

FOOD STAMP PROGRAM

HEARINGS

BEFORE THE

SUBCOMMITTEE ON DOMESTIC MARKETING,
CONSUMER RELATIONS, AND NUTRITION

OF THE

COMMITTEE ON AGRICULTURE
HOUSE OF REPRESENTATIVES

NINETY-SIXTH CONGRESS

FIRST SESSION

ON

H.R. 2412, H.R. 4303 and H.R. 4318

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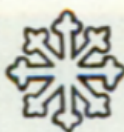
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FOOD STAMP PROGRAM

TUESDAY, JUNE 19, 1979

HOUSE OF REPRESENTATIVES,
SUBCOMMITTEE ON DOMESTIC MARKETING,
CONSUMER RELATIONS; AND NUTRITION
OF THE COMMITTEE ON AGRICULTURE,
Washington, D.C.

The subcommittee met, pursuant to recess, at 9:31 a.m. in room 1302, Longworth House Office Building, Hon. Frederick W. Richmond (chairman of the subcommittee) presiding.

Present: Representatives Panetta, Glickman, Harkin, Heckler, and Grassley.

Staff present: Fowler C. West, staff director; John R. Kramer, special counsel; Eleanor Walsh, clerk; Anita R. Brown, Joseph R. Crapa, Glenda Knight, Fred Appel, Bernard Brenner, and Ann Cole.

Mr. RICHMOND. The subcommittee will be in order.

Good morning, ladies and gentlemen.

This is the continuation of the public hearings by the Domestic Marketing, Consumer Relations, and Nutrition Subcommittee to consider legislation relating to food stamp program eligibility and other related issues, including H.R. 4303, a bill by Chairman Foley which eliminates certain restrictions for persons aged 60 or over.

Our first witness today will be Ms. Audrey Denecke, Food Justice Programs, Chicago, Ill., and Ms. Beatrice Hamb, Voice of the Poor, Chicago, Ill.

Good morning, Ms. Denecke and Ms. Hamb.

[The prepared statement of Ms. Denecke follows:]

AUDREY B. DENECKE
 FOOD JUSTICE PROGRAMS
 343 S. DEARBORN, ROOM 1017
 CHICAGO, ILLINOIS 60604

Mr. Chairman and Committee members, my name is Audrey Denecke and I am here today representing Food Justice Programs. We have operated a food stamp hotline since January, 1976 handling over 59,000 calls for information and assistance. Food Justice also addresses food stamp issues through an advocacy program, by monitoring the 23 district offices of The Illinois Department of Public Aid in Cook County, and by providing information and technical assistance to welfare, social service, and community groups to facilitate their involvement in state wide policy making and the federal legislative process.

It is in response to the anguished voices of food stamp recipients, and the urging of social service providers and welfare rights organizations that I have come to speak to this Sub-Committee about the serious problems faced by food stamp recipients and the need for change in some eligibility factors.

The Food Stamp Act of 1977 was both a blessing and a curse. The clarified guidelines for expedited service have eased the problems in the delivery of food stamp benefits to people in emergency situations. Other provisions including strong directives concerning access to information and applications, and providing an opportunity to participate within 30 days, rather than 45, are also to be commended. However, the elimination of the purchase price (EPR), though beneficial to some has not been well received by many poor families. We have been told that, safeguarding the food budget in stamps gave a family a certain peace of mind, knowing a specific sum of money is secured for food and cannot be used to pay equally pressing rent or utility obligations. But most of all the new food stamp act has resulted in a great majority of persons suffering a loss of program benefits.

Early estimates from the Illinois Department of Public Aid Food Stamp Bureau indicates that there will be an increase in the food stamp caseload by approximately 3% due to EPR, while 7% have been terminated and 67% are having their benefits reduced. Cut backs in the food stamp program have placed a severe strain on local private and public resources. The city of Chicago's Department of Human Services Emergency Family Food Program reports that 99,421 persons were served in the first four months of 1979, as compared with 119,550 persons served in the whole 12 months of 1978. During January and February alone, 73% of the city's emergency food budget for the year was spent. A Salvation Army Center in the south side of Chicago said that requests for food have increased 23% since March 1st. On the other end of town Chicago Uptown Ministry, a private, community service center, reports that the number of people coming to them for food has increased by 100 persons per month, from 300 to 400 a month, during the same time period. A staff person at the Ministry offered an invitation to anyone of you to come, at anytime, to see for yourself. He further requests that you bring a donation for food with you because he doesn't know where he can get food to continue providing for so many. Individuals and corporations which have donated to the Ministry in the past are cutting back because inflation is putting the squeeze on them. I would venture to say that the other 80 private pantries in Chicago could tell of similar increases in persons needing food packages at their door.

