

EFFECTIVENESS OF FOOD STAMPS FOR OLDER AMERICANS

HEARING
BEFORE THE
SPECIAL COMMITTEE ON AGING
UNITED STATES SENATE
NINETY-FIFTH CONGRESS
FIRST SESSION

PART 2—WASHINGTON, D.C.

APRIL 19, 1977



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Effectiveness of Food Stamps for Older Americans:

Part 1. Washington, D.C., April 18, 1977.

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EFFECTIVENESS OF FOOD STAMPS FOR OLDER AMERICANS

TUESDAY, APRIL 19, 1977

U.S. SENATE,
SPECIAL COMMITTEE ON AGING,
Washington, D.C.

The committee met, pursuant to notice, at 1 p.m., in room 322, Russell Senate Office Building, Hon. John Melcher presiding.

Present: Senators Church, Melcher, and Chiles.

Also present: William E. Oriol, staff director; David A. Affeldt, chief counsel; Deborah K. Kilmer, professional staff member; Margaret S. Fayé, minority professional staff member; Alison Case, assistant chief clerk; and Eugene R. Cummings, printing assistant.

OPENING STATEMENT BY SENATOR JOHN MELCHER, PRESIDING

Senator MELCHER. We will continue the hearing of the Special Committee on Aging on the "Effectiveness of Food Stamps for Older Americans." Yesterday we heard from the administration—Assistant Secretary of Agriculture Carol Foreman, and Robert Greenstein and Nancy Snyder, also with the Department of Agriculture. We also listened to a panel of national senior citizen organizations.

Today, first of all, we are going to listen to a panel of elderly consumers; Frances Morris of Baltimore, Richard Rideout of Baltimore, and James Scott of Washington, D.C.

Please proceed as you see fit. Who is first?

Mr. SCOTT. Whatever you say.

Senator MELCHER. All right. Mr. Scott, you are first.

STATEMENT OF JAMES HENRY SCOTT, WASHINGTON, D.C.

Mr. SCOTT. Mr. Chairman and members of the committee, my name is James Henry Scott. I live at Edgewood Terrace, on Edgewood Street NW., and I am 70 years old.

After 41 years of work my retirement income is not enough to disqualify me for the food stamp program. Without food stamps I would be forced to live way below the poverty level. My check is \$197 a month out of which I pay \$38 for \$50 worth of food stamps. This \$12 difference is a bonus to me; otherwise, I would have to dig in my pocket for the cash. It is still hard to get through the month with so little assistance for food.

I have been receiving food stamps for about 7 years at which time I went to the Human Resources Department at 500 First Street NW.,

to apply. I feel that if the food stamp program was discontinued, it would put extreme hardships on me as well as many other senior citizens.

Although I am able to walk to the neighborhood bank to pick up my food stamps and another block and a half to the store, I am still faced with the fact that every time there is an increase in my check there is also an increase in my food stamps and rent. I am a widower and things are just so high that it would be impossible to manage without the food stamp program.

I would like to thank you for this opportunity to express my views and make comments on the food stamp program.

Senator MELCHER. Thank you, Mr. Scott.

Frances Morris.

STATEMENT OF FRANCES MORRIS, BALTIMORE, MD.

Miss MORRIS. I am a single person and my name is Frances Morris. I live alone in a house. I have been ineligible for food stamps twice. I live on social security—received it at age 62 for a time and I am 65 now. I still have not got them. Sometimes I visit the eating together program to eat, but I do most of my cooking at home.

The only thing I don't understand about this is you live on a fixed income. You have to have your shelter bills and I am one person. If I pay \$40 for stamps, there would be only \$50 worth of stamps I would get for \$40. I don't know how it is now since there have been some changes.

Well, you have your telephone bills, water bills, and medical bills; also, if you have them, transportation bills. Some refuse to apply because it seems like a handout, or it is a bit degrading because of the questions that they ask you. Have you ever looked at one of those application forms?¹

They want to know everything that you have from the cradle till now and a lot of things you can't remember or you do not know. They want to know how much money you have in the bank. If you have worked the better part of your life, they want to know when you started working. I started working around age 14 because I lost my mother at that time and there were six of us. You know, the salaries were very low then and when I retired in June 1975 they had come up. Of course there was a period when I worked for social security from 1944 until 1949, but the salaries were different than the department store salaries, which were a little bit higher. I had my social security card from the very first week that they were put out.

As I say again, there is frustration about filing applications over and over again. Isn't there a possibility of coordinating all the programs that you have for the aged so that when you go make out one application they can find out the information they want from that first one you made? They make you feel as though you don't know what you are doing.

Most of us are alert. We may not be able to move our legs or ankles or our heart, but we are quite up on things, Special diets—there is no special food for those. Your resources—on each one of the programs

¹ See pp. 67-70.

they have a different price tag: \$1,500 for one, \$3,000 for another. If you have an SSI or if you have medicaid, all of them have a different criterion of resources.

Who would apply for food stamps if they had a snowmobile? That is true. That is in this questionnaire. Have you ever seen one of them?

Senator MELCHER. Yes.

Miss MORRIS. All right. A lot of things. Then they ask you if you have stocks and bonds. Now, you know, a lot of people if they have savings they become either frustrated or they get rid of those bonds in order to get food stamps. A lot of them are not eating proper food or getting a balanced diet.

Now if you do not know anything about food, you are in a bad situation, you see. Of course I have been in the kitchen so I know what I am supposed to eat and I know how to prepare food on the amount of money that I get—I get \$112.60 social security. I applied for SSI twice and was rejected. The second time they lost the application. I applied in February and just got it, but there is no retroactive business on that. I need those food stamps.

I live in my own home and the first time they rejected me because I own my own home. It is not one of those big homes; it is a little one—five rooms and a bath. There is nothing I can do with it unless I want to rent out every room, but I am not going to do that because it is too much trouble.

Senator MELCHER. Well, Frances, there are quite a few things to respond to among the points that you make, but I am going to withhold responding to them until I have heard from Mr. Rideout.

