

---

## Temporary Assistance for Needy Families

Public Law 104-193 (The Personal Responsibility and Work Opportunities Reconciliation Act of 1996, enacted on August 22, 1996) contained provisions that replaced the Aid to Families with Dependent Children (AFDC), Job Opportunities and Basic Skills (JOBS), and Emergency Assistance (EA) programs with the Temporary Assistance for Needy Families (TANF) block grant program. The TANF became effective as soon as each state submitted a complete plan implementing TANF, but no later than July 1, 1997.

Temporary Assistance for Needy Families provides assistance and work opportunities for participants. The law contains strong work requirements, a performance bonus to reward states for moving welfare recipients into jobs, state maintenance of effort requirements, comprehensive child support enforcement, and support for families moving from welfare to work, including increased funding for child care and guaranteed medical coverage.

States receive block grant allocations based on previous expenditures in AFDC, EA, and JOBS. States have broad flexibility to determine eligibility, methods of assistance, and benefit levels. The law includes a state maintenance of effort provision that requires states to spend on TANF-related activities, 80 percent of the amount of nonfederal funds they spent in fiscal year 1994 on AFDC and related programs.

Nearly all recipients must work after 2 years of assistance. Each state is required to have 40 percent of the families working or off the rolls by September 30, 2000, and half by 2002. Parents must work a prescribed number of hours per week: single parents, 30 hours in 2000; couples, 35 hours. Work can be unsubsidized or subsidized employment, on-the-job training, work experience, community service, 12 months of vocational training, or child care provided to individuals participating in community service. Exceptions are allowed for 6 weeks of job search time, parents with a child under age 6 who cannot find child care, and single parents with children under age one.

States must make an initial assessment of recipients' skills and can develop personal responsibility plans that identify needed education, training, and job placement services. Various incentives are provided to states to encourage maintaining program spending levels.

Families cannot spend more than 5 cumulative years on TANF. States can specify a shorter period, and exempt up to 20 percent of the caseload from the time limit. After the time limit is exceeded, they can elect to provide noncash assistance and vouchers to families using Social Services Block Grant or state funds.

Child care funding is provided to help more mothers move into jobs. Women on welfare continue to receive health coverage for their families, including a year or more of transitional Medicaid when they leave welfare for work.

To be eligible for TANF block grants, states must operate a child-support enforcement program meeting federal requirements. The Federal Case Registry and National Directory of New Hires will be used to track delinquent parents across state lines. Child support can be withheld directly from wages and paternity establishment is streamlined; cash assistance will be reduced by at least 25 percent in cases of failure to cooperate with paternity establishment. The law establishes uniform interstate child support laws, central registries of child support orders and collections, and toughened enforcement of child support.

Unmarried minor parents are required to live with a responsible adult or in an adult-supervised setting and participate in educational and training activities in order to receive assistance. Efforts are also to be undertaken to prevent nonmarital teen pregnancy.

---

## Food Stamps

The Food Stamp program was designed to provide a means for persons with no or little income to obtain a nutritionally adequate diet. Under this program, single persons and individuals living in households meeting nationwide standards for income and assets may receive coupons redeemable for food for human consumption and garden seeds and plants. The benefits, which are in the form of coupons or Electronic Benefit Transfer (EBT) payments, are accepted at most retail food stores.

The value of the benefits that a unit receives each month is determined by household size, income, and deductible expenses. Households without income receive an amount equal to 100 percent of the June monthly cost of the Thrifty Food Plan (TFP—a nutritionally adequate diet) for a reference family of four adjusted for household size and economies of scale. This amount is updated every October for the new fiscal year to account for food price increases. As of October 1999, an eligible four-person household in the continental United States with no income receives \$426 per month in food stamps. Households with income receive food stamps valued at the difference between the maximum allotment and 30 percent of their income, after certain allowable deductions.

