

Treatment of Military Housing Allowance for Families in Privatized Housing

PURPOSE: To explain the exclusion of certain housing allowances from consideration as income in the Child and Adult Care Food Program (CACFP).

SCOPE: All organizations participating in the CACFP.

DESCRIPTION: The Richard B. Russell National School Lunch Act has been amended by section 4302 of the Farm Security and Rural Investment Act of 2002 to exclude certain housing allowances from consideration as income in child nutrition programs. Effective May 13, 2002, the housing allowance for military personnel living in privatized housing will not be counted as income when determining household eligibility for free and reduced-price meals in any of the child nutrition programs. The Child Nutrition and WIC Reauthorization Act of 2004 has made this provision permanent.

For purposes of this policy instruction, “privatized housing” refers to the Military Housing Privatization Initiative, a program operating at a number of military installations. This initiative puts the operation of military owned housing under private contractors. Under this privatization initiative, a housing allowance appears on the leave and earnings statement of service members living in privatized housing.

In accordance with the provisions of the Act, the housing allowance provided under the Military Housing Privatization Initiative is excluded from consideration as income for military families applying for free and reduced-price meals under any of the child nutrition programs. This exclusion applies during the remainder of Federal fiscal year 2002 and for Federal fiscal year 2003. This income exclusion is only for service members living in housing covered under the Military Housing Privatization Initiative. It is not an allowable exclusion for households living off base in the general commercial/private real estate market. Extending the exclusion to include all military housing allowances was found to be cost prohibitive.

The Department of Defense (DOD) will advise affected military families living in privatized housing of this change for the remainder of Federal fiscal year 2002 (May 13-September 30, 2002) and Federal fiscal year 2003 (October 1, 2002-September 30, 2003). USDA is working with DOD to establish some form of documentation for military service members to provide to child nutrition program sponsors to verify their residency in privatized housing.

Additional information about the Military Housing Privatization Initiative, including a list of affected installations, may be accessed at:
<http://www.defenselink.mil/acq/installation/hrso>.

SOURCE: FY 2002 CACFP Policy Memorandum #02-16; FY04 Child and Adult Care Food Program Policy Memorandum #04-16