Go ahead, Mr. Rideout.

STATEMENT OF RICHARD RIDEOUT, BALTIMORE, MD.

Mr. RIDEOUT. Thank you, Senator.

I have a slightly different experience than that. I do receive food stamps to start with and I have heard people say that they have had rough treatment getting food stamps. Well, frankly the one public group that I met with—it took me a half hour to get my application filled out and I got the food stamps the next day. I have no kick coming there.

Senator MELCHER. May I see your form? You are both from Baltimore so you would both be filling out the same form.

Miss MORRIS. Yes.

Mr. RIDEOUT. Yes.

Senator MELCHER. Go ahead, Mr. Rideout.

Mr. RIDEOUT. Also, Senator, on people feeling embarrassed, I have heard it before. To go to a supermarket and stand in line and then produce food stamps is beneath one's dignity or something. I cannot understand that myself. I don't feel that you are any better than I am, or that I am any better than you are. If I have had tough luck and need food stamps and can get them, I don't feel embarrassed to use them. I don't see any reason why anyone should.

The one kick I do have about food stamps is that I feel the people making up to \$100 household money a month should have free food stamps and the people making over \$200 a month should be cut off the food stamps. That is all I have got to say on it.

Senator MELCHER. Well, what we are doing here is getting some input into what amendments should go into the Food Stamp Act now. It has been a long time since it has been reworked and brought up to date, even though there are a lot of improvements that ought to be made.

Some of us on this committee—Senator Church, myself, and others—have introduced a bill that is known as S. 1272. It does a couple of things that I think you would approve of—one you particularly mentioned, Frances. It would allow the social security and the SSI recipients to apply for food stamps at their local or district social security office. You went there twice and applied for SSI. If our bill prevails, you will be able to apply for food stamps right there, too.

Miss MORRIS. That is coordination.

Senator MELCHER. That is coordination, right, and the elimination of some redtape. We can do without some of the redtape that is involved.

Now I agree with you. I think these forms are terrible to fill out. I am interested in what Mr. Rideout said, that he didn't find it hard to do.

Miss MORRIS. But he went through it easy.

Mr. RIDEOUT. I didn't do it myself. The gentleman read the questions off, I answered them, and that was that.

Senator MELCHER. I find it quite complicated.

There is a question here on snowmobiles?

Miss MORRIS. Yes; by the resources. It is there where it says "boats and——"

Senator MELCHER. Yes; here is stocks and bonds. Stocks, bonds, and other items which could easily be changed into cash. Buildings, property, such as campers, snowmobiles, boats, motors.

Yes, I see that.

Miss MORRIS. You don't use a snowmobile all the year around.

[The forms referred to appear on pages 67-72.]

Senator MELCHER. Also, I am going to tell you a couple of things we are trying to do in that bill and then I want to go back over whatever your own findings are and your own experiences. We would like to have some outreach and get out to where the people are.

You became aware of food stamps in what way?

[Testimony resumes on page 73.]

10. Do any of the persons living in the household pay for board, room, or both? Yes No
 If YES, give the information requested below and attach a signed statement(s) from person(s) as to amount he/she is paying.

Name (Last, First, Middle)	Household Member		Check Appropriate Box			Amount Paid	How Often		
	Yes	No	Room	Board	Both		Weekly	Monthly	Other

11. Do you have cooking facilities where you live? Yes No
 12. Are you or your spouse unable to prepare meals because of health problems? Yes No
 If YES, indicate if you receive meals from either of the following:
 a. Meals on Wheels Program Yes No
 b. A communal dining facility Yes No
 13. Are you, or any member of your household, a member of a drug addict or alcoholic treatment center?
 Yes No If YES, give the name
 Indicate whether you participate: on a resident basis OR on a non-resident basis

14. SCHOOL OR TRAINING PROGRAM: Give the following information for persons listed as students in Item 10 above:

NAME OF HOUSEHOLD MEMBER (Last, First, Middle)	NAME OF SCHOOL OR TRAINING PROGRAM	Number of Hours of Attendance Each Week	Are You Receiving Compensation for Attending? <input type="checkbox"/> Yes <input type="checkbox"/> No If YES, How Much & What Items Does it Cover?

15. RESOURCES: Resources include cash on hand, money in checking or savings accounts (including credit unions), stocks, bonds and other items which can easily be changed into cash. Also included is real property, buildings, and personal property such as campers, snowmobiles, boats, motors, etc. DO NOT include your home, personal items (clothing, books, etc.), household goods, or one licensed automobile. If you have none, write "NONE".

NAME (of person who owns the resource) (Last, First, Middle)	TYPE OF RESOURCE	VALUE	AMOUNT YOU OWE ON RESOURCE
		\$	\$
		\$	\$
		\$	\$
		\$	\$
		\$	\$
		\$	\$
		\$	\$

16. MONEY-MAKING RESOURCES: List all resources used to produce income. (Examples: rented property, real estate or personal property, etc.) If you have none, write "NONE".

NAME (of person who owns the resource) (Last, First, Middle)	TYPE OF RESOURCE	VALUE	AMOUNT YOU OWE ON RESOURCE	MONTHLY INCOME
		\$	\$	\$
		\$	\$	\$
		\$	\$	\$
		\$	\$	\$

17. INCOME: (List all income from all sources.) Income includes, but is not limited to: public or general assistance (welfare) payments, supplemental security income, social security, retired, survivors, disability insurance (RSDI), railroad retirement benefits, vacation pay, unemployment compensation, strike benefits, awards and prizes, scholarships and educational loans, dividends, and interest, earnings from employment or training (including WIN Program), free housing provided by your employer, foster care payments, annuities and pension, alimony, income from legally responsible relatives (those responsible to support by State Law), earnings from full time or part time jobs, Workmen's Compensation, Veterans Administration compensation, and insurance benefits. If you have none, write "NONE".

