternal and child health funds are divided into two halves, called Fund A and Fund B. Fund A is apportioned among the States by a formula specified in the law and requires State matching, dollar for dollar. From Fund A each State receives a grant of \$70,000, plus that portion of the remainder of Fund A which equals its proportionate share of live births in the United States. No state matching is required for Fund B. From this fund an amount is administratively allocated for special projects. The rest is distributed among the States to help them carry out their plans.

B. Eligibility Requirements

Title V of the Social Security Act authorizes States to use Federal funds to extend and improve health services for mothers and children, "especially in rural areas and in areas suffering from severe economic distress." In order to be entitled to its allotment of maternal and child health funds, each State is required by law to provide programs of projects to reduce infant mortality and birth defects, and to promote the general health and the dental health of children and youth of school or preschool age, "particularly in areas with concentrations of low-income families." The law restricts eligibility for treatment under these programs to those "who would not otherwise receive it because they are from low-income families or for other reasons beyond their control..." Neither the law nor Federal regulations define low income, and each State determines who is eligible for maternal and child health services. Federal regulations state that income standards used by the States in determining eligibility for treatment and in setting fee schedules shall take into account family size and the family's "other financial responsibilities."

C. Benefit Levels

States determine the level of services. The law requires each State to provide services that offer "reasonable assurances...of satisfactorily promoting" the general health and the dental health of children and youth, especially in areas with concentrations of low-income families. Regulations require that diagnostic and preventive services be free of charge.

5. Community Health Centers

A. Funding Formula

The centers are 100 percent Federally funded.

B. Eligibility Requirements

Title V of the Health Revenue Sharing and Health Services Act of 1974 (P.L. 94-63) provides support for community health centers, a term that embraces family health centers, community health networks, and other similar projects previously funded under the Economic Opportunity Act and other laws. The law says that centers should provide care principally to medically underserved populations, to be designated by the Secretary of Health, Education and Welfare. By regulation, HEW previously established annual income limits for family health center enrollment of families without medical insurance. These limits, which continue in effect pending new rules, are: \$3,400 in countable income for a family of 2; \$4,200 for 3; \$5,000 for 4; \$5,800 for 5; \$6,400 for 6, and \$7,000 for 7 or more. Not counted as income are earnings of a child who is a student, \$30 per quarter in irregular earnings of other family members, \$60 per quarter in irregular unearned income, \$30 per month in cash welfare, the bonus value of food stamps, the cost of child care needed for employment, and other items.

C. Benefit Levels

The centers provide a range of preventive, curative, and rehabilitative ambulatory services and can arrange and pay for hospital care. Family health center regulations provide a schedule of income-related charges for center visits and for family enrollment in a center. Visits are free to 4-person families with countable income below \$3,500. Enrollment in a center is free to such families with income below \$3,000.

6. Crippled Children's Services

A. Funding Formula

Grant funds for crippled children's services are divided into two halves, called Fund A and Fund B. Fund A is apportioned among the States in accordance with criteria in the law and requires State matching, dollar for dollar. From Fund A each State receives a grant of \$70,000, plus that portion of the remainder of Fund A which equals its proportionate share of the number of children under 21 in the United States. No State matching is required for Fund B. From this fund an amount is administratively allocated for special projects. The rest is distributed among the States according to the financial need of each State for aid in carrying out its State plan.

B. Eligibility Requirements

Title V of the Social Security Act authorizes States to use Federal funds to extend and improve services to crippled children, "especially in rural areas and in areas suffering from severe economic distress." The law defines a crippled child as one under 21 years of age "who has an organic disease, defect, or condition which may hinder the achievement of normal growth or development." Diagnostic services must be provided without any eligibility requirements. States determine who receives aid.

C. Benefit Levels

Federal law and regulations describe types of services that may be provided. Grants may be used for locating crippled children and providing medical, surgical, corrective, and other services for diagnosis, hospitalization, and aftercare for such children. States decide the level of services.

FOOD AID1. Food StampsA. Funding Formula

The Food Stamp Act provides full Federal funding for the bonus benefit value of food stamps and 50 percent Federal funding for State and local administrative costs.

B. Eligibility Requirements*

Federal regulations (as of April 1976) give automatic eligibility to households in which all persons receive cash public assistance. This includes AFDC families, certain recipients of General Assistance, and Supplemental Security Income recipients in all but four States -- New York, California, Massachusetts, and Nevada -- that have "cashed out" food stamps by addition to the SSI State supplement. Non-public assistance households must meet "net" income eligibility standards. "Net" income limits (January-June 1976) are \$553 for four persons monthly in the 48 contiguous States and the District of Columbia. Income limits and the definition of net (countable) income both are established by regulations of the Agriculture Department. Net income excludes taxes and other payroll deductions, an earned income allowance, child care expenses, medical expenses, excessive shelter costs and other items.

C. Benefit Levels

The Food Stamp Act specifies that a household's food stamp allotment shall be an amount that the Secretary of Agriculture "determines to be the cost of a nutritionally adequate diet," adjusted semi-annually to reflect changes in the price of food. The law requires that eligible households be charged no more than 30 percent of their "household income" for the stamps and provides that free stamps may be given to those

*However, the regulations have been challenged in Federal court and a preliminary injunction delaying the implementation has been issued.

with income below \$30 monthly. Allotments in the first half of 1976 for households in the 48 contiguous States and D.C. were: \$166 for four persons; \$130 for three; \$92 for 2; and \$50 for one. Minimum food stamp bonuses were \$24 monthly for four persons, \$18 for three, \$20 for two, and \$10 for one. Purchase prices averaged 24 percent of net income (15 percent to 20 percent of gross income). In November 1975, food stamp bonuses averaged \$22.81 per person (per month).

2. National School Lunch Program

A. Funding Formula

Federal law provides that each Federal dollar spent on lunches that are neither free nor reduced-price is to be matched by \$3 from sources within the State. However, the State share is reduced in States with relatively low per capita income. The matching requirement is lowered by 1 percent for each percentage by which State per capita income falls short of the national average.

B. Eligibility Requirements

All children are eligible to receive a lunch in a participating school, (and except for profit-making schools, all are eligible to participate). By law, children whose family income is below 125 percent of the Secretary of Agriculture's poverty guideline (\$6,260 for a family of four in the 1975-76 school year) are eligible for a free lunch; those children whose family income is not more than 195 percent of the guideline (\$9,770 for a family of four) are eligible for a reduced-price lunch.

C. Benefit Levels

Federal law provides a guaranteed Federal subsidy for each type A meal served to a student. In 1972 Congress established a minimum reimbursement rate and specified that it be adjusted semi-annually to reflect the change in the Consumer Price Index (CPI) series for food away from home. In the first half of 1976 the subsidy amounts

were 12.5 cents for each lunch served, an additional 46.75 cents (59.25 cents total) for a reduced-price lunch, and an additional 56.75 cents (69.25 cents total) for a free lunch. In addition the Federal government provides 11 cents in donated commodities per lunch.

The Agriculture Department estimates that 43 percent of the lunches served in fiscal year 1976 will be free lunches and 3 percent reduced-price lunches.

3. Nutrition Program for the Elderly

A. Funding Formula

The Older Americans Act (Title 7) specifies that the Federal share of a State's nutrition program for the elderly may cover up to 90 percent of the cost of developing and/or operating local projects. The non-Federal matching share can be paid in dollars or in kind services. Federal funds are allotted to the States on the basis of their aged population, except that the minimum State allotment is 0.5 percent of the appropriation for the year.

