FOOD STAMP PROGRAM OCTOBER 1, 1994–SEPTEMBER 30, 1995—Continued

Household size	48 States ¹	Alaska	Hawaii
Each additional member	+341	+427	+392

¹ Includes District of Columbia, Guam, and the Virgin Islands.

Thrifty Food Plan (TFP) and Allotments

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ALLOTMENT AMOUNTS 1—OCTOBER 1994 AS ADJUSTED

The TFP is also the basis for establishing food stamp allotments. Nationally, food stamp allotment levels are adjusted periodically to reflect changes in food cost levels. Section 3(o)(11) of the Food Stamp Act (7 U.S.C. Sec. 2012(o)(11)), provides for an adjustment on October 1, 1994, based upon 103 percent of the June 1994 cost of the TFP for a family of four persons consisting of a man and woman ages 20–50 and children ages 6–8 and 9–11. In June 1994, the cost of the TFP was \$375.30 in the 48 States and D.C.

To obtain the maximum food stamp benefit for each household size. June 1994 TFP costs for the four-person household (of \$375.30) were increased by 3 percent, divided by four, multiplied by the appropriate household size and economy of scale factor, and the final result was rounded down to the nearest dollar. The maximum benefit, or allotment, is paid to households which have no net income. For households which have some income, the individual household's allotment is determined by reducing the maximum allotment for the household's size by 30 percent of the individual household's net income.

The following tables show the new allotments for the 48 States and D.C.

Household size	48 States and D.C.
1	\$115 212
2	
3	304
4	386
5	459
6	550
7	608
8	695
Each additional person	+87

¹ Adjusted to reflect the cost of food in June, adjustments for each household size, economies of scale, a 3 percent increase in the TFP and rounding.

Minimum Benefit

Pursuant to Section 8(a) of the Food Stamp Act, the \$10 minimum monthly benefit provided to all one- and twoperson households must be adjusted on each October 1 to reflect the percentage change in the TFP for the 12-month period ending the preceding June, with the result rounded to the nearest \$5. In order to implement this provision of the law, the minimum benefit is adjusted each year as follows: (1) the percentage change in the TFP from June of the previous year to June of the current year (prior to rounding) is calculated; (2) this percentage change is multiplied by the previous "unrounded" minimum benefit to obtain a new unrounded benefit amount: and (3) the new unrounded minimum benefit is then rounded to the nearest \$5 in accordance with the statutory provisions.

The unrounded cost of the TFP was \$364.895 in June 1993 and \$375.3158 in June 1994. The change from June 1993 to June 1994 is 1.028558 percent, which when multiplied by \$11.24974, the unrounded minimum benefit in Fiscal Year 1993, results in a new unrounded minimum benefit of \$11.56999. Rounded to the nearest \$5, the minimum benefit for Fiscal Year 1995 is \$10.

Deductions

Food stamp benefits are calculated on the basis of an individual household's net income. Deductions serve to lower household net income and thus to increase household benefits. When a household's net income decreases, its food stamp benefits increase.

Adjustment of the Standard Deduction

Section 5(e) of the Food Stamp Act provides that, in computing household income, households shall be allowed a standard deduction. 7 U.S.C. Sec. 2014(e). Section 5(e) also requires that the standard deduction be adjusted periodically. The deduction for the 48 States and D.C. was last adjusted effective October 1, 1993. Section 5(e)(4) requires that the adjustment in the level of the standard deduction shall take into account changes in the Consumer Price Index for All Urban Consumers (CPI-U) published by the Bureau of Labor Statistics (BLS) for items other than food. (7 U.S.C. Sec. 2014(e)(4). The adjustments are rounded to the nearest lower dollar pursuant to the requirements of Section 5(e). There are separate standard deductions for the 48 States and D.C., Alaska, Hawaii, Guam, and the Virgin Islands.

The following table shows the deductions resulting from the last adjustment, the unrounded results of this adjustment, and the new deduction amounts that go into effect on October 1, 1994.

STANDARD DEDUCTIONS FOR ALL HOUSEHOLDS

	Previous standard deductions (effective 10–1–93)	New unrounded numbers (10–1–94)	Standard deductions (effective 10–1–94)
48 States and DC	\$131	\$134.53	\$134
Alaska Hawaii	223 185	229.47 189.93	229 189
Guam	262	269.03	269
Virgin Islands	115	118.70	118