NAME (Last, First, Middle)	SOURCE OF INCOME (Name of Agency, Firm, Employer)	GROSS AMOUNT	Verification	HOW OFTEN				DEDUCTIONS (From Earned Income)		
				Weekly	Every 2 Weeks	Twice Monthly	Monthly	Taxes List Separately		Other (Union Dues, Retirement, etc.)
								1. Federal	2. State	
		\$								
		\$								
		\$								
		\$								
		\$								
		\$								
		\$								

NOTE: Wage stubs, or other documents which can be used to verify the amount of income from employment and mandatory deductions or income from other sources must be attached or made available upon request. Federal and state tax tables must be used for verification of mandatory deductions. The food stamp notice will, upon request, provide you with a form to be used to report this income.

18. INCOME EXCLUSIONS:	WEEKLY	MONTHLY
a. Earned income of a child under 18 who is attending school at least half time.	\$	\$
b. Payments received under Title II of the Uniform Re-Location Assistance Act of 1970.	\$	\$
c. Infrequent or irregular income not to exceed \$30.00 in a three (3) month period (per household).	\$	\$
d. Payments in money for medical costs on behalf of the household by a person who is not a member of the household.	\$	\$
e. Ten percent (10%) of earned income for service performed as in employee or training allowance (not to exceed \$30.00 per household per month).	\$	\$
f. Monies received from insurance settlements, awards and gifts not used for support, maintenance, retroactive social security benefits, income tax refunds, and similar non-recurring lump sum payments.	\$	\$
TOTAL INCOME EXCLUSIONS (Sum of a thru f):	\$	\$

19. STUDENT STATUS OF PERSONS 18 YEARS OF AGE OR OVER:			
NAME (Last, First, Middle)	FULL TIME	PART TIME	TYPE OF SCHOOL OR COURSE

20. EXPENSES:	AMOUNT	HOW OFTEN THESE EXPENSES ARE PAID					Number of Months to be Paid (if less than 12)
		WEEKLY	EVERY TWO WEEKS	TWICE MONTHLY	MONTHLY		
Give the following information about your household expenses. These expenses are only those that you actually pay. Expenses paid by another person or source are NOT to be included. IMPORTANT: This will enable us to give full credit for all allowable expenses.							
a. SHELTER: (Check appropriate block)							
1. <input type="checkbox"/> Rent OR <input type="checkbox"/> Mortgage Payment on Home.	\$						
2. Utilities (if not included in rent)							
(a) Heating and cooking fuel	\$						
(b) Electricity	\$						
(c) Telephone (basic charge for one)	\$						
(d) Water	\$						
(e) Sewage disposal fees	\$						
3. Taxes and Assessments (yearly payments not included in mortgage payment)							
(a) Real estate taxes on home	\$						
(b) Special assessments (if required by law)	\$						
d. MEDICAL: (Exceeding a total of \$10.00 per household per month not reimbursed by insurance)							
1. Physician and Dental Services	\$						
2. Health or Nursing Care	\$						
3. Health Insurance and Medicare	\$						
4. Prescription Drugs	\$						
5. Other (specify):	\$						
6. Total Medical Expenses per Month	\$						
c. UNUSUAL:							
1. Replacement or repair of properly damaged or lost through vandalism, fire, theft, flood, storm, etc. Explain:	\$						
2. Funeral expenses not reimbursed by insurance and paid by a member of the household. Explain:	\$						
d. OTHER:							
1. Payments for the care of a child or another person when it is necessary for a household member to work outside of the home. If YES, attach statement from person as to amount he/she is getting paid by you.	\$						
2. Tuition and mandatory fees for education (Do NOT include cost of books or materials.)	\$						
(a) When paid?							
(b) For whom paid?							
(c) To whom paid?							
(d) Period covered by payments:							
From: _____ to: _____							
3. Insurance (Fire, Homeowners, etc.)	\$						
4. Miscellaneous (specify):	\$						
	\$						
	\$						

21. PERSONS OTHER THAN HOUSEHOLD MEMBERS WHO PAY FOR HOUSEHOLD EXPENSES:				
NAME (Last, First, Middle)	ADDRESS (Number, Street, Route Number - City, County, State, Zip Code)	EXPENSE PAID (Describe)	AMOUNT	VERIFICATION
			\$	
			\$	
			\$	
			\$	
			\$	
Do you or any member of your household have the use of a credit card of someone <i>outside</i> the household? <input type="checkbox"/> Yes <input type="checkbox"/> No If YES, list the type of card and who uses it:				
22. EXPECTED CHANGES: Do you expect any change in your household circumstances—income, resources, living arrangement, or other circumstance addressed above—in the near future? <input type="checkbox"/> Yes <input type="checkbox"/> No If YES, explain in detail:				
23. Give the name of the person who is NOT A HOUSEHOLD MEMBER who may purchase Food Stamps for this household:				
24. Name(s) of household member(s) who may purchase Food Stamps:				
25. CERTIFICATION: I certify that this application has been examined by me (or read to me) and that the information given is true and correct to the best of my knowledge and belief. I agree to provide the local food stamp office information necessary to verify any statement given in this application and hereby give permission to obtain such verification. I will also cooperate fully with state and federal personnel in a quality control review. I agree to inform the local food stamp office promptly (within 10 days) of changes in income and/or deductions of more than \$25.00 per month, resources, living arrangements, or other information which I have given since such changes may affect eligibility to purchase food coupons or the amount to be paid for them. I understand that when I plan to move to another state, county, or city participating in the food stamp Program it may be possible for me to purchase food coupons in the other food stamp office without making application immediately, PROVIDED that I report the move to the food stamp office in the county or city from which I am moving. NONDISCRIMINATION: This application will be considered without regard to race, color, religious creed, national origin, or political beliefs. I understand that I have a right to a hearing if I am not satisfied with the action taken on my application by the food stamp office. BEFORE YOU SIGN YOUR NAME GO BACK AND CHECK TO SEE THAT EACH ITEM THAT APPLIES TO YOUR HOUSEHOLD HAS BEEN ANSWERED ACCURATELY.				
PENALTIES FOR FRAUD: The state and federal law provides penalties including a fine, imprisonment or both for persons found guilty of obtaining food stamps for which they are not eligible by making false statements; or FAILING TO REPORT PROMPTLY any changes in their circumstances. If evidence indicates that such individuals have willfully violated the law, they will be referred to the proper law enforcement authority for investigation and possible prosecution. ANYONE WHO AIDS another person to obtain food stamps fraudulently is subject to the same penalties.				
SIGNATURE (Head of Household or Spouse)			DATE	
SIGNATURE (Authorized Representative)			DATE	
If Signed by "X"	1. Signature of Witness		DATE	
	2. Signature of Witness		DATE	
SIGNATURE OF PERSON (if any) HELPING TO COMPLETE FORM			ADDRESS:	
SIGNATURE (Certification Worker)			DATE	