The Thrifty Food Plan coupon allotment budget is inadequate from the start but when households see their benefits reduced while the cost of food soars, the sincerity of the food stamp program mandate "to safeguard the health and well being of the Nation's population by raising levels of nutrition among low income households" must be questioned. Grocery prices have risen a total of 13.3%; meat, poultry, and fish prices 20.9%; bakery and cereal goods 9.5%; fruits and vegetables 8.3%; and dairy products 15.4% here in 12 months. 599,077 persons relied on the food stamp program during the month of April in Cook County, 855,351 state-wide to put food on their table.

It should be apparent that the minimally, the spending "cap" must be lifted for the food stamp program for fiscal years '79, '80 and '81. If you are concerned that food stamp expenditures are high because of mis-management or hordes of cheaters on the rolls let me assure you this is not the Illinois experience. The Food Stamp Bureau here has made great efforts to correct operational deficiencies and are almost over zealous in their attempts to find cheaters. It seems unfair, therefore, to punish so many needy people because of a small minority which take advantage of food stamp benefits.

We recommend that the following also be accomplished:

- (1). The Standard Deduction should vary according to the number of persons in the household. Large households have greater expenses and therefore less money is available for food, so some provisions should be made to reflect that in the standard deduction.
- (2). The limit on the excess shelter deduction should be lifted. Chicago rents have increased by 21% from October, 1974 through January, 1979. Utility bills are devastating to poor people in Chicago. In December, 1978 the Illinois Commerce Commission granted a 4.8% rate increase to Peoples Gas. Only two months later on February 2, 1979 Peoples Gas again requested an additional 4.8% increase. S.M. Salvino, President, of Peoples Gas indicated that due to inflation, he was sure they would be filing each year for similar or higher increases. This winter gas-heating bills, were 20% higher than past years. People simply cannot meet these high utility bills. Peoples Gas reports that between June, 1977-1978 30,000 customers were cut off. Commonwealth Edison, the primary electricity supplier for northern Illinois, has also sought and received rate increases. During 1977 and 1978 Commonwealth Edison was granted a total of 10.7% in increases. They shut off the service, during June, 1977 to June, 1978 of 90,000 customers. Poor people should not be forced to decide between whether to heat or eat.
- (3). There should not be any limit placed on child care deductions. Why restrict people, especially female heads of households trying to lift themselves out of poverty by engaging in training programs, attending GED or college level classes, or working, by limiting the amount of the child care deduction and reducing the amount of food stamp benefits.
- (4). Add a medical deduction. Although medicaid and medicare provide some relief, a large number of persons on SSI are experiencing significant cutbacks in their food stamps due to the lack of a medical deduction.
- (5). Eligibility and levels of benefits for households submitting an initial application should be based on income anticipated for the calendar or fiscal month in which the household filed its application. (Except for self-employed or seasonal workers) Eligibility and level of benefits for recertification should continue to be based on circumstances anticipated for the certification period starting the month following the expiration of the current certification.
- (6). We oppose the Administrations proposal for monthly income reporting. This would be a bureaucratic nightmare. Caseworkers are already overloaded, this would add another report to keep track off. And it would be a serious problem for clients, especially the emotionally or mentally handicapped, illiterates, and others who would not be capable of complying.

The above mentioned recommendations should not be considered a comprehensive statement on eligibility factors. We only had a few days notice so these recommendations are only our first thoughts on the matter.

Thank you for the opportunity to present this statement to the Sub-Committee.

Ms. DENECKE. This is not in my prepared testimony, but there are two things that I would like to mention at this point.

One is that using the Federal Register to report changes in the food stamp program really does not help persons who are on the food stamp program become aware that there are changes upcoming. We have received a lot of complaints from clients, starting March 1, as to when did this happen and why weren't they told these changes were going to occur.

I do not know what else you can do. Perhaps there can be some notices going out in the mail with the checks saying that there will be some changes in the food stamp program. There should be some way, other than the Federal Register, to notify persons of changes in the program.

I also would like to suggest that there is a need for regional hearings on the food stamp program. There are only two of us here from Chicago. We got there because we were able to drive up here. However, there are about 20 other organizations and a coalition of welfare groups with which we work that would like to be here but cannot afford to come. Therefore, I would like to suggest that there is a serious need for regional hearings so that other persons can express the severe problems they are experiencing in this program.

Thank you for the opportunity to present this statement to the subcommittee.

Mr. RICHMOND. Thank you, Ms. Denecke.

Ms. Hamb you may proceed.

**STATEMENT OF BEATRICE HAMB, VOICE OF THE POOR,
CHICAGO. ILL.**

Ms. HAMB. I'm here in behalf of the poor and hungry in Illinois. My name is Beatrice Hamb, Chicago, Ill. 22d district, a mother of four children.

Hunger is not easy to focus on for many of you because your lives don't consist of such. But I want you to know that in this day, here in America, it still exists and something has got to be done.

Food stamps helped many families to maintain a better nutritional balance until someone or parties of unknown status felt the poor were getting more than deserved benefits, and arrived at this poorly examined plan to eliminate the purchase price and destroyed their buying power.