To qualify for the program, a household must have (1) less than \$2,000 in disposable assets (\$3,000, if one member is aged 60 or older), (2) gross income below 130 percent of the poverty guidelines for the household size, and (3) net income, after subtracting the six deductions listed below, of less than 100 percent of the poverty guidelines. Households with a person aged 60 or older or a disabled person receiving either Supplemental Security Income (SSI), Social Security (OASDI), state general assistance, or veterans' disability benefits (or interim disability assistance pending approval of any of the above programs) may have gross income exceeding 130 percent of the poverty guidelines, if, after subtracting the deductions listed below, the income is lower than 100 percent of the poverty guidelines. One- and two-person households that meet the applicable standard receive at least \$10 a month in food stamps. All households in which all members receive Temporary Assistance to Needy Families (TANF) or SSI are categorically eligible for food stamps without meeting these income or resource criteria.

Net income is computed by deducting the following from monthly gross income:

- (1) Twenty percent of earned income.
- (2) A standard deduction of \$134 for fiscal year 2000.
- (3) The amount paid for dependent care (up to \$200 a month per child under age 2 and \$175 for all other dependents) while the dependent's caretaker is working or looking for work.

- (4) Any out-of-pocket medical expenses in excess of a \$35 deductible for a person aged 60 or older or a disabled person. If more than one person in the household is aged or disabled, \$35 is subtracted once before deducting combined medical expenses.
- (5) A child-support deduction for legally obligated child support paid for a non-household member.
- (6) An excess shelter deduction, which is total shelter costs including utilities minus 50 percent of income after all the above deductions have been subtracted. Effective October 1, 1998, the monthly limit is \$275 for households without aged or disabled persons. The limit rises to \$300 effective October 1, 2000. Households with an aged or disabled person do not have a limit on this deduction.

Households are certified to receive food stamps for varying lengths of time, depending on their income sources and individual circumstances. Recertification is required at least annually. Households whose sole income is from SSI payments or Social Security benefits are certified for a 1-year period. Moreover, households must report monthly income or expense changes of \$25 or more or other changes in circumstances that would affect eligibility. Families with income or food loss resulting from disaster situations such as tornadoes or floods may be eligible for food stamps for up to 1 month if they meet the special disaster income and asset limits.

Special provisions allow the homeless, drug addicts, alcoholics, blind, or disabled residents in certain group living arrangements, residents of shelters for battered spouses and children, and persons aged 60 or older to use their coupons for meals prepared at a nonprofit facility. The elderly and homeless may also use their coupons to purchase concession-priced meals from authorized restaurants. Households with members who are elderly (aged 60 or older), disabled, or lack transportation to the food stamp office may be certified for food stamps through a telephone interview or a home visit.

Initiated on a pilot basis in 1961, the Food Stamp program was formally established by the Food Stamp Act of 1964, with 22 states operating 43 projects, serving 350,000 people. The Food Stamp Act of 1977, as amended (P.L. 95-113), has been extended to all 50 states, the District of Columbia, Guam, and the Virgin Islands. Authorization for this program extends through September 30, 2002. (Since July 1982, Puerto Rico receives a block grant for nutrition assistance rather than participating in the Food Stamp program.) The Food Stamp program is administered nationally by the Food and Nutrition Service of the Department of Agriculture (USDA) and operates through local welfare offices and the nation's food marketing and banking sys-

tems. Since August 1, 1980, persons receiving or applying for SSI payments have been permitted to apply for food stamps through local Social Security district offices. The federal government, through general revenues, pays the entire cost of the food stamp benefits, but federal and state agencies share administrative costs.

### History of Provisions

Originally, food stamp coupons were purchased by participants. The difference between the face value of the coupons and the amount the participant paid was known as the "bonus value." The amount paid for coupons varied according to household income.