FOOD STAMP PROGRAM

DEPARTMENT OF SOCIAL SERVICES, CITY OF BALTIMORE

Telephone: Application: 234 - 2762

Sales: 234 - 2751

HOW TO USE FOOD STAMPSThe Food Stamps Identification Card:

If you have been approved to buy food stamps, you will receive a Food Stamps Identification Card. BE SURE TO TAKE THIS CARD WITH YOU WHEN YOU GO TO PURCHASE YOUR FOOD STAMPS and when you spend food stamps in the store. Only those persons listed on your Food Stamps Identification Card, whose signatures also appears, will be allowed to buy food stamps for your household. To save yourself trouble before any emergency happens, you should contact your district office and authorize another person who could act, and buy food stamps for your household. Also, the district office will replace your Food Stamps Identification Card whenever the head of the household authorizes a change in the authorized representative for that household.

Take good care of your Food Stamps Identification Card. If you lose your card, you may obtain a replacement from your district office.

The Food Stamp Books:

Stamps are issued in books worth \$65, \$50, \$40, \$7, or \$2. Brown stamps are worth (\$1); purple stamps are worth (\$5); and blue-green stamps are worth (\$10).

The books need to be signed as soon as you have purchased them. The signature on the book must agree with the signature on your identification card.

Do not tear any stamps from the books until you are paying for the food you purchase. You may receive some (\$1) stamps in change from the retail store. Keep any stamps you receive as change in the books. Take good care of the food stamp books, as you would money.

In the Store:

If you don't know, ask the grocer if he will accept food stamps. If he does, you will be able to purchase food with food stamps in the same way you purchase for cash. However, you cannot use food stamps to pay back bills.

There are some things in the retail stores that you cannot buy with food stamps. Food stamps cannot be used to buy tobacco, alcoholic beverages, or any items that cannot be eaten by your family, such as pet foods, soap, paper products, household supplies and equipment, etc.

Keep your food stamp purchases separate from your cash purchases. This will help the store employees make up your bill.

No change will be given in cash for food stamps. You may pay amounts of less than (\$1) in cash or request a credit slip from the grocer for use at a later date. Your grocer will give you your change in (\$1) food stamps and a credit slip for 99 cents or less. Or you can buy eligible food worth the amount of your change, or pay the difference in cash between the cost of your purchase and the next lower even dollar amount.

Your Continuing Eligibility:

You must promptly notify your district office of any of the following changes in your home:

1. Changes in income of any and all family members.
2. Any change in assets.
3. Any change in address or rent paid.
4. Any change in the number of persons in your household.

Failure to abide by the rules of the program will mean cancellation of your right to purchase food stamps.

For Households Receiving NPA Food Stamps and Not Public Assistance.

You were informed by your worker when your food stamp certification will expire. If you do not re-apply by the time of the expiration date of your certification, your food stamps will automatically stop. Therefore, we urge you to re-apply well before that time.

GENERAL INFORMATION ON THE FOOD STAMP PROGRAM

The following information will be helpful to you in taking part in the Food Stamp Program.

1. How does the plan work?

Eligible households buy food stamps in an amount approximately of what they have been spending for food in the past, and they are given additional food stamps free. These can be spent for foods in any authorized grocery store.

2. How do I buy my food stamps?

Each month, eligible households are mailed authorization-to-purchase cards which authorizes the household to purchase food stamps. This card, together with your Food Stamps Identification Card and the proper amount of money must be presented to any authorized sales agency during their stated selling hours. (See Item 4, below)

3. Where do I buy my food stamps?

At your nearest Food Stamps Sales Office. You may obtain from your district office, a listing of all sales offices and their locations. Note that the 23 East North Ave. Sales Office remains open to sell food stamps every working day of each month.

4. When can I buy my food stamps?

- (a) From City-operated Sales Offices, 9 A.M. to 3 P.M.
- (b) From Banks and Savings & Loan Assns., 9 A.M. to 11 A.M. (unless otherwise stated) Generally, Banks and Savings & Loan Assns. will not sell food stamps after the 25th of the month and are only open to sell food stamps on Tues., Wed., & Thurs. (unless otherwise stated).
- (c) From Federal Credit Unions, 9 A.M. to 2 P.M. Generally, no sales made after the 25th.
- (d) From other authorized sales agencies, including armored truck units. Check monthly schedule.

5. If I am unable to come in person, may someone else purchase my food stamps for me?

Yes, provided you sign both your authorization and identification cards, and indicate your authorized representative on the reverse side of your authorization. Your representative will be required to present your authorization together with your identification card and the proper amount of money required to purchase your food stamps.

6. Can I present my welfare check to the Departmental Sales Offices in payment for food stamps?

No.

7. If I forget my Food Stamps Identification Card, can I still purchase food stamps?

No.

8. Can I present food stamps to someone else either as a gift or in exchange for money or other goods?

No. Food Stamps issued to you MUST be used by you or a member of your family.

9. May I purchase food stamps with last month's authorization card?

No.

10. Is it necessary to buy the entire amount of coupons each month as indicated on the foodstamp authorization?

No. Each month you can choose to buy ALL, $\frac{3}{4}$, $\frac{1}{2}$, or $\frac{1}{4}$ of your food stamp allotment for that month. If you buy part of your full allotment, you cannot buy your full allotment again until the next month.