One, stamps weren't enough before EPR but not as crippling as what they are reduced to now.

Two, taxes are now paid on moneys used for additional food purchases.

Three, delivery costs are exceedingly high, and check-cashing services are also high.

Four, stores are out of our community. Therefore, transportation costs are also required to find a store worth shopping in.

Five, children are in need of carfare and clothing to attend school as well as fees and school supplies.

Six, rent and utilities are steadily rising.

Seven, no purchases for other essentials are easy to obtain.

Maybe you who plan our lives feel justified in making all these decisions regardless of the unrest it is causing, but eventually you will

be feeling the blow of allowing hunger and this level of poverty to exist.

The crime rate is steadily escalating and it is going to touch bases at and around your homes if this is the only means of survival.

You who are so dedicated to conserving energy, balancing the budget, foreign policies, the race to space, welfare ripoffs, and also trying to be the No. 1 world power—it looks as if you have allowed your logic and position to exclude people. The people, through exercising their voting privileges, be they rich or poor, young or old, put you in these seats of power.

I would like to include that no one is prepared to accept hunger. No one is going to accept our lives being planned by any agency any longer without being included in the planning, until after clear facts of why it is adopted into law.

No parties or agencies informed the recipients of when and where these laws and changes were being prepared until after they were documented, and that is much too late to effectuate a change. The fact is it took a long time to gain information as to a Federal Register being available and how it could be obtained.

We need all information before the final decisions, not after, and not starting with fiscal year 1980 but from this day forward.

I'm the coordinator of a large number of recipients called Voice of the Poor. We're busy doing our homework to determine the many families that are suffering from nutritional sabotage. We are very aware on a national level and, believe me, it is a frightening number.

I would hate to believe you are aware and do not care, but you have a chance to make known your stand and intent.

As a mother of four and a recipient, I would like to feel and see more genuine steps toward squashing hunger and this level of poverty, for we the people poor and affected living here in this "home of the brave, land of the free" are determined to have our constitutional rights respected.

Health, Education, and Welfare and the U.S. Department of Agriculture, or whoever is responsible, I would like to suggest that they please get busy.

Thank you.

Mr. RICHMOND. Thank you, Ms. Hamb.

Ms. Denecke and Ms. Hamb, as you know, the 1977 food stamp legislation eliminated the purchase requirement. We think that was probably the most courageous step we could have taken to improve the food stamp program. However, you indicated in your testimony, Ms. Denecke, that now that we have eliminated the purchase requirement some people are unhappy about it. You do realize, do you not, that as a result of eliminating the purchase requirement we have added to the program 3.5 million of the poorest of the poor people in the United States?

Ms. DENECKE. Yes.

Mr. RICHMOND. Why exactly would other people be unhappy with eliminating the purchase requirement?

Ms. DENECKE. I think part of the problem is this. When debate began on EPR our agency supported EPR because we had called persons on our hotline to determine whether or not they wanted EPR. However, I think there was a lot of misunderstanding on the part of poor people of what EPR would mean. It was not understood that

just the bonus dollars would be given to them free. I believe it was thought that the whole allotment would be free based on the family size.

The problem is in Illinois our grants are the lowest in the Midwest region. There is no additional fund to cover all the expenses that people have. Therefore, if they do not go to the Currency Exchange in Chicago and pick up their food stamps and have the total allotment secured in food stamps, they only end up with a bonus amount of dollars to spend for food for their families. That is not enough. The average bonus is \$30 in Illinois. Thirty dollars will not feed a family. That is a problem.

Because of all the statistics that I gave you in terms of the high utility bills, the high rents, and the other expenses including putting clothes and shoes on their children, they do not end up with that money to have for food. That is why they value having the whole allotment secured in the food stamps.

I realize that there is a benefit to some persons who could not afford the purchase requirement, but perhaps there should be an option to either have one or the other.

Mr. RICHMOND. Administratively it is impossible. Also, by eliminating the purchase requirement we cut out the cash flow of billions of dollars around the country and tightened up the whole program. Certainly EPR has been one of the best moves we have made.

These hearings are being conducted with a view toward marking up a bill which will return the shelter deduction and the medical deduction. We feel that many people are paying much more rent than we figured, and of course medical expenses for some people are astronomical.

Ms. DENECKE. That is right.

Mr. RICHMOND. Hopefully, as a result of these hearings we will be able to give relief to those with excessively high shelter and medical expenses.

Ms. DENECKE. That would help people in Chicago immensely.

Mr. RICHMOND. Thank you, Ms. Denecke and Ms. Hamb.

Ms. DENECKE. Thank you.

Ms. HAMB. Thank you.

Mr. RICHMOND. Our next witnesses are Mr. William R. Hutton, National Council of Senior Citizens, Washington, D.C., and Mr. James Hacking, National Retired Teachers Association/National Association of Retired Persons, Washington, D.C.