



Report to Congress

Supplemental Nutrition Assistance Program

October 2010

**Directorate of Compensation
Office of the Under Secretary of Defense
Military Personnel Policy**

Introduction

This report is submitted as required by the National Defense Authorization Act (NDAA) for Fiscal Year 2010, henceforth referred to as NDAA FY 2010. Section 602, paragraph (c) of the Public Law 111-84 states, "Not later than September 1, 2010, the Secretary of Defense, in consultation with the Secretary of Agriculture, shall submit to the congressional defense committees a report setting forth a plan for actions to eliminate the need for members of the Armed Forces and their dependents to rely on the Supplemental Nutrition Assistance Program (SNAP) under the Food and Nutrition Act of 2008". This report fulfills the NDAA FY 2010 requirement. [Note: an interim report, dated August 10, 2010 was forwarded to the congressional defense committees].

The United States Department of Agriculture (USDA) commented on this report -- all of its suggestions have been incorporated.

Report Particulars

The Act requires this report to address five elements. The elements include:

(A) An appropriate amount or amounts for the monthly supplemental subsistence allowance for low-income members with dependents payable under section 402a of title 37, United States Code.

(B) Such modifications, if any, to the eligibility requirements for the monthly supplemental subsistence allowance, including limitations on the maximum size of the household of a member for purposes of eligibility for the allowance, as the Secretary of Defense considers appropriate.

(C) The advisability of requiring members of the Armed Forces to apply for the monthly supplemental subsistence allowance before seeking assistance under the supplemental nutrition assistance program and to notify their commanding officer if they are accepted for participation in the supplemental nutrition assistance program.

(D) A method for accurately determining the total number of members of the Armed Forces who are participating in the supplemental nutrition assistance program.

(E) Such other matters as the Secretary of Defense considers appropriate.

Prior to attending to these elements, the following sections address the Family Subsistence Supplemental Allowance (FSSA) in general and as it relates to military compensation and family size.

Family Subsistence Supplemental Allowance Overview

The FSSA program was established by section 604 of the Floyd D. Spence National Defense Authorization Act for Fiscal Year 2001. The program, which is intended to negate the need for low-income service members with dependents to rely on the USDA's SNAP program, is codified in section 402a of title 37, United States Code. Eligibility for FSSA is based on household size and income, and allows qualified members to receive up to \$1,100 a month toward household nutritional needs (the

maximum monthly benefit was increased from \$500 in the NDAA FY 2010). FSSA was due to expire on September 30, 2006, but at the urging of the Department of Defense, the program was made permanent by section 608(a) of the FY 2006 NDAA.

Military Compensation & Family Size

Two primary variables determine if a member is eligible for FSSA, and if eligible, the dollar amount of the monthly benefit: total household income and household size. Although military pay has steadily risen, and according to the Congressional Budget Office (CBO) regular military compensation has outpaced civilian pay increases by 10.3 percent from 2002 to 2009, there is a current global economic downturn. This slump might negatively impact military families, especially if spouses of military members have difficulty in finding or retaining employment. This is particularly true for service members with unusually large families and no other household income.

In order to illustrate how large a military family must be to qualify for FSSA, the following four examples are provided. In each example, the service member is an E-4 (56 percent of FSSA recipients are E-4) who has completed between 3 and 4 years of service. The examples assume members live in four locations, Fort Bragg/Pope AFB, NC; Fort Hood, TX; Washington, DC; and San Diego, CA. The examples also assume the members receive regular military compensation (base pay, Basic Allowance for Subsistence (BAS), and Basic Allowance for Housing (BAH)) with no special pays, incentives, or bonuses. The calculations do *not* consider the tax advantage of BAS and BAH. The average age of E-4 members across all military services is 22 years (*Assessing Pay and Benefits for Military Personnel*, Congressional Budget Office, August 15, 2007).

Table 1

	E-4 Regular Military Compensation, 3-4 years of service ^{a,b}		Minimum Household Size for FSSA Eligibility
	Monthly Compensation (\$)	Annual Compensation (\$)	
FT Bragg/Pope AFB, NC	3,248	38,976	7
FT Hood, TX	3,374	40,488	7
Washington, DC	4,211	50,532	9
San Diego, CA	4,310	51,720	9

^a Based on FY 2010 rates

^b Assumes no other household income (e.g., spouse does not work outside the home)

Report Elements: A discussion of the five requirements outlined in the Act follow.