11. How may I obtain my authorization-to-purchase card if it was mailed to the wrong address?

Undeliverable ATP cards returned by Postal Authorities to 23 E. North Ave. may be claimed during the month of issuance by eligible clients who present their Food Stamps Identification Cards at this location. Please call 234-2751, or 234-2763 for any additional information.

Miss MORRIS. When I applied for my social security, they asked me if I was interested in food stamps. Well, at that particular time I was working part time, because I retired at 62, but I worked a couple of years after I became 62. At that time I was not interested in it. It was a year ago that I applied, and down there they figured up what I had, what this was, and all that. They said, "You are not eligible."

It seems as though it was the assessment of the house, plus what I had. Now I had no thousands of dollars in the bank. I had some savings. They add all that up plus what I was getting on social security, which was at first \$79.

Senator MELCHER. And they said you were not eligible.

Miss MORRIS. That is true. Then I went back again just before Christmas. I had all of my papers and everything, and I had sent for an award letter for the amount of money. It came to my house—the first one I didn't receive. Well, I went back again about it and it came to my house. I sent it to the center and they didn't get it, so the letter was sent in. My form was sent in for the food stamps.

Well, they sent a letter back saying I could not get them because they had not received the award letter. Well, they could have called the Social Security Department just as easy as I could have called and got my award amount.

Senator MELCHER. And that goes to the point of coordination that you are speaking of.

Miss MORRIS. That is just what I am speaking of.

Senator MELCHER. Mr. Scott, how did you become aware of food stamps?

Mr. SCOTT. I think I became aware of it when the word got around.

Senator MELCHER. Neighbors, friends?

Mr. SCOTT. "Get the food stamps; get the food stamps." So I decided I would try it, too.

Senator MELCHER. How about you, Mr. Rideout?

Mr. RIDEOUT. Friends.

Senator MELCHER. In your experience, have you run into people who are not aware of food stamps?

Miss MORRIS. No; they are all aware of them.

Senator MELCHER. All right. Now this question of resentment or a feeling of pride—

Miss MORRIS. Yes; and a lot of them feel as though they got that information. I asked them the same thing over and over again, but when they find they have all these different forms to fill out they throw up their hands and they become disillusioned and frustrated, so they eat whatever they can get with what they are getting out of their checks.

Senator MELCHER. I see. Now, Frances, you are not getting food stamps. You tried twice.

Miss MORRIS. Yes.

PERIODIC RECERTIFICATION

Senator MELCHER. Mr. Scott and Mr. Rideout, how often do you have to return to an office to get recertified for food stamps?

Mr. RIDEOUT. Every 6 months.

Mr. SCOTT. Several times.

Senator MELCHER. More than once a year?

Mr. RIDEOUT. It says so there.

Senator MELCHER. It varies from State to State.

Well, yours might be different. You are in the District, right?

Mr. SCOTT. That is right.

Senator MELCHER. Yours might be different than what the State of Maryland has.

Well, we think for the elderly, and in S. 1272, that it is silly to do it more than once a year. I am not even sure that recertification and going through this paperwork is very necessary for the elderly unless there is some shift in income. If you got rich all of a sudden, you would not need to be eligible.

Mr. RIDEOUT. Senator, just last month I had to recertify, and on my last food stamp it said I had to come in and have it done again. I went up there and they got out my past record and asked, "Any change?" and I said, "No." They said, "Fine."

Senator MELCHER. It was a very simple procedure for you.

Is it simple for you, too, Mr. Scott, in the recertification when they tell you to come in again to get recertified? Is it simple or complicated?

Mr. SCOTT. The same thing you did before.

Senator MELCHER. It is the whole series of questions?

Mr. SCOTT. They have the record and they ask you the same question, "Has there been any change?" All you do is say yes or no.

Senator MELCHER. And there has not been any change. Has your amount varied from one time to the other? I think you said you paid \$30 cash.

Mr. SCOTT. \$38.

Senator MELCHER. Then you got \$12 worth of bonus stamps.

Mr. SCOTT. Yes.

Senator MELCHER. So about \$42.

Mr. SCOTT. No, I paid \$38.

Senator MELCHER. That adds up to \$50. I understood you to say \$30. It was \$38 and then you get \$50 worth of food stamps.

Mr. SCOTT. In other words, I am \$12 to the good.

Senator MELCHER. \$12 to the good.

Do either of you find that that is unhandy? Do either one of you object to that or paying out the cash? After all, what you are getting is \$12 value of stamps over and above your \$38. Now do either one of you personally find that this is objectionable or do you hear complaints by some people who say, "Well, we don't have \$38 so we cannot get the \$12 bonus stamps"?

Mr. RIDEOUT. I have heard them say that, but you cannot get them in dribbles and drabbles.

Senator MELCHER. Yes: that is right. We are recommending in S. 1272—and Senator McGovern and Senator Dole are also recommending in their bills—to remove the requirement for the cash. In other words, if you are certified, and you have gone through all that process, you are still going to end up with \$12 worth of food stamps, if that happens to be the case, but you would not put out the \$38 in cash. You would not get \$50 worth of stamps either. You would have your \$38 in cash and then \$12 in food stamps.

Now would you be in favor of that or do you think, in general, that the elderly people that are on food stamps would favor that procedure over the current system?

Mr. SCOTT. Well, I say this: they should cut the price down on the food stamps, but I am keeping food stamps. They are nice things to have because you cannot use them for anything else but food.

Mr. RIDEOUT. I agree with him.

Senator MELCHER. I wonder if I could interrupt the three of you. Senator McGovern is here and he will be testifying. We need to allow him to testify now because he will be going down to the White House for a meeting.

Senator, could you take one of the witness chairs now?

STATEMENT OF HON. GEORGE McGOVERN, A U.S. SENATOR FROM THE STATE OF SOUTH DAKOTA

Senator McGOVERN. Thank you, Mr. Chairman.

Mr. Chairman, I appreciate your putting me on out of order because I do have to make a 2 o'clock appointment at the White House.