B. Eligibility Requirements

The Older Americans Act makes eligible persons aged 60 and over and their spouse. The law states that it is intended to aid elderly persons who are unable to afford to eat adequately or who lack the skills, ability, or desire to prepare "nourishing and well-balanced" meals. Regulations of the Agriculture Department require States to select for elderly feeding projects areas that have "major concentrations" of older persons whose income is below the poverty line and to establish schedules of "suggested fees," but specify that the voluntary fee schedule for meals "shall in no case be used as a means test to determine eligibility." As of December 31, 1975, approximately 61 percent of ^{the} beneficiaries had income below the poverty line.

C. Benefit Levels

The law requires participating States to give recipients at least one hot meal per day five or more days per week, each of which assures a minimum of one-third of the daily recommended dietary allowances as established by the Food and Nutrition Board of the National Academy of Sciences -- National Research Council. States also are required to provide transportation services to and from congregate meal sites, shopping assistance, recreation activities incidental to the project, and other "supporting services." Data are unavailable on voluntary payments made for meals.

4. Special Milk Program

A. Funding Formula

Federal law requires no minimum share from States for this program.

B. Eligibility Requirements

All children are eligible to receive subsidized milk under the special milk program. In addition, any child who is eligible for a free lunch (a child whose family family income is below 125 percent of the Secretary of Agriculture's poverty guidelines -- \$6,260 for a family of four in the 1975-76 school year) is eligible also for a free half-pint of milk,

C. Benefit Levels

Federal law provides a minimum reimbursement rate of five cents per half-pint of milk served beyond the half-pint of milk served to children as part of their meal. This also includes milk used as a snack. For needy children, as defined above, the Federal government provides 100 percent reimbursement.

5. Special Supplemental Food Program for Women, Infants and Children (WIC)

A. Funding Formula

Federal law requires no minimum share from States for this program.

B. Eligibility Requirements

Federal law makes eligible mothers, infants and children deemed to be nutritional risks from among these groups: infants, children up to five years old, pregnant women, non-nursing mothers up to six months after childbirth, and nursing mothers up to one year after childbirth. A professional authority on the staff of the local public or private nonprofit health or welfare agency that offers the food must certify that participating mothers and children require it.

C. Benefit Levels

Beneficiaries receive supplemental foods, as specified in regulations of the Department of Agriculture, either in the direct form of food or as vouchers exchangeable for specific food items. Retail value of the food package is approximately \$26 per month. Participants also are to be given nutrition education and to be offered health services. To finance the program the Federal government makes cash grants to State health or comparable agencies, which in turn provide funds to local agencies.

6. Summer Food Service Program for Children

A. Funding Formula

Federal law requires no minimum share from States for this program.

B. Eligibility Requirements

By law, children in nonresidential public or private nonprofit residential summer camps are eligible for free meals if the program serves areas in which at least 1/3 of

the children are eligible for free and reduced-price meals under the school lunch and school breakfast programs.

C. Benefit Levels

Reimbursement for meals is the lesser of total cash expenditures for operating costs of the food service less income to the program, or 87.25 cents per lunch or supper, of which 6.5 cents may be used only for administrative costs; 48.25 cents per breakfast, of which 3.25 cents may be used only for administrative costs; and 22.75 cents for supplemental food, of which 1.5 cents may be used only for administrative costs. These rates are for the 1976 summer program and are to be adjusted annually. All children served receive free meals under this program.

7. School Breakfast Program

A. Funding Formula

Federal law provides full funding for the breakfast program and Federal law requires no minimum share from States for this program.

B. Eligibility Requirements

All children are eligible to receive a breakfast in a participating school (and except for profit-making schools, all are eligible to participate). By law, children whose family income is below 125 percent of the Secretary of Agriculture's poverty guideline (\$6,260 for a family of four in the 1975-76 school year) are eligible for a free breakfast; those children whose family income is not more than 195 percent of the guideline (\$9,770 for a family of four) are eligible for a reduced-price breakfast.

C. Benefit Levels

Federal law provides a guaranteed Federal subsidy for each type A breakfast served to a student. In 1973 Congress established a minimum reimbursement rate and specified

that it must be adjusted semi-annually to reflect the change in the Consumer Price Index (CPI) series for food away from home. In the first half of 1976 the subsidy amounts were 10 cents for each breakfast served, an additional 19 cents (29 cents total) for a reduced-price breakfast, and an additional 25.25 cents (35.35 cents total) for a free breakfast. In cases of severe need, a payment of up to 45 cents may be made for each breakfast served to children eligible for a free breakfast. In cases of severe need, if the Secretary determines the rate per meal reimbursement to be insufficient, he may authorize financial assistance up to 100 percent of the operating costs of a program.

The Agriculture Department estimates that 92 percent of the breakfasts served in fiscal year 1976 will be free meals and 5 percent reduced-price meals.

8. Child Care Food Program

A. Funding Formula

Federal law requires no minimum share from States for this program.

B. Eligibility Requirements

Children in eligible nonresidential public or private nonprofit institutions that provide child care are eligible for subsidized meals. By law, children whose family income is below 125 percent of the Secretary of Agriculture's poverty guideline (\$6,260 for a family of four in the 1975-76 school year) are eligible for a free meal; those children whose family income is not more than 195 percent of the poverty guideline (\$9,770 for a family of four) are eligible for a reduced-price meal.

C. Benefit Levels

Federal law provides a guaranteed Federal subsidy for each type A meal and "supplement" served. P.L. 94-105 established the rates to be the same as those in the lunch and breakfast programs, adjusted semi-annually. In the first half of 1976 the amounts

were 12.5 cents for each lunch and supper, an additional 46.75 cents (59.25 cents total) for a reduced-price lunch or supper, and an additional 56.75 cents (69.25 cents total) for a free lunch or supper; 10 cents for each breakfast served, an additional 19 cents (29 cents total) for a reduced-price breakfast, and an additional 25.25 cents (35.35 cents total) for a free breakfast. In addition, the Federal government provides 11 cents in donated commodities per lunch and supper. All supplements are reimbursed at 5 cents, plus an additional 10 cents for a free supplement. (Family day care programs may use flat reimbursement rates of 20 cents per breakfast, 40 cents per lunch or supper, and 14 cents per supplement.)

Approximately 99 percent of the institutions participating in this program do not charge for the meals. Income data regarding the children is submitted in claiming Federal reimbursement. If an institution does charge a separate fee for meals, it must offer full-paid, reduced-price, and free meals.

9. Food Distribution Program for Needy Families

A. Funding Formula

Federal law provides full Federal funding for the cost of donated foods, but States and localities are expected to pay most administrative costs.

B. Eligibility Requirements

Families must be needy by State standards, and under present rules, must live on Indian reservations. The program, which generally has been supplanted by the food stamp program, is scheduled to expire on June 30, 1977.

C. Benefit Levels

Twenty-four commodities are included in the monthly package of donated foods, which had an approximate retail value of \$24, as of spring 1976.

JOBS AND TRAINING

1. Comprehensive Manpower Programs (CETA Title I, II and III)

A. Funding Formula

The Comprehensive Employment and Training Act provides 100 percent Federal funding for these programs.

B. Eligibility Requirements

The law makes eligible persons who are unemployed, underemployed, or disadvantaged in the labor market.

C. Benefit Levels

Local prime sponsors establish wage levels under Federal criteria. Allowances for institutional training and work experience training must equal at least the Federal minimum wage. The usual maximum wage limit in public service employment under these programs is \$10,000. Some participants also receive child care and other supportive services.

2. Temporary Employment Program (CETA Title VI)

A. Funding Formula

The Comprehensive Employment and Training Act provides 100 percent Federal funding for this program.

B. Eligibility Requirements

The law makes eligible unemployed persons, with preference to the long-term and to those not eligible for unemployment insurance.

C. Benefit Levels

Wages are paid in accordance with statutory criteria. Public employers must pay their usual wage for the same job; non-public employers must pay prevailing wages, and all must observe any applicable minimum wage laws.