Legislation in 1971 established uniform national eligibility standards and uniform national benefit levels, required family allotments large enough to purchase a nutritionally adequate diet, provided free food stamps to the poorest recipients, required automatic cost-of-living increases in food stamp allotments, and established work-registration requirements for able-bodied adult household members up to age 65 (except students and those needed at home to care for children under age 18). Legislation in 1973 expanded the program (while phasing out the family food distribution program), provided for semi-annual allotments of coupon adjustments, and broadened the categories of persons eligible to participate.

The 1973 legislation extended the program nationwide, requiring all states to participate in the Food Stamp program.

Major legislative changes in 1977 eliminated the purchase requirement and allowed households to receive only the bonus portion of their coupon allotments. Deductions from income were limited to a standard deduction, a 20-percent earnings deduction, and a limited combined excess shelter and child-care deduction. The poverty guidelines became the new eligibility limits and, for the first time, households receiving Aid to Families with Dependent Children (AFDC) or SSI payments were required to meet asset and income limits. The work registration requirements were tightened for students and for caretakers, whose children now had to be under age 12. Previously exempt, parents of children aged 12 or older were required to register for work. The age at which the registration exemption for older persons became effective was lowered from age 65 to age 60.

Legislation in 1979 provided a medical deduction to aged and disabled persons, removed the limit on their shelter deduction, and tightened fraud provisions.

The 1980 legislation provided for an annual, rather than semi-annual, adjustment to benefit levels and the amount of the standard deduction. This legislation also restricted student eligibility.

The Omnibus Budget Reconciliation Act and the Food Stamp and Commodity Distribution Amendments of 1981 mandated further changes in the Food Stamp program. For the first time, a "gross income" eligibility standard was

applied to all households not containing an aged or disabled person. The earnings deduction was lowered to 18 percent. The updates to the TFP to account for inflation were postponed until October 1982 and the deduction limits were postponed until July 1983. For new participants, benefits for the first month were prorated from the day the application was filed. Boarders and persons who take part in strikes were excluded from the program and the definition of what constitutes a household was tightened. Provisions facilitating claims and overpayment collection and fraud recovery were also enacted. The program in Puerto Rico was replaced by a block grant and monthly reporting/retrospective accounting systems were made mandatory for all states effective October 1983. However, households composed solely of all aged or disabled persons, as defined above, were exempted from the monthly reporting requirements, and migrant households were exempted from both requirements.

Further revisions were made by the Food Stamp Amendments of 1982. Among changes, the maximum allotments were reduced from 100 percent to 99 percent of the TFP and adjustments to the standard and shelter deductions were delayed until October 1, 1983. (Public Law 98-473 restored maximum food stamp allotments to the full cost of the TFP beginning November 1, 1984.) A net income limit for nonelderly and nondisabled households was added to the existing gross income limit. Benefit computations and adjustments were rounded down to the nearest dollar, and new restrictions were placed on the use of the Standard Utility Allowance for the excess shelter expense deduction. At the same time, the definition of disability for food stamp purposes was expanded to include those persons receiving certain veterans' payments, and annual cost-of-living adjustments to SSI payments and Social Security benefits were not counted in determining food stamp amounts for 3 months.

The Food Stamp program authorization was extended for 5 years by the Food Security Act of 1985 (P.L. 99-198). Among the revisions enacted, the definition of disability for food stamp purposes was again extended to include recipients of State supplementary SSI payments, government disability benefits, and Railroad Retirement disability payments. Households in which all members receive AFDC or SSI were made categorically eligible for food stamps. The earned income, childcare, excess shelter cost deductions, and asset limits were increased as of May 1986. Portions of the income received under the Job Training Partnership Act were now considered countable income. Further, all states were required to implement an employment and training program for food stamp recipients by April 1987.

The Hunger Prevention Act of 1988 (P.L. 100-435) made several changes in the program. It raised the maximum food stamp allotments and established allotments as specified percents of the TFP as of the preceding June. For fiscal year 1989, the allotments were 100.65 percent of the

TFP for June 1988; for fiscal year 1990, they were 102.05 percent of the TFP for June 1989; and for fiscal years 1991 and on, they are to be 103.00 percent of the TFP.