Because of the importance of the food stamp program to low-income elderly, I think it is absolutely essential that this committee maintain a strong voice in the forthcoming debate over food stamp reform. Over \$600 million in food stamp benefits go to households containing one or more elderly persons. Indeed, over 22 percent—something over a fifth of all the people in the food stamp program—are past the age of 60. So I want to associate myself with the bill that you and Senator Church have introduced: the Food Stamp Reform Act for the Elderly.

I think you have correctly identified those issues which are of most concern to our elderly citizens. It is my feeling that there are four major reforms in the food stamp program that are necessary to extend its maximum benefits to the elderly. These are, first of all, the elimination of the purchase requirement so that older people who cannot afford to buy into the program, as they are now required to do, can participate. Second, the adoption of a standard deduction that is above the average now claimed by elderly participants. Third, provisions to allow households who receive SSI payments to be certified for food stamps on the basis of information that is already on file with the SSI office. There is no reason why those procedures and that information have to be repeated. Fourth, a minimum certification period of 1 year to reduce the number of times an elderly person has to travel to the office and refile.

ELIMINATION OF PURCHASE REQUIREMENTS

Mr. Chairman, elimination of the purchase requirement is a reform that is particularly important to elderly people. Elderly households on fixed incomes must budget very carefully in order to stretch their meager incomes over the costs of food, shelter, medical expenses, and other necessities. Because of the purchase price, a sudden medical emergency can wipe out a budget and keep an elderly household from getting any of their food stamps.

In addition, elimination of the purchase price would make it easier for the elderly to receive their stamps. Without the requirement that

they keep, safeguard, and account for large amounts of cash, many more States will be able to mail food stamps. This will eliminate the need for elderly persons to travel to issuance offices to get their stamps.

I was extremely pleased by President Carter's recent endorsement of elimination of the purchase requirement. I am optimistic that if our committees work together, and with the administration's endorsement, we will succeed in reforming the food stamp program in a just and equitable manner.

That one single step—eliminating the purchase requirement—will do more to advance the food stamp program and to reach those that most need it than any other single step that we could take at this time.

The food stamp program is perhaps our most compassionate and sensible assistance program. It feeds the hungry, generates jobs, and stimulates the agricultural economy. It is also unique among social programs in its national uniformity, flexibility, and responsiveness to changes in a household's economic circumstances.

Finally, food stamp reform is needed if the integrity of the program is to be maintained. Working together, our committees can make sure that it is an evenhanded attempt to solve the problems in the program, simplify the administration both for the participants and the administrators, and to improve access to the program for those truly needy who do not now utilize the benefits of this important nutrition program.

Thank you, Mr. Chairman.

Senator MELCHER. Thank you very much, George.

THE STANDARD DEDUCTION

We heard a discussion yesterday about the standard deductions allowed under certain food stamp bills and you referred to the fact that Senator Church and I have introduced S. 1272. We have not treated the standard deduction question at all, though I am very much in favor of it and so is the administration.

Now your bill allows for a more generous deduction than the administration is recommending. They are suggesting an \$80 flat standard deduction, and you suggest \$100. You also have the 20-percent deduction for all earned income which I believe the administration recommends. Then, in addition, you have an \$85 deduction for the care of the dependent and a \$50 deduction for extraordinary conditions?

Senator McGOVERN. Well, you can cover a variety of things, Mr. Chairman. Extra expenses involved in hiring help and in medical care. A special diet. There are a number of things that could be involved.

Senator MELCHER. What about higher utility costs?

Senator McGOVERN. We just came through that experience last winter. The Buffalo area got much of the publicity, but that winter was very widespread. It was an unusually cold winter all across the country. That works a special hardship that will be covered by this provision of the bill.

Senator MELCHER. Well, all of the national aging organizations are zeroing in on support for separate deductions for shelter allowance,

and we spent a lot of time yesterday discussing this with those organizations.

Senator McGOVERN. I would have no quarrel with that, Mr. Chairman. It might be a good idea.

Senator MELCHER. I just wonder if you had anything specific to recommend on that.

Senator McGOVERN. No; but I think the concept of providing special consideration to shelter costs, especially in view of the unpredictable character of the weather, would make sense. I feel most strongly, not about the changes in the standard deductions, but about the elimination of the purchase requirement.

I was delighted to see the administration come down in favor of it because in doing so they are supporting the most important reform that is being recommended this year. I think we are going to find that if we pass the elimination of the purchase requirement we will extend the reach of this program more than anything else we can do. We are going to reach those people unable to participate on grounds of either a low income or of inability to meet the present purchase requirements and bring them into the scope of the program.

I think there are various things that could be done on the deduction matter. This concept of having a separate allowance on shelter I find very compatible with my own view.

Senator MELCHER. Of course we are using that term pretty broadly to include the cost of it.

Senator McGOVERN. Yes.

THE THRIFTY FOOD PLAN

Senator MELCHER. The bill you and Senator Dole have introduced authorizes a study concerning the thrifty food plan to see whether it really is a nutritionally adequate diet.

Senator McGOVERN. Yes.

Senator MELCHER. We heard testimony in this committee last year that the "thrifty food plan"—that is the Department's term for it—does not meet nutritional requirements. I judge that you have heard this type of criticism plenty of times.

Senator McGOVERN. I have indeed.

Senator MELCHER. Do you have any idea what the cost would be if it were changed to the next step up in the more generous low-cost food plan?

Senator McGOVERN. I could find that out, Mr. Chairman. We have a staff estimate of \$1 billion.

Senator MELCHER. That is a good round figure.

Senator McGOVERN. Yes.

Senator MELCHER. At any rate your bill wants to zero in on the problem by initiating a study. How long would the study take?

Senator McGOVERN. Mr. Chairman, I think USDA is on record themselves as saying that the thrifty food plan does not provide an adequate diet. I don't think they would argue that it is a fully nutritional diet. I think the people at USDA concede that that is not a fully adequate diet of and by itself. It is more of a compromise with the Budget Bureau.