3. Work Incentive Program

A. Funding Formula

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

B. Eligibility Requirements

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

C. Benefit Levels

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

4. Job Corps

A. Funding Formula

This program is fully funded by the Federal government.

B. Eligibility Requirements

The law makes eligible poor youths. Labor Department regulations define the poor to be those with income below the Census Bureau poverty thresholds, slightly modified.

C. Benefit Levels

Allowances are set by law. Maximums are: \$35 per month for the first six months; \$50 per month thereafter, plus a readjustment allowance upon leaving the program of \$50 for each month of service.

5. Senior Community Service Employment Program

A. Funding Formula

The law provides 90 percent Federal funding (up to 100 percent in disaster or economically depressed areas) for this program.

B. Eligibility Requirements

Title IX of the Older Americans Act makes eligible persons aged at least 55 with low incomes and poor employment prospects. Regulations of the Department of Labor define an eligible poor person as a member of a family which receives regular cash welfare payments or whose annual income, adjusted for family size, does not exceed the poverty level determined in accordance with criteria established and updated by the U.S. Office of Management and Budget. (However, for re-enrollment and for continued enrollment income limits are \$500 higher per year.) The regulations prohibit an upper age limit,

C. Benefit Levels

Participants are placed in part-time community service jobs, for which their wages are subsidized by the Federal government; and, where possible, in unsubsidized jobs. Trainees are paid the legal minimum wage. Upon placement in a job, enrollees receive either the prevailing wage for work or the applicable legal minimum, whichever is higher. Hours of subsidized work per enrollee are limited to 1,300 in any 12-month period (\$2,990 in annual wages, at the Federal minimum rate).

6. Foster Grandparents

A. Funding Formula

The law provides 90 percent Federal funding for developing and/or operating a foster grandparents project (up to 100 percent in special situations). The local project may provide its matching share in kind or cash.

B. Eligibility Requirements

The law makes eligible low-income persons who are at least 60 years old. Regulations of the Community Services Administration establish dollar income limits on the basis of the Census Bureau's poverty thresholds, plus, in some States, State supplementary payment levels under the Supplemental Security Income Program.

C. Benefit Levels

The law requires a minimum stipend of \$1.60 an hour for foster grandparents, plus transportation and meal costs. Stipends are tax-free and cannot be treated as wages or compensation for the purposes of any public benefit program.

7. Senior Companions

A. Funding Formula

The law provides 90 percent Federal funding for developing and/or operating a senior companion project (up to 100 percent in special situations). The local project may provide its matching share in kind or cash.

B. Eligibility Requirements

The law makes eligible low-income persons who are aged at least 60. Regulations of the Community Services Administration establish dollar income limits on the basis of the Census Bureau's poverty thresholds. These limits may be increased by the director of Action to reflect regional costs of living.

C. Benefit Levels

The law requires a minimum stipend of \$1.60 per hour, plus transportation and meal costs. Stipends are tax-free and cannot be treated as wages or compensation for the purposes of any public benefit program.

8. Career Opportunities Program*

A. Funding Formula

Federal rules require no minimum share from States or localities. However, the program encourages local educational agencies to supplement the Federal funds with their own or to seek other funds from outside sources.

B. Eligibility Requirements

The career opportunities program was established by administrative decision under the Education Professions Development Act, which authorizes programs or projects "to

*This program is being phased out. Zero Federal funds are sought by the President's budget for FY 1977

train teacher aides and other non-professional educational personnel." Rules of the Department of Health, Education and Welfare make eligible low-income community residents and Vietnam veterans.

C. Benefit Levels

Trainees receive jobs as teacher helpers and other paraprofessionals in schools (in areas with highest concentration of low-income families). Local communities decide what stipend is paid.

HOUSING AID

1. Section 502 Rural Housing Loans

A. Funding Formula

This program is fully funded by the Federal government.

B. Eligibility Requirements

The law permits loans for owners or potential owners of a farm, or owners of a home or nonfarm tract in a rural area, who are without decent, safe, and sanitary housing and are unable to obtain credit elsewhere on reasonable terms. Both "low" and "moderate" income families are eligible for Section 502 loans, but interest credits are limited to low income families. Actual income limits vary from place to place and at different times, depending on local communities, but low income usually means a maximum "adjusted family income" of \$8,500 and moderate income, \$12,900 (within the continental U.S.). Other income limits and eligibility requirements are set by the Farmers Home Administration (FmHA). Families must have sufficient income to make mortgage payments, pay premiums, taxes, maintenance and other necessary living expenses.

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

C. Benefit Levels

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

2. Low-Rent Public Housing*

A. Funding Formula

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

B. Eligibility Requirements

Federal law makes eligible for rental units in conventional public housing low-income families (two or more related persons) and single persons who are elderly, disabled, handicapped or displaced. The law defines an elderly person as 62 or over and a displaced person as one required to move because of urban renewal, other Governmental action, or natural disaster. At least 20 percent of each project's units must be rented to families whose incomes do not exceed 50 percent of the area median family income, adjusted for family size. Actual income limits are set by local housing authorities, subject to approval of the Department of Housing and Urban Development. Eligible families generally have insufficient income to pay for standard quality housing in the private market.

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

The law excludes from "income" for purposes of determining eligibility and rental charges: five percent of gross income of adult family members (10 percent for the elderly), 100 percent of the income of minor children and of full-time students, the first \$300 earned by the spouse of the breadwinner, and \$300 for each dependent other than the spouse, plus extraordinary medical and other expenses approved by Secretary of HUD. Recertification is required annually except for the elderly, who may be recertified biennially.

C. Benefit Levels

Federal law provides that maximum rent paid by tenants shall not exceed 25 percent of the family's "adjusted gross income" (countable housing income as defined above). Notwithstanding this maximum, minimum rent must not be less than the higher of these two: (a) five percent of a family's gross income, or (b) that portion of its welfare payment, if any, specifically designated for housing. Aggregate rents charged must equal at least 20 percent of the aggregate income of tenants in a local housing authority's jurisdiction. The Federal government makes annual payments to local authorities to assure the low-rent character of projects, to achieve and maintain adequate operating and maintenance service and reserve funds, and to provide debt service payments.

3. Section 236 Interest Reduction Payments*

A. Funding Formula

This program is fully funded by the Federal government.

B. Eligibility Requirements

The Housing and Community Development Act of 1974 makes eligible for Section 236 housing assistance tenants whose incomes are not in excess of 80 percent of the area median income. Previously, the limit was 135 percent of public housing limits. The program is open to families and to singles without regard to age.

The law excludes from "income" for the purposes of determining eligibility and subsidy levels all earnings of minor children living at home plus \$300 for each such child. Income recertification is required each two years.

C. Benefit Levels

A basic monthly rental charge is established for each unit that is determined by the costs of operating the project with the debt service requirements of a mortgage bearing a one-percent interest rate. HUD makes payments to reduce the effective interest rate to one percent. A fair market rental charge is established for each unit based on costs of operation with the debt service requirements of a mortgage at the full market rate. The tenant family pays the basic rent or an amount equal to 25 percent of "adjusted gross income," (countable housing income, as defined above), whichever is greater, but not more than the market rent.

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

4. Section 101 Rent Supplements*

A. Funding Formula

This program is fully funded by the Federal government.

B. Eligibility Requirements

The law makes eligible for rent supplements tenants whose incomes are within the limits prescribed for admission to local public housing and who are: aged 62 or over or handicapped; displaced by governmental action or natural disaster; occupants of sub-standard housing; or military personnel serving on active duty, or their spouses.

