



PERSONNEL AND
READINESS

OFFICE OF THE UNDER SECRETARY OF DEFENSE
4000 DEFENSE PENTAGON
WASHINGTON, D.C. 20301-4000

SEP 06 2003

SEP 16 2003

AS

RECEIVED

02 SEP 16 AM 9:56

SPEAKER'S ROOMS
U.S. HOUSE OF REPS.

The Honorable J. Dennis Hastert
Speaker of the House of Representatives
U.S. House of Representatives
Washington, DC 20515

R09347
T04773

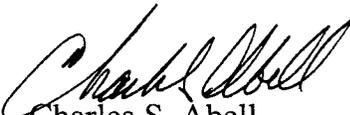
Dear Mr. Speaker:

Enclosed is a Department of Defense Report on the Family Subsistence Supplemental Allowance (FSSA) program, required by section 402a (f) of title 37, United States Code. This report covers the period October 1, 2001, through September 30, 2002.

The purpose of the FSSA program is to increase the basic allowance for subsistence of low-income members of the Armed Forces by an amount, with a \$500 limit, that would remove members' households from eligibility for food stamps. The report shows that out of an estimated 1,237 eligible members, 755 participated in the FSSA program. As expected, 66 percent of the participants are in the grades E3 and E4.

The FSSA program is serving its intended purpose of providing our most needy members with additional financial help. We do not expect the number of FSSA participants to increase by any significant amount, nor do we recommend any immediate changes to the program.

Sincerely,


Charles S. Abell
Principal Deputy

Enclosure:
As stated



Report to Congress

Family Subsistence Supplemental Allowance

August 2003

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

Introduction

Section 604 of the Floyd D. Spence National Defense Authorization Act for Fiscal Year 2001, codified at section 402a of title 37, United States Code, established the Family Subsistence Supplemental Allowance (FSSA) for Low-Income Members of the Armed Forces. The intent of the legislation was to increase the Basic Allowance for Subsistence (BAS) by an amount that would remove a member's household from eligibility for the U. S. Department of Agriculture's (USDA) food stamp program. The maximum entitlement is \$500 per household, per month. Section 402a's effective date was May 1, 2001.

The law requires the Secretary of Defense, in consultation with the Secretary of Homeland Security, to submit an annual report to Congress specifying the number of members of the Armed Forces who received, at any time during the preceding year, the supplemental subsistence allowance. This document fulfills the 2003 requirement and covers the period October 1, 2001 through September 2002.

Food Stamp Participants

There has been a steady and noteworthy decline in the number of members on food stamps since the first survey of participants was conducted in 1991. On four occasions, the Department of Defense has conducted a Social Security Number (SSN) match comparing DoD and USDA records to estimate the number of participants. The last study was completed in May 2003 and the following figures apply:

- In 1991, there were 19,400 members on food stamps, 9 tenths of 1 percent of the force.
- In 1995, there were 11,900 members on food stamps, 8 tenths of 1 percent of the force.
- In 1998, there were 6,300 members on food stamps, 5 tenths of 1 percent of the force.
- In 2002, there were 2,084 members on food stamps, 1.5 tenths of 1 percent of the force.

The Department of Defense attributes the significant decline in the number of military members on food stamps to basic pay and housing cost increases and to a lesser extent the FSSA program. Since the first study in 1991, on average, an enlisted members basic pay has increased more than 65% and an enlisted members pay and allowances have increased by 82%. Since fiscal year 2000, basic allowance for housing for the typical member has been increased by 60% due to increased housing costs, improved housing standards and the Department's commitment to reducing "out-of-pocket" housing expenses.

FSSA Program

In fiscal year 2002, 755 military members participated in the FSSA program. This represents an 18 percent increase since last year's FSSA Report to Congress.

There has only been one change to the FSSA program since it was initiated. The U.S. Department of Agriculture (UADA) publishes three "Food Stamp Program Gross-Income Tables" which are entitled the "U.S. 48 States," "Alaska", and "Hawaii". All members stationed in overseas locations except Hawaii now use the Alaska table vice the U.S. 48 States table. This allows overseas members to earn a higher gross income and still qualify for the FSSA Program.

FSSA Participation

Extrapolating from the above numbers, we estimate there are about 1237 total members, among all the Armed Forces, eligible for FSSA. Our 2003 study showed that 53 percent of military families receiving food stamps live in government quarters, thirty-five percent lived off-base and 12 percent house type was unknown. This situation is primarily due to the food stamp program not counting the value of in-kind housing as income. Because FSSA counts the value of in-kind housing as income, and the food stamp program does not, most of the members occupying such housing who qualify for food stamps do not qualify for FSSA. The actual FSSA participation for the period October 1, 2001 to September 30, 2002 is shown for CONUS and OCONUS locations in Table 1.

Table 1.

CONUS PARTICIPATION

Pay Grade	Army	Navy	Air Force	Marines	Coast Guard	Total Participants	Tot Amnt Paid to this Grade
E1	18	6	0	1	0	25	\$47,664
E2	78	14	1	3	0	96	\$139,107
E3	166	13	15	22	2	218	\$376,908
E4	182	17	3	11	3	216	\$508,811
E5	58	11	9	5	1	84	\$200,473
E6	13	2	2	1	0	18	\$69,469
E7	0	0	0	1	0	1	\$2,773
E8	0	1	0	0	0	1	\$3,852
Totals	515	64	30	44	6	659	\$1,349,057

OCONUS PARTICIPATION

Pay Grade	Army	Navy	Air Force	Marines	Coast Guard	Total Participants	Tot Amnt Paid to this Grade
E1	1	0	0	0	0	1	\$1,000
E2	4	0		2	0	6	\$5,083
E3	20	0	3	1	1	25	\$60,709
E4	35	0	1	5	0	41	\$122,034
E5	17	0	1	1	0	19	\$56,154
E6	4	0	0	0	0	4	\$19,641
E7	0	0	0	0	0	0	0
E8	0	0	0	0	0	0	0
Totals	81	0	5	9	1	96	\$264,621

Grand Total						755	\$1,613,678
--------------------	--	--	--	--	--	------------	--------------------

Analysis of the above tables reveals the following information:

- There were 755 total FSSA participants in fiscal year 2002
- 66% of participants are in grades E3/E4
- 79% of all participants are in the Army
- 87% of participants are in the 48 contiguous states
- 13% of participants are in Alaska, Hawaii, and other overseas locations
- 84% of overseas participants are in Army
- 61% of the estimated number of military members eligible for the FSSA participate in the FSSA program
- Total amount paid out in 2002 was \$1,613,678
- Household sizes ranged from E2s with 5 people to one E8 with 12 people (Note: household size is not reflected in above table)

Summary

The FSSA program is serving the purpose of providing our most needy members with additional financial help. Overall, the program is running well and as intended. Less than 9 hundredths of one percent of the Armed Forces are eligible for FSSA. Only 5 hundredths of one percent of the total force participates in the FSSA program. We do not expect the number of FSSA participants to increase by any significant amount, nor do we expect that any significant changes will be needed to improve implementation of the program. We anticipate the number of members receiving FSSA to remain about 755.