Element (A): Appropriate amounts for FSSA Entitlements

Overview of Supplemental Subsistence Program

An overview of the methodology used to determine supplemental subsistence benefits is provided to help the reader understand the appropriateness of FSSA levels.

The Department of Defense's FSSA program determines FSSA eligibility using the same gross income threshold, generally speaking¹, as USDA's SNAP program.² Specifically, the gross monthly income of households must be 130 percent or less of the Federal poverty guidelines (\$2,389 per month for a family of four in most locales, effective October 1, 2009 through September 30, 2010). Gross income includes all regular cash payments to the household, with a few exceptions specified in the law or the program regulations.

Although gross income thresholds used to determine FSSA and SNAP benefit amounts for eligible participants are the same (as established by the USDA), with the exception of footnote 3 as it relates to "Broad-based Categorical Eligibility", the algorithm to determine household incomes vary between FSSA and SNAP. USDA, for example, allows deductions not recognized by DoD such as child support, dependent care costs, medical costs for elderly or disabled family members, and various standard deductions such as a utility allowance (based on paid services such as telephone, electricity, garbage removal, water, etc.). Additionally, FSSA benefit calculations automatically include a Basic Allowance for Housing (BAH) entitlement as income regardless if the member is receiving the entitlement and paying rent or mortgage, or not receiving BAH while living in government furnished housing (housing-in-kind). USDA, on the other hand, does not include the BAH-equivalent amount as income if military members live in government furnished housing (i.e., the tangible benefit is unrealized in the SNAP calculation).

Calculated benefits for SNAP are typically more generous than FSSA due to the aforementioned deductions. In order to ensure parity with SNAP benefits, however, FSSA program policy includes a provision which automatically increases the FSSA benefit to the level of the SNAP benefit. In order for a member to receive the increased benefit, he or she must simply provide proof of the USDA calculation (as outlined in section 402a(a) of title 37, United States Code. A service member who qualifies for \$200 in FSSA and \$225 in SNAP, for example, will receive the higher amount (not to exceed \$1,100/month) provided the military member provides USDA documentation to his command.

FSSA Entitlements – Appropriate Levels

The FSSA entitlements are appropriate and sufficient for two reasons:

¹ Although the USDA has a policy entitled "Broad-based Categorical Eligibility" that allows states to create a defacto raise in the gross income test for applicants. This essentially lowers income standards and ultimately increases the level of benefit.

² Families without disabled or elderly household members seeking SNAP benefits must pass an asset and two income tests (net and gross) to qualify. Actual benefits are calculated by subtracting 30 percent of net income from a maximum benefit for the family size. DoD does not use the net income and asset tests to determine eligibility, rather, considers gross income only.

- 1) As mentioned in the previous section, calculated supplemental subsistence benefits for service members are similar or equal between the FSSA and SNAP programs. If SNAP benefits are calculated at a higher rate compared to FSSA, the service member is automatically qualified for the higher amount through FSSA (up to \$1,100 per month). Matching SNAP benefits brings parity between FSSA and SNAP; subsequently, military members may be less inclined to collect SNAP benefits based solely on the amount of the monthly supplemental because of the matching clause. Specifically, a member who qualifies for a higher amount via SNAP but prefers to collect FSSA (for any personal or professional reasons), the FSSA payment will be equal to the SNAP entitlement (not to exceed \$1,100/month).
- 2) The maximum monthly FSSA entitlement, \$1,100, is adequate. In order for a service member to approach the maximum benefit, he or she would need to live in a household comprising at least ten individuals, be a junior enlisted member, and have minimal time-in-service. To illustrate this point, the following example is provided. Assume an E-1 with less than one year of service lives in a household that has no other income. In order for him or her to qualify for the maximum FSSA benefit, he or she would need to live in a household comprising a minimum of 10 individuals.

Element (B): Recommended Modifications Related to Eligibility Requirements

There are no recommended modifications related to eligibility requirements. The DoD and service Secretaries concerned believe the FSSA program, as currently structured, achieves its purpose and eligibility captures the appropriate population.

Element (C): Advisability of Requiring Armed Forces Members to First Seek FSSA Benefits

The DoD and USDA strongly recommend against requiring military members to first seek FSSA benefits prior to inquiring about USDA SNAP entitlements. Rather, a more effective solution is to properly highlight FSSA benefits to military families. A strategy was executed beginning in late summer 2009 and continues to produce effective results. The strategy included utilizing various tools such as the leave and earnings statement (LES) comment section, MilitaryOneSource.com, large laminated FSSA posters which were provided to all 255 commissaries worldwide, and the expanded FSSA website. The FSSA website, which netted approximately 4,300 "hits" from 2001 to September 2009, yielded approximately 34,000 "hits" in October, November, and December of 2009, and FSSA application rates increased approximately eight-fold during the same period.