The law excludes from "income" for purposes of determining eligibility and supplement levels: \$300 per minor child and all earnings of minor children. Income recertification is required annually, except for the elderly.

C. Benefit Levels

The Department of Housing and Urban Development is authorized to make periodic subsidy payments to owners of private housing rented to poor families. A basic rent sufficient to cover total housing costs is established for each rental unit, and eligible tenants must pay 25 percent of their "adjusted gross income" (countable income, as defined above), toward the established rental rate. The deficit is covered by a rent supplement payment made directly to the owner by the Department of Housing and Urban Development. By regulation such rent supplements cannot exceed 70 percent of the basic rent. Families may remain in the project as their income rises by paying a higher rent and receiving a lower subsidy.

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

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

5. Section 235 Homeownership Assistance for Low-Income Families*

A. Funding Formula

This program is fully funded by the Federal government.

B. Eligibility Requirements

Federal regulations make eligible for the revised Section 235 program families (two or more related persons) and singles who are elderly (at least 62 years old), displaced by governmental action or natural disaster, or handicapped; and whose adjusted annual incomes do not exceed 80 percent of the median family income for the area, adjusted for family size. The Secretary of the Department of Housing and Urban Development may establish different income limits for certain areas characterized by high construction costs, unusually low median incomes, or other factors.

The law excludes from "income" for purposes of determining eligibility and subsidy levels all earnings of minor children living at home plus \$300 for each such child. Only that part of the mortgagor's income that can be expected to continue for approximately the first five years of the mortgage is counted as effective income.

Eligible housing units are limited to new or substantially rehabilitated single family units, under construction or rehabilitation on or after October 17, 1975. Condominium units that have never been occupied also are eligible if started after October 17, 1975.

C. Benefit Levels

HUD has determined that aid will be in the form of monthly payments to the mortgagee on behalf of the assisted home buyer, to reduce interest costs on an insured

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

market rate home mortgage to as low as five percent. The borrower must be able to pay toward his mortgage payments at least 20 percent of his "adjusted gross income" (countable housing income, as defined above). Mortgage amounts are limited to \$21,600 for single family and condominium units with three bedrooms or less, and \$25,200 for units with four or more bedrooms. These limits may be raised by as much as \$3,600 in high cost areas.

6. Section 8 Lower Income Housing Assistance

A. Funding Formula

This program is fully funded by the Federal government.

B. Eligibility Requirements

The law makes eligible for Section 8 rent subsidies "lower income" and "very low income" families, and defines families to include two or more related persons, single persons who are at least 62 years old, and younger single persons who are disabled, handicapped, displaced by governmental action or natural disaster, or the remaining member of an eligible tenant family. The law states that lower income families may earn no more than 80 percent of the area median income and very low income families, no more than 50 percent of the area median. By regulation, the Department of Housing and Urban Development has adjusted the median income standard for family size. Thus, a one-person household may have a maximum income equal to 50 percent of the area median; four persons, 80 percent, and eight or more persons, 100 percent. In determining eligibility and the rental subsidy, regulations provide these exclusions from income: \$300 for each minor child, medical expenses that exceed 3 percent of annual income, and certain unusual expenses (child care and care of the handicapped required to enable a family member to work). Eligible tenants may rent from private owners, cooperatives, or public housing agencies. Recertification is required annually, except for the elderly, who may be recertified every two years.

C. Benefit Levels

By law, eligible tenants pay a minimum of 15 percent of their "adjusted gross income" (countable housing income, as defined above) and a maximum of 25 percent. The Federal government pays the difference between fair market rent for standard, modest housing and the rent charged the tenant. The rent charged by the owner of Section 8 housing must be within limits established by a HUD survey of fair market rents for existing, substantially rehabilitated and new construction units in each county of the nation, except that HUD can permit up to 20 percent higher rents if necessary.

7. Section 504 Rural Housing Repair Loans

A. Funding Formula

This program is fully funded by the Federal government.

B. Eligibility Requirements

The law permits repair loans for very low-income owners of a farm or rural home who cannot obtain credit on reasonable terms elsewhere. Their income must be insufficient to qualify for a Section 502 loan, but adequate to repay a Section 504 loan, as determined by the Farmers Home Administration.

C. Benefit Levels

By law the maximum amount of a repair loan cannot exceed \$5,000.

8. Section 514 Farm Labor Housing Loans and Section 516 Farm Labor Housing Grants

A. Funding Formula

This program is fully funded by the Federal government.

B. Eligibility Requirements

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

C. Benefit Levels

The law limits grant amounts to 90 percent of the development costs of a farm labor housing project, as determined by FmHA, less amounts that FmHA determines can be obtained from other sources, including Section 514 loans.

9. Indian Housing Improvement Grants

A. Funding Formula

This program is fully funded by the Federal government.

B. Eligibility Requirements

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

C. Benefit Levels

Maximum grants permitted by BIA regulations: to temporarily repair substandard housing, \$2,500 for any one dwelling; to repair or renovate housing that will become standard, \$10,000 for any one dwelling; to provide a down payment for a housing loan, \$5,000 (\$6,000 in Alaska); and to provide new permanent housing, \$25,000 per dwelling (\$30,000 in Alaska). The regulations define maximum family size in "standard" housing as four persons for a 2-bedroom house and 7 persons for a 3-bedroom house and state that four bedrooms are adequate "for all but the very largest families."

10. Section 523 Rural Self-Help Housing Technical Assistance

A. Funding Formula

This program is fully funded by the Federal government.

B. Eligibility Requirements

Self-help program loans are made available under the regular Section 502 program and can include interest credits. The program aids the cooperative work of groups of rural families who themselves perform a major part of the construction labor on their houses. Grants can be made to qualified public bodies and private nonprofit groups to organize and assist families in using the self-help process and can cover the cost of hiring construction supervisors, obtaining power tools and other essential equipment, and training for group members. These requirements are set in the law.

C. Benefit Levels

Loan and grant amounts are determined by the Farmers Home Administration.

11. Section 515 Rural Rental Housing Loans

A. Funding Formula

This program is fully funded by the Federal government.

B. Eligibility Requirements

The law permits loans for rural rental and cooperative housing units to be occupied by persons at least 62 years old and by families with low or moderate income. Sponsors can be nonprofit, profit oriented, or "limited profit," must be unable to obtain credit elsewhere on reasonable terms that would enable them to rent the units for amounts within the payment ability of eligible tenants, and must have sufficient initial capital to make loan payments and meet costs. Applicants must conduct market surveys to determine the number of eligible occupants in the area who are willing and financially able to occupy the housing at the proposed rent levels; this does "not preclude occupancy by eligible occupants who are receiving welfare assistance." The Farmers Home Administration (FmHA) determines whether applicants meet requirements set in the law.

As for other FmHA programs, "low-income" generally means that the adjusted family income is not more than \$8,500; "moderate income," \$12,900. Adjusted family income is 95 percent of all income of family members (excluding temporary and nonrecurring income and earnings of members under 21 years old) reduced by \$300 for each minor child.

C. Benefit Levels

Nonprofit sponsors and State and local public agencies are eligible for loans up to 100 percent of the appraisal value or development cost, whichever is less. Purchase loans for buildings less than one year old are limited to 80 percent of the appraised value. Loan amounts and terms can be determined by FmHA.

EDUCATION AID1. Basic Educational Opportunity GrantsA. Funding Formula

This program is fully funded by the Federal government.

B. Eligibility Requirements

The Education Amendments of 1972, as amended, entitle to basic grants (1) undergraduate students enrolled on at least a half-time basis and in good standing, and persons accepted for enrollment, in eligible institutions of postsecondary education (2) whose "expected family contribution" for education is below the "actual cost of attendance" at the school.