Senator MELCHER. Perhaps your study is to dramatize the inadequacy.

Senator MCGOVERN. That is right. It puts the Department on record. They have some excellent nutritionists; some of the best people in the Government in that field are working at USDA. It would be interesting to see whether on the public record they could demonstrate that the so-called thrifty plan really provides a fully adequate diet from a nutritional standpoint. It may meet the requirements of the Budget Bureau, but that is something different than meeting the nutritional requirements of human beings.

Senator MELCHER. I am rather intrigued by the semantics—thrifty food plan, and then the next more generous deal is called low-cost food plan. Either way, you take your pick as to which sounds more attractive. But surely if, with a thrifty food plan, the Department has any doubt as to the nutritional adequacy of that, they should have been up here telling us about it and making some recommendations.

Senator MCGOVERN. I think they do have doubts about whether it is a fully adequate diet.

Senator MELCHER. We are right at the stage, then, where we should be insisting on the bill by Senator Church, the chairman of this committee, and the prime author of S. 1272. Perhaps we should be insisting on our bill, which provides that as far as the elderly are concerned the only plan that will be considered in arriving at the food stamp allowance will be the low-cost food plan. That is the next step up.

Senator MCGOVERN. That is the next step up. It is not the only option, but it would provide an adequate diet.

Senator CHURCH. I would like to say if I might, Senator, that I am very pleased to have Senator McGovern here to testify before this committee. Senator McGovern's leadership in the whole area of nutrition and his constant fight to improve the condition in this country, I think, is one of the outstanding accomplishments of the Senator, and there are many of those that I might cite.

Senator MCGOVERN. Thank you very much, Senator.

Senator CHURCH. I want to commend you, Senator McGovern, for the work you have done as chairman of the Select Committee on Nutrition and for the many fine bills and legislative initiatives that you have taken to try to cope with the problem of malnutrition in this country. We are honored to have you as a witness this afternoon.

Senator MCGOVERN. Well, thank you, Senator. As you know, your committee has repeatedly focused on the problems of the elderly as they relate to the nutritional health of the American people as a whole, and that is a special concern. There are special problems that the elderly have. It is an area that the Select Committee on Nutrition has also been very much interested in, and I think it is important that this committee continue to press on on that ground.

Senator MELCHER. George, in your bill, S. 845, you deal with the question of outreach. All the testimony we received yesterday was that outreach was not nearly successful enough, particularly for the elderly and particularly in rural areas. How does your bill improve on the outreach efforts?

Senator MCGOVERN. Well, it provides specifically that part of the program has to be allocated to that purpose to acquaint the American

people with the existence of the food stamp program, and perhaps equally important, it simplifies the certification procedures. It requires that an application be processed within 30 days. It calls on the Department to provide enough personnel so that people don't have inordinate delays.

DIFFICULTIES OF RECERTIFYING

Our committee was in Miami Beach several years ago to look at the special problems of the elderly as they relate to food stamps and it was amazing to see what those people were going through at that time. They would arrive at the certifying office at 5 o'clock in the morning and stand there all day. If they didn't get to them by 5 o'clock at night, they would have to come back the next day and the next until they were finally certified. I think because we turned the spotlight on that problem some administrative improvements were made, but we can do better, both on simplifying the procedures and also on the informational programs, to let people know about the existence of the program.

Senator MELCHER. Well, we have a copy of the application for participation in the food stamp program that Frances brought along for the State of Maryland. This is it.

Senator McGOVERN. Well, the one in Florida, Mr. Chairman, was eight pages long. That one seems to be shorter.

Senator MELCHER. This is half of that. This is four pages, but the print is quite small.

Senator McGOVERN. There is no excuse for that.

Senator MELCHER. I don't think so either particularly for the elderly. All of the questions that are here may have some bearing on the law but the procedure is too long, and the lines that develop at the food stamp centers, of course, are because of the lengthy procedure of applying to make that determination.

Senator McGOVERN. A lot of this information is on record through the SSI program.

Senator MELCHER. Yes; it is.

Senator McGOVERN. And it can automatically be made available.

Senator MELCHER. Yes.

Well, Senator McGOVERN, we want to thank you very much for your testimony and your help all through the years for the food stamp program as well as a lot of other nutritional programs.

Senator McGOVERN. Thank you very much. I appreciate it.

Senator MELCHER. Now, can you tell me—are you all living alone?

Miss MORRIS. I am.

Mr. RIDEOUT. Yes.

Mr. SCOTT. I am.

Senator MELCHER. Each of you live alone. Can you tell me what your usual average monthly expenditure for food is?

Miss MORRIS. Mine runs \$25 to \$30 a month. It depends whether I am getting staples or vegetables, like frozen foods. Staples you buy maybe once every 2 months. Meat and vegetables. I take a blood pressure pill and a heart pill every day and I have to have orange juice and bananas.

Senator MELCHER. Your diet costs you only \$25 to \$35 a month?

Miss MORRIS. I mean that is—

Senator MELCHER. I mean what you spend for food.

Miss MORRIS. Yes. Sometimes it is more than that. If there is something I want—I am to the point where I feel that I have worked hard. If there is anything I want and the doctor says it is all right and I have to sacrifice something here to get it, I will do that.

Senator MELCHER. What puzzles me is that \$35 is not very much and you cannot buy very much food for that.

Miss MORRIS. I mean you have to shop around.

Senator MELCHER. I'll say you do. But you still are not eligible for food stamps.

Miss MORRIS. That is what they told me. The last time they said it was because they had not received my certificate of award.

Senator MELCHER. Well, you know—

Miss MORRIS. It was just such a small thing. Why not send me a letter telling me, "We do not have your certificate of award"? I would have gotten it. They had all the other information.

I will tell you this. When I applied for my SSI in September I was rejected. In November of last year I applied, and that form was lost. It was in February when I decided to find out why I had not heard anything, and I called the Social Security office about it. I said that it was made out and the man over there went up like that. He said, "You mean to tell me you filled out a form and have not heard anything yet?" I said, "No."