Other provisions of the 1988 legislation required states to institute prospective budgeting for households not required to report monthly and retrospective budgeting for households reporting monthly. It extended disability status to individuals who receive interim assistance pending the receipt of SSI, Social Security, or state disability payments, and allowed the elderly, disabled, and those without transportation to apply for food stamps via telephone interviews. It required states to process food stamp applications jointly with AFDC and general assistance applications. It raised the dependent-care deduction from \$160 per household to \$160 per dependent. It made permanent an amendment in the Homeless Eligibility Clarification Act that exempts residents of shelters from ineligibility as residents of institutions.

Several provisions of the 1988 legislation also affect persons in farming. Households with farm income and expenses were given the option of averaging irregular farm-related expenses and farm income over 12 months and excluding as resources the value of farm land, equipment, and supplies for a period of 1 year after a household member ceases to be self-employed in farming.

The Mickey Leland Memorial Domestic Hunger Relief Act of 1990 reauthorized the Food Stamp program and the Nutrition Assistance Program in Puerto Rico with no major changes through fiscal year 1995.

Legislation enacted in 1992 prevented a one-time decrease of food stamp allotments for the year beginning October 1, 1992, even though the cost of the TFP had declined slightly.

The Omnibus Budget Reconciliation Act of 1993 (Mickey Leland Childhood Hunger Relief Act) made a number of program revisions including the following.

- The earnings of elementary or high school students who are aged 21 or younger are disregarded.
- Households that have breaks in participation of less than a month are allowed to receive a full month's benefit for the period of the break.
- The children of drug addicts and alcoholics living in treatment centers are permitted to qualify for food stamps.
- Food stamp households participating in demonstration projects are permitted to accumulate up to \$10,000 in resources.
- The shelter cap was raised to \$231 beginning July 1, 1994, \$247 beginning October 1995, and will be eliminated entirely on January 1, 1997.
- The deduction for care of a child or other dependent was raised to \$200 per month for a child under age 2, and \$175 per month for all other dependents, effective September 1, 1994.

- State agencies were given the option to provide deductions for legally binding child support payments made to persons outside the household, effective September 1, 1994. This deduction became mandatory October 1, 1995.
- The definition of a food stamp household has been simplified to allow adult siblings who live together and adult children who live with their parents to form separate households if they purchase or prepare food separately.
- The amount of the Fair Market Value of a household's first vehicle that is excluded from the asset test was increased from \$4,500 to \$4,550, effective September 1, 1995. The limit was to have been raised to \$5,000, effective October 1, 1996, and indexed thereafter.

Legislation enacted in 1994 primarily provided means to combat fraud in the coupon redemption process. Legislation enacted in 1995, prevented a one-time decrease of food stamp allotments in Alaska for the year beginning October 1, 1994, even though the cost of the TFP for Alaska had declined slightly.

The Personal Responsibility and Work Opportunity Reconciliation Act of 1996 made sweeping changes to the Food Stamp program. Additional restrictions were placed on the eligibility of certain low-income persons.

- Legal immigrants became ineligible for benefits, unless they met one of the following criteria: were naturalized citizens, had worked and paid taxes in the country for 40 quarters (or were the spouse or minor child of someone who had met the work requirement), had served in the U.S. Armed Forces (or were the spouse or child or a veteran) or were refugees, asylees, or persons granted a stay of deportation when admitted and have lived in the United States for less than 5 years. Legal immigrants currently receiving benefits were allowed to receive benefits until their first recertification after April 1, 1997, or until August 22, 1997, whichever date came first.
- Time limits were imposed for childless unemployed adults aged 18-50. Those who are not disabled are limited to receiving 3 months of benefits in any 36-month period, unless they are working 20 hours per week, participating in a work training program for at least 20 hours per week, or participating in work fare. States may request waivers for areas with at least 10-percent unemployment or insufficient jobs.