The law requires the Commissioner of Education to publish annually a schedule of expected family contributions. It directs him to use several criteria in setting the schedule, namely, the "effective income" of the student or of his family; the number of dependents of the student's family, and their postsecondary educational financial needs, if any; the assets of the student and of the family; and any unusual expense of the student or his family. The law specifies that "effective income" shall exclude Federal income tax paid, but shall include Social Security survivor benefits paid on behalf of the student, aged 18-21.

Regulations of the Department of Health, Education and Welfare count as effective income all money income of the student's parents in the previous tax year, including items not subject to the Federal income tax, such as interest on municipal bonds, public welfare benefits, child support payments; minus any Federal income tax paid; plus 50 percent of any Veterans Administration educational benefits received by the student and 100 percent of Social Security survivor benefits received by him as a student; but the rules exclude all earnings of dependent students.

The rules for calculating the expected family contribution provide deductions for family size, unusual expenses, employment expenses of two-earner families and of those headed by a single parent. From the "discretionary" income remaining, regulations for 1976-77 require a family contribution amounting to 20 percent of the first \$5,000 (30 percent of any amount above that), less if the family has more than one child enrolled in postsecondary education. If the student or his family has net countable assets, a fraction of them is expected to be paid toward the cost of his schooling.

The Commissioner is required to establish special regulations for determining the expected "family contribution" and effective "family income" of a student who is independent of his parents. To qualify as an independent student, regulations require that the student not be claimed as an income tax exemption by his parents, not receive more than \$600 yearly from them, and not live for more than two consecutive weeks at his parent's home. These restrictions apply both to the academic year of aid and to the previous calendar year, which is regarded as the tax base year.

The schedules of expected family contributions for dependent and independent students are prepared by the Office of Education and are subject to Congressional approval.

C. Benefit Levels

By law the basic grant is \$1,400 per year minus the expected family contribution, but the grant cannot exceed one-half the actual cost of attending the recipient's school. The law defines actual cost as "the actual per-student charges for tuition, fees, room and board (or expenses related to reasonable commuting), books, and an allowance for such other expenses as the Commissioner determines by regulation to be reasonably related to attendance" at the school. The family contribution schedule assesses the family's financial strength and provides an "eligibility index" for each applicant. The Office of Education publishes a payment schedule for each academic year, which is

used by each institution to match a student's eligibility index with the cost of attendance there and thus to determine the size of his basic grant. Except in exceptional circumstances, the law prohibits grants smaller than \$200.

In fiscal year 1975 the average grant was \$680, and in FY 1976 it is estimated at \$800. The maximum grant received in FY 1975 was \$1,050 and in FY 1976, \$1,400.

2. Head Start

A. Funding Formula

The law sets the Federal share at 80 percent of program costs (in some cases the Secretary of the Department of Health, Education and Welfare may approve a larger Federal share). The non-Federal share may be paid in kind or cash.

Of total Federal funds appropriated, up to 2 percent is set aside for outlying territories and another 20 percent is reserved for the HEW Secretary's discretionary use. The Head Start, Economic Opportunity and Community Partnership Act of 1974 allots the rest to the States on the basis of (1) each State's share of the nation's "public assistance recipients" and (2) each State's share of the nation's poor children -- those living with families whose incomes fall below the Census Bureau's poverty threshold. For 1976, no State's allotment can be cut below that of 1975. Because the law does not define public assistance recipients, HEW must decide whether or not to include recipients of Supplemental Security Income (SSI) in the term, along with persons who receive General Assistance (GA) and Aid to Families with Dependent Children (AFDC).

B. Eligibility Requirements

The law makes eligible for Head Start children from families with income below the poverty line or from families who, without child care, potentially would qualify for AFDC; plus, under certain conditions, some non-poor children. The HEW Secretary may

provide for enrollment of non-poor children who live in areas served by Head Start and would benefit from the program. In 1975 at least 10 percent of total Head Start enrollment opportunities had to be available for handicapped children, beginning in 1976, this standard was changed to 10 percent of Head Start enrollment in each State.

C. Benefit Levels

Head Start is a comprehensive preschool program that operates both year-round and summer sessions. Services include educational, dental, medical, nutritional, and social services to children and their families. Head Start children from non-poor families may, if willing and able, pay the full cost of participation; however, the HEW Secretary cannot prescribe any fee schedule without authorizing legislation.

3. Guaranteed Student Loan Program

A. Funding Formula

This program is fully funded by the Federal government.

B. Eligibility Requirements

The law authorizes Federal insurance, reinsurance, and interest subsidies for private loans made for educational expenses to persons enrolled and in good standing or accepted for enrollment on at least a half-time basis at an eligible postsecondary school. To qualify for interest subsidies, the student's "adjusted family income" must be less than \$15,000 per year; or, if income exceeds this limit, the educational institution must determine that the student nevertheless is "in need" of the desired loan. (If the amount of the loan sought during the academic year does not exceed \$2,000, no need analysis need be performed by the school.) Regulations define adjusted family income as 90 percent of gross income of the student borrower, his spouse, and his parents for the previous tax year, minus the personal income tax exemptions allowed for that

year by the Internal Revenue Service. Loans under this program are made by private lenders, who may set additional eligibility conditions.

C. Benefit Levels

Loans may be obtained in amounts up to \$2,500 a year depending upon the State (the aggregate amount not to exceed \$7,500 for undergraduate study, and \$10,000 for professional and graduate study). The maximum interest rate charged the student is 7 percent for these loans. Currently the Federal government pays all interest on subsidized loans while the borrowers are in school. The repayment period is 5 to 10 years, starting between 9 months and 1 year after the end of study. These terms are established by law. In FY 1976, the average loan was estimated to be \$1,298.

4. College Work-Study Programs

A. Funding Formula

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

B. Eligibility Requirements

The law authorizes Federally-subsidized wages for (1) undergraduate, graduate, or professional students enrolled on at least a half-time basis, and for persons accepted for enrollment (2) who are in "need" of earnings to pursue a course of study at the institution, taking into account the actual cost of attendance there, and (3) who "show evidence of academic or creative promise and capability of maintaining good standing... while employed." The law requires that preference be given to students "with the greatest financial need," taking into account their grant assistance, if any. To establish a student's need for a loan, financial aid officers at individual schools are to apply a

needs analysis system approved by regulations of the Department of Health, Education and Welfare. For dependent students, these systems take into account family income, assets, size, and similar factors.

C. Benefit Levels

A student's earnings are limited to his need, as determined by the school's financial aid officer. By regulation, jobs must pay at least the applicable Federal, State, or local minimum wage except under special cases approved by the Commissioner of Education. Regulations limit the number of hours of work per week to 15 during the academic year and to 40 during regular vacation periods. HEW has proposed to increase the maximum hours of work to 20 per week during the academic year. In FY 1975 and 1976 earnings of participating students averaged \$580 per recipient.

5. National Direct Student Loan Program

A. Funding Formula

The Higher Education Act of 1965, as amended, authorizes 90 percent Federal matching for revolving loan funds at public, other non-profit, and proprietary institutions of higher education. Institutions receiving these Federal capital contributions must contribute to the loan fund an amount equal to at least 1/9th of the Federal sum.

B. Eligibility Requirements

The law authorizes low-interest, long-term loans for (1) undergraduate, graduate, or professional students enrolled on at least a half-time basis, and for persons accepted for enrollment, (2) who are "in need" of the amount of the loan to pursue a course of study and (3) who maintain good standing. To establish a student's need for a loan, financial aid officers at individual schools are to apply a needs analysis system approved by regulations of the Department of Health, Education and Welfare. For dependent

students, these systems take into account family income, assets, size, and similar factors.