There are at least five reasons why a "FSSA first" policy should be avoided, including:

- a. Some military members have expressed that they feel embarrassed to apply for any type of assistance through the military and subsequently opt for SNAP

- over FSSA. Requiring a "FSSA first" policy might dissuade some service members from applying for any type of assistance, even if they qualify.
- b. Military families could easily avoid the policy altogether by having the spouse or other family member apply for SNAP.
 - c. Public scrutiny could be unappealing. Misreporting such as, "DoD prohibits needy service members from applying for SNAP" could easily occur.
 - d. Reprimanding a service member who first seeks USDA public assistance, which is available to all eligible American citizens, would be exceedingly difficult and unpopular. This is especially true for military members who qualify for other social programs such as those mentioned in paragraph "d", above.
 - e. The USDA has adamantly expressed opposition to a "FSSA first" policy. The DoD concurs with USDA's opposition to the policy.

Element (D): Determining SNAP Participation Rates across the Armed Services

The USDA has agreed to support a DoD study to determine the number of military members who participate in the SNAP program. As with earlier related studies, the project is expected to take approximately two years to complete (estimated completion date is March 2012).

The following is an overview of past research related to service member participation in SNAP. Four studies were conducted since 1991 to determine the number of military service members who participated in the USDA's [then] food stamp program. The first two studies, 1991 and 1995, found less than one percent of military members received food stamps. The 1998 study found less than five-tenths of one percent (.5 percent) of military members received food stamps. The most recent study, 2003, determined approximately 1.5 tenths of one percent (.15 percent) of the total force received food stamps.³ The following table provides an overview of the number of military members estimated to be on food stamps for each of the four studies:

Table 2

Year of Study	Number of Military Members Estimated to Receive Food Stamps	Percentage of Military Estimated to Receive Food Stamps
1991	19,400	< 1%
1995	11,900	< 1 %
1998	6,300	< .5%
2003	2,084	~ .15%

The decrease in food stamp/SNAP participation is likely a result of annual hikes in Regular Military Compensation that have exceeded the Employee Cost Index by .5 percent beginning in FY 2000⁴, and perhaps to a larger degree because of targeted pay

³ SNAP, by contrast, had almost 33.7 million participants out of nearly 303 million citizens in 2009. This equates to a U.S. population participation rate of 11.1%

⁴ Assessing Pay and Benefits for Military Personnel, Congressional Budget Office, August 15, 2007

raises beginning in 2000 that averaged nearly 30 percent for enlisted members. Substantial increases in BAH and BAS have also helped to reduce the need for military members to rely on supplemental subsistence allowances. The additional compensation has significantly reduced any perceived pay gap between military and private sector pay. This fraction of military members who reportedly received food stamp/SNAP benefits identified in the 2003 report equates to approximately 2,084 members of a total military force of 1.4 million.

Element (E): Other Matters

There is only one other matter that warrants discussion – it relates to the impediments associated with collecting timely information on SNAP participation rates for military members. Due to safeguard requirements, the cost, time, and effort to collect associated data are substantial. The DoD and USDA are discussing ways to streamline the process. Specifically, 2020(e)(8)(A)(i) of title 7, United States Code, does not identify the DoD as a federal entity that may receive information on SNAP recipients. In order for DoD to identify military members on SNAP, therefore, one of the first steps in the process is to draft and gain DoD and USDA approval on memoranda of understanding between the DoD and each state involved in the research (the current research includes 18 states in which approximately 80% of the military population reside). The DoD and USDA will work to develop a plan to streamline the process while safeguarding the personally identifiable information of SNAP recipients and military members.

Summary of report

The FSSA program is an effective tool to reduce service member proclivity to apply for and potentially become a SNAP recipient. In order to persuade qualifying members to shift from SNAP to FSSA, a FSSA marketing campaign began in the fall of 2009. The campaign has been successful; the number of FSSA web “hits” has increased exponentially and application numbers have increased eight-fold.

The question that continues to remain now, and in the future, is how many military members receive SNAP benefits. In order to improve the current data collection methodology (i.e., decrease costs, labor, and required time), the DoD and USDA will work on developing a plan to streamline the data collection process while safeguarding personally identifiable information of SNAP recipients and military members.

END OF REPORT