Other key provisions include the following:

- The maximum allotment was set at 100 percent of the Thrifty Food Plan, effective October 1, 1996.
- The standard deduction was frozen at \$134.

## Food Stamps

---

- The excess shelter deduction cap was set at \$250, effective January 1, 1997 (instead of being lifted), to be raised to \$275 on October 1, 1998, and \$300 on October 1, 2000.
- The earnings of elementary or high school students aged 18-21 was counted again.
- Households with breaks in participation of less than a month received prorated benefits for the period of the break.
- Adult children under age 22 living with their parents were counted in the same household as their parents.
- The amount of Fair Market Value for a household's first vehicle that is excluded from the asset test was frozen at \$4,650, effective October 1, 1996.
- State and local energy assistance was counted as income.
- Recipients could be disqualified or given sanctions for a variety of reasons, such as failure to pay child support, receipt of multiple benefits, or failure to meet work requirements.
- States were permitted to operate a simplified Food Stamp program for households in which all household members participate in the state's Temporary Assistance for Needy Families program. In the simplified Food Stamp program, states may utilize their TANF rules to determine Food Stamp program benefits provided the TANF rules do not increase the aggregate cost of the Food Stamp program.
- States were required to implement Electronic Benefit Transfer (EBT) systems for issuing benefits before October 1, 2002, unless USDA granted a waiver.

The Balanced Budget Act of 1997 increased funds for the Food Stamp Employment and Training program, restricted the use of these funds, and made them available until spent. States were required to earmark 80 percent of these funds to provide work or training programs to childless, unemployed, able-bodied 18-50 year olds. The Act also allowed states to grant discretionary exemptions from the time limits for up to 15 percent of a state's unwaived caseload of childless, unemployed, able-bodied 18-50 year olds.

The Agricultural Research, Extension, and Education Reform Act of 1998 partially restored benefits to legal immigrants. Those who were lawfully residing in the United States on August 22, 1996, and are either: (1) blind or disabled (using the Food Stamp Act definition of "disability"), (2) aged 65 or older on August 22, 1996, or (3) under the age of 18 were eligible for benefits effective November 1, 1998. In addition, refugees and asylees were made eligible for the first 7 years after admittance into the United States (extended from 5 years). Members of Hmong or Highland Laotian tribes aiding U.S. personnel during the Vietnam

War, and their spouses or unmarried dependent children were made eligible. Cross-border Native Americans were also made eligible.

Other provisions reduced the funding for Employment and Training Programs by \$100 million in 1999 and by \$45 million in 2000 and reduced payments for Food Stamp program administrative costs.

The Electronic Benefit Transfer (EBT) Interoperability and Portability Act of 2000 (P.L. 106-71) required States to make their EBT systems inter-operable across State lines by October 2, 2002.

An estimated 18.2 million persons per month participated in the Food Stamp program during fiscal year 1999. The average monthly value of food stamps per person was about \$72.23 and the total value of benefits issued during the year was \$15.8 billion. Total federal government costs for this program were \$17.7 billion.

---

## Low-Income Home Energy Assistance Program

The Omnibus Budget Reconciliation Act of 1981 (P.L. 97-35), signed into law by the President on August 13, 1981, authorized seven block grants to be administered by the Department of Health and Human Services (HHS)<sup>1</sup>. Since its authorization, LIHEAP has been reauthorized as follows:

- (1) Title XXVI of the Act authorized the Low-Income Home Energy Assistance Program (LIHEAP) for fiscal years 1982-84.
- (2) Title VI of the Human Services Reauthorization Act of 1984 (P.L. 98-88) reauthorized and amended LIHEAP for fiscal years 1985-86.
- (3) Title V of the Human Services Reauthorization Act of 1986 (P.L. 99-425) reauthorized and amended LIHEAP for fiscal years 1987-90.
- (4) Title VII of the Augustus F Hawkins Human Services Reauthorization Act of 1990 (P.L. 101-501) reauthorized and amended LIHEAP for fiscal years 1991-94.
- (5) Title XX of the National Institutes of Health Revitalization Act of 1993 (P.L. 103-43) reauthorized LIHEAP for fiscal year 1995.
- (6) Title III of the Human Services Amendments of 1994 (P.L. 103-252) reauthorized and amended LIHEAP for fiscal years 1995-99.
- (7) Title V of the Coats Human Services Reauthorization Act of 1998 (P.L. 105-285) reauthorized and amended LIHEAP for fiscal years 2000-04.

Reauthorizing the LIHEAP program for fiscal year 1995 through fiscal year 1999, the Human Services Amendments of 1994, (P.L. 103-252), made a number of revisions to the LIHEAP statute. The following changes became effective in fiscal year 1996:

- (1) Residential Energy Assistance Challenge Option (REACH). A new section 2607B was added to provide for the REACH program, which was funded for the first time in fiscal year 1996. REACH is designed to make competitive grants for implementation through local community-based agencies of innovative plans to help LIHEAP eligible households reduce their energy vulnerability. REACH funds are available on a competitive basis only to LIHEAP grantees (states and the District of Columbia, Indian Tribes/Tribal Organizations, and Insular Areas).
- (2) Assurance 16 Activities. A new Section 2605(b)(16) was added to provide for Assurance 16 activities. This provision gives grantees the authority "to use

up to 5 percent of their LIHEAP funds, at their option, to provide services that encourage and enable households to reduce their home energy needs and thereby the need for energy assistance, including needs assessments, counseling and assistance with energy vendors...."

Under LIHEAP, grants are provided to grantees to assist eligible households to meet the costs of home energy. In addition to the 50 states and the District of Columbia, grants were provided in fiscal year 1996 to the Commonwealth of Puerto Rico, 5 insular areas, and 123 Indian tribes or tribal organizations. Fiscal year 1996 represents the seventeenth year that an energy assistance program has been administered at the federal level by HHS.

In accordance with the Act, the Secretary of HHS has left maximum policy discretion to the states. Many requirements applicable to the predecessor program in fiscal year 1981, LIEAP (P.L. 96-223), were removed, including HHS approval of state plans. The federal information collection and reporting requirements for states were substantially reduced to require only information essential to federal administration and congressional oversight. State decisions, directed by public participation in the development of grant applications, largely replaced federal regulations in shaping the program for fiscal years 1982-96.

### Funding

For fiscal year 1996, \$1 billion were appropriated for LIHEAP as advanced funding under P.L. 103-333. The Health and Human Services appropriations act for fiscal year 1996 (P.L. 104-134) rescinded \$100 of the advance appropriation, leaving a total of \$900 million. The \$900 million appropriation included \$22.5 million for the LIHEAP leveraging incentive fund. Twenty-five percent of the leveraging incentive grants (\$5.9 million) were awarded as REACH funds to six states and four tribes and tribal organizations. In response to the extraordinary cold wave during the winter 1995-96, LIHEAP grantees received \$180 million in emergency contingency funds authorized under P.L. 104-19. Fiscal year 1996 funds were distributed approximately as follows to LIHEAP grantees:<sup>2</sup>

- (1) \$1.07 billion to the states and the District of Columbia,
- (2) \$8.3 million in direct grants to 123 Indian tribes and tribal organizations, and
- (3) \$1.4 million to the Commonwealth of Puerto Rico, Virgin Islands, American Samoa, Guam, the Com-

---

<sup>1</sup> Effective in fiscal year 1987 the Primary Care Block Grant was repealed by the Health Services Amendment Act of 1985 (P.L. 99-80) enacted April 26, 1986.

---

<sup>2</sup> Funds include regular and emergency LIHEAP block grants, leveraging incentive fund awards, and REACH awards.

monwealth of the Northern Mariana Islands, and the Trust Territory of the Pacific Islands/Palau.