C. Benefit Levels

The law authorizes loans at three percent interest rates, to be repaid over a 10-year period beginning nine months after the end of study on at least a half-time basis. No interest is charged until repayment of the principal begins, unless repayment is deferred, as permitted under certain conditions. In addition, loans may be cancelled for those who enter specified teaching jobs or military service. The law permits total aggregate loans of up to \$2,500 for students in their first two years of college, \$5,000 for students who have completed their first two years of undergraduate study, and \$10,000 for graduate or professional students. In FY 1975, the average sum loaned per student was \$690, and, it was expected to stay the same in FY 1976.

6. Supplemental Educational Opportunity Grant Program

A. Funding Formula

This program is fully funded by the Federal government.

B. Eligibility Requirements

The Higher Education Act of 1965, as amended, authorizes supplemental grants for (1) postsecondary undergraduate students enrolled on at least a half-time basis and in good standing, and for persons accepted for enrollment who are (2) "of exceptional financial need," (3) could not attend the school without the grant, and (4) show evidence of academic or creative promise. To establish a student's need for a grant, financial aid officers at individual schools are to apply a needs analysis system approved by regulations of the Department of Health, Education and Welfare. For dependent students, these systems take into account family income, assets, size, and similar factors.

HEW regulations specify that a student shall be deemed to be in exceptional need if his "expected family contribution" for education does not exceed 50 percent of the cost of education at his school.

C. Benefit Levels

The law limits individual grants to \$1,500 or one-half the total amount of assistance received by a student from his school, whichever is less. No student shall receive more than \$4,000 in supplemental grants during all the academic years he is pursuing his undergraduate course of study. Under specified circumstances the total can reach \$5,000. In FY 1975 supplemental educational opportunity grants averaged \$672 per student, and in FY 1976 they were expected to average \$672 again.

7. Follow Through

A. Funding Formula

The law sets the Federal share at 80 percent of program costs (in some cases the Secretary of the Department of Health, Education and Welfare may approve a larger Federal share). The non-Federal share may be paid in kind or cash.

B. Eligibility Requirements

The law makes eligible for Follow Through children from low-income families (those whose income is below the poverty line established by the Office of Management and Budget and periodically revised by HEW). At least 50 percent of Follow Through entrants must have participated previously in full-year Head Start programs or similar quality preschool programs. The Commissioner of Education may allow non-poor children to join the program.

C. Benefit Levels

Follow Through is an experimental program designed to test various models of primary education that might increase the achievement level of children previously enrolled in Head Start or similar programs. Children from non-poor families may be required to pay fees, which are determined by local agencies administering the program.

8. Health Professions Student Loans and Scholarship Grants

A. Funding Formula

The law provides 90 percent Federal funding for student loans and 100 percent for scholarship grants. The school must contribute to the revolving loan fund a minimum share equal to 1/9th of the Federal sum.

B. Eligibility Requirements

The Public Health Service Act, as amended, authorizes low-interest long-term loans for full-time students in schools of medicine, dentistry, osteopathy, optometry, podiatry, pharmacy, and veterinary medicine who are "in need" of financial aid to pursue their studies. For students who are "in exceptional need" of aid, the law authorizes scholarship grants; however, the grant program is being phased out and only renewal grants are available (to those who received an initial grant before July 1, 1974). Schools decide their students' need. Regulations of the Department of Health, Education and Welfare provide that schools shall take into account, in determining need of students, their financial resources and the costs "reasonably necessary" for attending the school, "including any special needs and obligations which directly affect the student's ability to attend" the school.

C. Benefit Levels

The law authorizes loans at 3 percent interest rate, but a House-passed bill pending in the Senate in spring 1976 would raise this to 7 percent. The law requires repayment over a 10-year period beginning one year after the end of study. No interest is charged until repayment of the payment begins, and repayment may be deferred under certain conditions. In addition, a portion of the loan may be cancelled for practice in an area ruled to have a shortage of persons trained in the borrower's specialty.

The maximum grant and the maximum loan each are \$3,500 per academic year. In 1975 the average loan was about \$1,200 and the average grant \$860.

9. Nursing Student Loans and Scholarship Grants

A. Funding Formula

The law provides 90 percent Federal funding for student loans and 100 percent for scholarship grants. The school must contribute to the revolving loan fund a minimum share equal to 1/9th of the Federal sum.

B. Eligibility Requirements

The Public Health Service Act, as amended, authorizes low-interest long-terms loans for full- or half-time students in schools of nursing who are "in need" of financial aid to pursue their studies. For students who are "in exceptional need" of aid, the law authorizes scholarship grants. Schools decide their students' need. Regulations of the Department of Health, Education and Welfare provide that schools shall take into account, in determining need of students, their financial resources, and the costs "reasonably necessary" for attending the school, "including any special needs and obligations which directly affect the student's ability to attend" the school.

C. Benefit Levels

The law authorizes loans at 3 percent interest rates, but a House-passed bill pending in the Senate in spring 1976 would raise this to 7 percent. The law requires repayment over a 10-year period beginning 9 months after the end of study. No interest is charged until repayment of the principal begins, and repayment may be deferred under certain conditions. In addition, a portion of the loan may be cancelled for employment as a professional nurse.

The maximum loan is \$2,500 per year, and the maximum grant is \$2,000 per academic year. In 1975 the average loan was \$800, and the average grant \$1,000.

10. Vocational Education Work Study Program

A. Funding Formula

The law provides 80 percent Federal funding for program costs; the remaining 20 percent must be paid by the State. In addition, the law provides a sum equal to one percent of each State's allotment, or \$10,000 per State, whichever is greater, for the costs of developing a program plan and administering it. Of the total sums appropriated for the program, each State receives an amount equal to its share of national population of youth aged 15-20 inclusive.

B. Eligibility Requirements

The Vocational Education Amendments of 1968 authorize Federally-subsidized wages for (1) full-time students enrolled and in good standing in a program of vocational education, and for students accepted for enrollment in such a program, who are (1) aged 15 through 20 when their jobs begin, (2) in need of the earnings from the job to commence or continue their vocational education and (3) capable of maintaining good academic standing while employed. Regulations of the Department of Health, Education and

Welfare specify that in funding local work-study programs, States shall give preference to communities with high concentrations of youth unemployment or school dropouts. Vocational education is defined as programs, services, or technical training or retraining that is conducted as part of a program designed to prepare individuals for gainful employment as semiskilled workers or subprofessionals in recognized occupations or new and emerging occupations, or to prepare individuals for enrollment in advanced technical education programs, but excluding any occupation that is considered professional or requires a baccalaureate degree.

C. Benefit Levels

By law compensation for this program cannot exceed \$45 in any calendar month or \$350 in any calendar academic year, and hours of work are limited to 15 during any week in which the student attends classes full time. However, regulations permit unlimited hours of work and earnings during the summer if the student is not attending classes.

OTHER SERVICES1. Social ServicesA. Funding Formula

The Social Security Act (Title 20) provides 75 percent Federal funding for social services (90 percent for family planning services). A national ceiling of \$2.5 billion applies to these funds, which are allocated to the States on the basis of population.

B. Eligibility Requirements

The Social Security Act permits States to offer Title 20 services: (1) to all recipients of the cash welfare programs of Aid to Families with Dependent Children (AFDC) and Supplemental Security Income (SSI) and (2) to persons and families whose monthly gross income is below 115 percent of the State's median income for a unit of their size. States may impose income-related fees for all but information and referral and protective services given to anyone and must charge fees for services given to persons whose monthly gross income is above 80 percent of the State's median income or 100 percent of the national median income, whichever is lower. The law requires that at least 50 percent of the Federal social service funds (37.5 percent of its combined Federal-State funds for general social services) be spent on recipients of AFDC, SSI, or Medicaid. Within the Federal rules, States determine who is eligible for social services and what fees, if any, are charged. Title 20 makes no provisions for neighborhood or group eligibility, as was allowed previously under Titles IV-A and VI. However, the Department of Health, Education and Welfare, in regulations published on April 2, 1976, has proposed to allow States to use any method of individual eligibility determination that they deem adequate, including a simple declaration. Further, the House passed legislation on March 16, 1976 to permit continued group eligibility determinations, where used under previous law, until October 1, 1976,

C. Benefit Levels

States determine what social services are offered, and to whom. HEW reports that in 42 States child day care services account for the greatest percentage of total Title 20 costs and that 19 of 48 reporting States planned to offer all social services free of charge in the first Title 20 program year (year ending September 30, 1976). Seventeen States planned to charge fees to persons with income below 80 percent of the State's median for specific services. The range of services includes protective services for children and adults, foster care, counseling, homemaker services, services to the mentally retarded, health-related services, and many others.

2. Legal Services

A. Funding Formula

The law provides full Federal funding.

B. Eligibility Requirements

The Legal Services Corporation Act of 1974 provides financial aid to programs that offer legal services in noncriminal proceedings to low-income persons. The law makes eligible "any person financially unable to afford legal assistance," and says the Corporation should take into account not only income, but liquid assets, fixed debts, cost of living and other factors in determining an individual's capacity to pay for a lawyer. The law requires the new Corporation to set national maximum income limits and to establish guidelines that will insure preference for those least able to afford an attorney. Pending the new rules, the program is continuing to use previous eligibility standards, which were drawn up by local legal services boards, subject to approval of the Community Services Administration.

C. Benefit Levels

Beneficiaries receive legal aid in noncriminal proceedings. In the past family problems and housing problems have accounted for more than half the cases; consumer, employment, and public-benefit problems for more than one-fourth, and miscellaneous matters for about one-fifth of the cases.

Federal and State-Local Expenditures for Income Transfers to Persons with Limited
Income, Fiscal Years 1975 and 1976 (1976 Data Estimated)

Program Costs (millions)
(Footnotes at End of Table)

CASH	Federal		State-Local		Recipients (thousands) Average Monthly Number Unless Otherwise Indicated	
	1975	1976	1975	1976	1975	1976
1. Aid to Families with Dependent Children (AFDC)	\$5,116 ^{1/}	\$5,855 ^{1/}	\$4,337 ^{2/}	\$4,903 ^{2/}	11,080	11,500
2. Supplemental Security Income (SSI)	4,690 ^{3/}	5,265 ^{3/}	1,257 ^{4/}	1,292 ^{4/}	4,031	4,345
3. Pensions for Veterans, their Dependents, and Survivors	2,726	2,923	---	---	3,634 ^{5/}	3,700
4. Dependency and Indemnity Compensation for Parents of Veterans	65	72	---	---	66 ^{5/}	65
5. Assistance to Cuban Refugees	84	85	---	---	32	28
6. General Assistance to Indians	48	50	---	---	65	68
7. Emergency Assistance to Needy Families	43 ^{6/}	55	27 ^{6/}	55	120	108
8. Assistance to Indochinese Refugees	6	83	---	---	2 ^{7/}	31
9. General Assistance (State and Local Funds only)	---	---	996	1,180	874	970
Cash Total	\$12,778	\$14,388	\$6,617	\$7,430	8/	8/

<u>MEDICAL CARE</u>	<u>Federal</u>		<u>State-Local</u>		<u>Recipients (thousands) Average Monthly Number Unless Otherwise Indicated</u>	
	<u>1975</u>	<u>1976</u>	<u>1975</u>	<u>1976</u>	<u>1975</u>	<u>1976</u>
1. Medicaid	\$ 7,060 ^{9/}	\$ 8,184 ^{9/}	\$5,578 ^{10/}	\$6,470 ^{10/}	8,371 ^{11/}	8,644 ^{11/}
2. Veterans' Medical Care (for Non-Service- Connected Disability)	2,460 ^{12/}	2,788 ^{12/}	---	---	976 ^{12/}	1,041 ^{12/}
3. Indian Health Services	236	275	---	---	518	518
4. Maternal and Child Health Services	189	204	88	96	4,813 ^{14/}	4,452 ^{14/}
5. Community Health Centers	200	197	---	---	1,425 ^{15/}	1,872 ^{15/}
6. Crippled Children's Services	53	63	32	38	550	509
Medical Care Total	\$10,198	\$11,711	\$5,698	\$6,604	8/	8/

CRS-61

FOOD	Federal		State-Local		Recipients (thousands) Average Monthly Number Unless Otherwise Indicated	
	1975	1976	1975	1976	1975	1976
1. Food Stamps	\$ 4,714 ^{16/}	\$ 5,658 ^{16/18/}	\$200 ^{17/}	\$ 250	17,100	18,400 ^{18/}
2. National School Lunch Program	1,718	1,967	450	515	24,600	25,300
3. Nutrition Program for the Elderly (no Income Test) ^{19/}	150	188	17 ^{20/}	21 ^{20/}	240	290
4. Special Milk Program	124	143 ^{21/}	---	---	12	12
5. Special Supplemental Food Program for Women, Infants, and Children (WIC)	91 ^{22/}	187 ^{22/}	---	---	344	485
6. Summer Food Service Pro- gram for Children	88	120 ^{23/}	---	---	1,800	2,550
7. School Breakfast Program	83	117	---	---	1,825	2,100
8. Child Care Food Program	47	114	---	---	440	336
9. Food Distribution Program for Needy Families	<u>38</u>	<u>14</u>	<u>---</u>	<u>---</u>	<u>330</u>	<u>81</u>
Food Total	\$ 7,053	\$8,508	\$ 667	\$ 786	<u>8/</u>	<u>8/</u>

<u>JOBS AND TRAINING</u>	<u>Federal</u>		<u>State-Local</u>		<u>Recipients (thousands) Average Monthly Number Unless Otherwise Indicated</u>	
	<u>1975</u>	<u>1976</u>	<u>1975</u>	<u>1976</u>	<u>1975</u>	<u>1976</u>
1. Comprehensive Manpower Programs (CETA Titles I, II, III)	\$ 2,803	\$3,273	---	---	1,300	1,300
2. Temporary Employment Program (CETA Title VI)	319 ^{24/}	2,331	---	---	37 ^{24/}	270
3. Work Incentive Program (for AFDC Recipients)\$	314	\$ 350	35 ^{20/}	39 ^{20/}	171 ^{25/}	200 ^{25/}
4. Job Corps	175	175	---	---	20	20
5. Senior Community Service Employment Program	12	42	1 ^{20/}	4 ^{20/}	9	12
6. Foster Grandparents	28 ^{26/}	28 ^{26/}	3 ^{20/}	3 ^{20/}	14	14
7. Senior Companions	3 ^{27/}	5 ^{27/}	0.3 ^{20/}	0.5 ^{20/}	1 ^{5/}	1
8. Career Opportunities Program	<u>2</u>	<u>0</u>	<u>---</u>	<u>---</u>	<u>11</u>	<u>1</u>
Job and Training Total	\$3,656	\$6,204	\$ 39	\$ 37	1,563	1,818