The funds appropriated for LIHEAP provide payments to eligible households for heating or cooling costs and for home energy crises. Up to 15 percent of the available funds may be used for low-cost residential weatherization or other energy-related home repairs. Grantees can request from HHS a waiver to allow up to 25 percent of available funds to be spent for low-cost residential weatherization or other energy-related home repairs.

To receive grants in fiscal year 1996, each grantee had to submit an application consisting of assurances by its chief executive officer and a plan describing how the state would carry out those assurances. In the assurances, the state agreed to:

- use funds only for the purposes of the statute;
- make payments only to eligible low-income households;
- conduct outreach activities;
- coordinate LIHEAP activities with similar and related programs;
- provide, in a timely manner, that the highest level of assistance will be furnished to those households with the lowest incomes and highest energy costs in relation to income, taking into account family size, except that the state may not differentiate between categorically eligible and income eligible households;
- give consideration to agencies that have previously managed the program when designating local agencies to carry out the purposes of the program;
- assure that energy suppliers receiving benefits directly on behalf of eligible households not treat assisted households adversely;
- treat owners and renters equitably;
- use not more than 10 percent of its allotment for planning and administration;
- establish fiscal control and accounting procedures for proper disbursement of and accounting for federal funds, establish procedures for monitoring assistance provided, and prepare an annual audit;
- permit and cooperate with federal investigations;
- provide for public participation in the development of its plan;
- provide an opportunity for a fair administrative hearing to individuals whose claims for assistance are denied or not acted on with reasonable promptness;
- cooperate with HHS in collecting and reporting data under section 2610 of the statute;
- provide outreach and intake through additional state and local government entities or community-based organizations under certain circumstances; and

- use no more than 5 percent of funds to encourage and enable households to reduce their home energy needs.

## Eligibility

The unit of eligibility for energy assistance is the household, defined as any individual or group of individuals who are living together as one economic unit for which residential energy is customarily purchased in common, either directly or through rent. The Act limits payments to those households with incomes under the greater of 150 percent of the income guidelines or 60 percent of the state's median income; or to those households with members receiving Aid to Families with Dependent Children (AFDC) (replaced by the Temporary Assistance for Needy Families (TANF) program), SSI, food stamps, or need-tested veterans' benefits. No household may be excluded from eligibility on the basis of income alone if household income is less than 110 percent of the poverty guidelines. States are permitted to set more restrictive criteria as well.

## Payments

States make fuel assistance payments directly to eligible households or to home energy suppliers on behalf of eligible households. Payments can be provided in cash, fuel, prepaid utility bills, or as vouchers, stamps, or coupons that can be used in exchange for energy supplies. Payments are to vary in such a way that the highest level of assistance is furnished to households with the lowest income and highest energy costs in relation to income, taking into account family size.

---

## Adult Assistance

The adult assistance programs include Old-Age Assistance (OAA), Aid to the Blind (AB), and Aid to the Permanently and Totally Disabled (APTD). These programs of federal grants to states were in effect in the 50 states and the District of Columbia until January 1974, when they were replaced by the federally administered Supplemental Security Income (SSI) program. The 1972 Amendments to the Social Security Act, which established the SSI program, provided for the continuation of OAA, AB, and APTD in Puerto Rico, Guam and the Virgin Islands.

## General Assistance

General assistance refers to money payments or payments to vendors to or on behalf of needy persons who do not qualify for federally financed assistance programs or who require additional assistance. It is provided by state and local government jurisdictions, and is not financed in whole or in part by federal funds.

Eligibility requirements and payment levels of general assistance programs vary from state to state and often within a state. Payment levels are usually lower than those provided by federally financed programs and may be of limited duration. Recipients include unemployed persons and persons whose disabilities are not of sufficient severity to qualify for Supplemental Security Income (SSI).

General assistance may be administered by the state welfare agency, a local agency, or a local agency under state supervision.