HOUSING	Federal		State-Local		Recipients (thousands) Average Monthly Number Unless Otherwise Indicated	
	1975	1976	1975	1976	1975	1976
1. Section 502 Rural Housing Loans	\$1,927 ^{28/}	\$2,643 ^{28/}	---	---	95 ^{29/}	120 ^{29/}
2. Low-Rent Public Housing	1,312	1,554	---	---	1,151 ^{30/}	1,197 ^{30/}
3. Section 236 Interest Reduction Payments, Rental Housing	392	457	---	---	400 ^{30/}	459 ^{30/}
4. Section 101 Rent Supplements	175	219	---	---	165 ^{30/}	183 ^{30/}
5. Section 235 Homeownership Assistance for Low-Income Families	194	190	---	---	409 ^{30/}	406 ^{30/}
6. Section 8 Lower Income Housing Assistance	---	37	---	---	---	47 ^{30/}
7. Section 504 Rural Housing Repair Loans	5 ^{28/}	20 ^{28/}	---	---	3 ^{29/}	10 ^{29/}
8. Section 514 and 516 Farm Labor Housing Loans and Grants	13 ^{28/}	18 ^{28/}	---	---	1 ^{29/ 31/}	29 ^{29/}
9. Indian Housing Improvement Grants	13	11	---	---	4 ^{29/}	3 ^{29/}
10. Section 523 Rural Self- Help Housing Technical Assistance	6 ^{28/}	10 ^{28/}	---	---	32 ^{29/}	32 ^{29/}
11. Section 515 Rural Rental Housing Loans	0.3 ^{28/}	0.5 ^{28/}	---	---	21 ^{29/}	30 ^{29/}
Housing Total	\$4,037	\$5,160	---	---	33 ^{29/}	33 ^{29/}

EDUCATION	Federal		State-Local		Recipients (thousands) Average Monthly Number Unless Otherwise Indicated	
	1975	1976	1975	1976	1975	1976
1. Basic Educational Opportunity	\$ 342 ^{34/}	\$1,000 ^{34/}	---	---	600	1,250
2. Head Start	414 ^{35/}	435 ^{35/}	103 ^{20/}	109 ^{20/}	349	349
3. Guaranteed Student Loans	445 ^{36/}	537 ^{36/}	---	---	874	891
4. College Work-Study Program	233 ^{37/}	363 ^{37/}	---	---	626	973
5. National Direct Student Loans	334 ^{38/}	281 ^{38/}	---	---	674	799
6. Supplemental Educational Opportunity Grants	251	268	---	---	393	447
7. Follow Through	59	59	15 ^{20/}	15 ^{20/}	77	76
8. Health Professions Student Loans and Scholarship Grants	43 ^{39/}	28 ^{39/}	40 ^{40/}	40 ^{40/}	37 ^{39/}	24 ^{39/}
9. Nursing Student Loans and Scholarship Grants	29 ^{41/}	27 ^{41/}	40 ^{40/}	40 ^{40/}	35 ^{41/}	32 ^{41/}
10. Vocational Education Work Study	10	10	5 ^{42/}	5 ^{42/}	36	39
Education Total	\$2,160	\$3,008	\$ 123	\$ 129	8/	8/
<u>OTHER SERVICES</u>						
1. Social Services (Title 20 of Social Security Act)	\$1,963	\$2,258	\$ 650 ^{20/}	\$ 750 ^{20/}	10,607 ^{43/}	11,172 ^{43/}
2. Legal Services (Legal Services Corporation)	72	88	---	---	1,080 ^{15/}	1,100 ^{15/}
Other Services Total	\$2,035	\$2,346	\$ 650	\$ 750	8/	8/
GRAND TOTAL INCOME TRANSFER PROGRAMS	\$41,917	\$51,325	\$13,794	\$15,736	8/	8/

FOOTNOTES

- 1/ Includes \$528 million in 1975 and \$611 million in 1976 for State and local administrative costs.
- 2/ Includes \$612 million in 1975 and \$648 million in 1976 for administrative costs.
- 3/ Includes \$460 million in 1975 and \$494 million in 1976 for administrative costs.
- 4/ Includes \$13 million in 1975 and an estimated \$17 million in 1976 for State-administered supplements to SSI.
- 5/ As of June 1975.
- 6/ Budget officials at the Department of Health, Education and Welfare said the Federal share of Emergency Assistance rose to 60 percent in 1975 because of retroactive claims for earlier years.
- 7/ As of late June 1975, at start of program.
- 8/ Due to a high degree of overlap, recipient totals are not shown.
- 9/ Includes \$317 million in 1975 and \$342 million in 1976 for State and local administrative costs.
- 10/ Includes \$231 million in 1975 and \$250 million in 1976 for administrative costs.
- 11/ 1975 yearly total, 22,467,000 individual recipients; 1976 total, 23,199,000.
- 12/ Estimate. Based on assumption that 80 percent of V.A. medical care recipients have a non-service-connected disability. Recipient count is the number of patients treated during the year.
- 13/ V.A. makes grants to assist States provide care in State veterans' homes, but it is thought that most veterans so aided have a service-connected disability.
- 14/ 1975 total consists of 3,063,000 children who received nursing services, 984,000 children who received dental treatment, 600,000 mothers who received pre- and post-natal care, and 166,000 infants admitted for comprehensive services. Corresponding 1976 numbers were 2,833,000, 910,000, 555,000, and 154,000 respectively.
- 15/ During the year.
- 16/ Includes \$318 million in 1975 and \$368 million in 1976 for administrative costs.
- 17/ Administrative costs only.

- 18/ Assumes implementation of Agriculture Department regulations to restrict eligibility and reduce costs.
- 19/ Program regulations provide for no test of income. Law makes eligible those unable to afford proper meals or without ability or desire to prepare them. On December 31, 1975 approximately 61 percent of beneficiaries had income below the poverty line, according to Agriculture Department estimates.
- 20/ Minimum non-Federal share.
- 21/ Ford Administration has proposed a \$40 million rescission.
- 22/ Includes \$18 million in 1975 and \$37 million in 1976 for administration by State agencies.
- 23/ Includes \$2.4 million in 1976 for State and local administration.
- 24/ Part-year only. 1975 recipient figure is an estimate, based on 1976 relationships.
- 25/ "Placements" made during the year, defined in 1975 as those who "enter job entry" and in 1976 as those who "enter employment." The average number of persons who received WIN "supportive services" was 141,100 in 1975 and 125,000 in 1976.
- 26/ Includes \$5.6 million (in both years) in administrative expenses. (Salaries of project staff.)
- 27/ Includes \$520,000 in 1975 and \$900,000 in 1976 in administrative costs. (Salaries of project staff.)
- 28/ Amount of loans and/or grants obligated.
- 29/ Family units during the year.
- 30/ Cumulative units since program's inception.
- 31/ Plus 266 dormitory-style rooms during the year.
- 32/ Not available.
- 33/ Totals are not shown. For some programs, column shows only units first aided during year; for others, cumulative program totals.
- 34/ Includes \$11.5 million in each year for administration.
- 35/ Includes \$1.2 million in 1975 and \$1.5 million in 1976 for administrative expenses (estimate).
- 36/ Includes \$111.1 million in 1975 and \$125 million in 1976 for defaults.

- 37/ This includes an amount equal to 3 percent of students' earnings that is paid to educational institutions in lieu of reimbursement for administrative expenses.
- 38/ Amount of Federal capital contributions.
- 39/ In 1975, \$36 million was loaned to 29,211 students and \$6.9 million was granted outright to 8,000 students. In 1976, \$24 million was loaned to an estimated 20,000 students and \$3.5 million granted outright to an estimated 4,000 students. The scholarship grant program is being phased out.
- 40/ Schools receiving Federal funds for nursing student loans and health profession student loans must provide funds equal to 1/9th the Federal sum.
- 41/ In 1975, \$22.8 million was loaned to 28,500 nursing students and \$6 million was granted outright to 6,000 nursing students. In 1976, \$21 million was loaned to an estimated 26,250 students and \$6 million granted outright to an estimated 6,000 students.
- 42/ Estimate. This sum is about double the minimum State match required.
- 43/ "Recipient months" of service.

Data Source: U.S. Government 1977 Budget Appendix and agency budget offices.