Then he inquired around. He has not been able to find that application.

All right. They told me they would take my application over the phone, and they did. He said he was sending me out a letter—that form that I was giving the information for over the phone—that same day and for me to sign it and send it back. He said, "Don't bring all of your necessary papers with you out on the street." That is why he did it.

Bless your soul, the next day when the mail came—I don't have trouble with the mail, it comes at 11 in the morning. I signed the form and put it in the mail at 4 or 5 o'clock at the time the mailman comes around. I went down last month and asked them—I had not heard anything—"Has it come through?" "It has all gone through, Miss Morris; we are just waiting for it." And sure enough in a couple of days or so I got it but it is not retroactive. I am just telling you that is how things work.

Senator CHURCH. I know. It has been a hassle, hasn't it.

Senator MELCHER. You do an excellent job of shopping.

Miss MORRIS. Yes.

Senator MELCHER. That is wonderful if you can do it on \$25 or \$35 a month.

Miss MORRIS. My mother died when I was quite young. There were six children born to my mother and there were five living when she died. They have all done very well. I am the oldest. We lived through the depression.

Senator MELCHER. It is obvious that the nutrition that you are receiving gives you plenty of vigor and good health.

Miss MORRIS. Yes; it is excellent.

Senator MELCHER. Now, these two gentlemen over here do have food stamps. Mr. Rideout and Mr. Scott actually have \$50 worth of food purchases per month. Now that is quite a bit different than yours.

Tell me, do you use all the food stamps at the grocery store? You don't use any for senior citizen center meals or meals-on-wheels?

Mr. SCOTT. No.

Mr. RIDEOUT. No.

Senator MELCHER. Do each of you cook in your own home?

Mr. SCOTT. Yes.

Mr. RIDEOUT. I do.

COOKING FACILITY REQUIREMENT

Senator MELCHER. We heard some testimony yesterday that the administration says that it would be advantageous, particularly in metropolitan areas, if it was not a requirement for cooking facilities in a home. Do you hear complaints about that, that some people do not have a hot plate or a stove of any kind in their home and therefore they are disqualified for food stamps just on that technicality?

Miss MORRIS. Most of them apply for meals-on-wheels.

Senator MELCHER. Yes; they have meals-on-wheels and they can apply for that.

Miss MORRIS. I have not heard of the other.

Senator MELCHER. You have not heard of the other?

Mr. RIDEOUT. I have. If you have a room with a hot plate, your rent goes up.

Senator MELCHER. Your rent goes up simply because of the hot plate?

Mr. SCOTT. Yes.

Mr. RIDEOUT. Yes.

Senator MELCHER. Then they have a valid point. There are some homes, then with probably just one person living there—

Mr. RIDEOUT. It is a room.

Senator MELCHER. It is a room, right? but no hot plate, no stove of any kind, and they cannot meet the requirements for food stamps except for meals-on-wheels, which is not available very many places.

Miss MORRIS. It is not available. You have this eating together program and many of them would go to that, they have to get transportation to go and not all of us have the time to go by bus.

Senator MELCHER. Now that is one of the things we would like to know about. Do you find it difficult to travel to get the food stamps? I think, Mr. Scott, you said you go to the bank, which is only a block or two away, and then go to the grocery store, which is not much further, to use the stamps. Do you find that this is a problem with many people?

Mr. SCOTT. It is.

Miss MORRIS. Yes, because in the inner city, and particularly the section that I live in, there are a lot of us that are 50-some-odd years old. I have lived in that section 51 years, and there are still people there, even in my neighborhood, that are in their 80's and 90's. Some of them are widows of veterans and some are on business pensions. We have a market in our neighborhood and they have someone carry them

there and they have someone carry them to church. Most of the churches do have a meal after the Sunday service. Then there are some places in the city that have a communal dining room where anyone can come. As far as I know, I know of only two, and I think they are St. Martin's and—

Senator MELCHER. Now this is charity, right?

Miss MORRIS. I don't know. Some of them, I think, ask for a donation, but if you cannot make a donation, it is all right. A lot of people do that. If they have a room and have no place to do any cooking, they will go there for maybe breakfast and lunch. We have a lot of that.

Senator MELCHER. I am wondering what suggestions you can make. Frances, you said it would help to simplify the application.

Miss MORRIS. Yes.

Senator MELCHER. And also to correlate it with the information that is already available.

Miss MORRIS. Yes. And here is another thing. When they go to the redemption center—isn't there some way a redemption center could be located where these people live, in a section they do their buying, their groceries, and whatnot?

Let's see what else. Transportation is another thing, but I don't know how they are going to work that. Most of the citizens are working on the transportation system, but I don't know how soon that will be.

SENIOR CITIZEN CENTER DINING

Senator MELCHER. What about food stamp usage in senior citizen centers? Do you have any in your neighborhood?

Miss MORRIS. No.

Mr. RIDEOUT. The Waxter Center.

Miss MORRIS. Do they take the stamps?

Senator MELCHER. Is that a senior citizen center?

Miss MORRIS. They told me the contrary.

Senator MELCHER. Are food stamps involved there?

Mr. RIDEOUT. No. An eating together program.

Miss MORRIS. Eating together. That is from 25 cents on up or, if you do not have a donation, you still get the meal. It is supposed to be one of the best. Some of them are up there at 9 in the morning. Those people really enjoy themselves.

Senator MELCHER. Senator Church.

Senator CHURCH. I have seen such a wonderful transformation in the lives of so many older people when they become a part of a senior citizen community center of some kind and begin to engage in the activities. That seems to me to be one of the most heartwarming changes that has occurred in the last few years.

Miss MORRIS. It helps.

Senator MELCHER. Yes.

Senator CHURCH. In the last 10 years I have seen that happen to so many older people.

Mr. RIDEOUT. You cannot train the young people to play chess.

Senator CHURCH. I know it.

I wonder if you members of the panel have had an opportunity to review the provisions of the bill that Senator Melcher and I have in-

roduced relating to food stamps. Have you had a chance to look at that at all?

Mr. RIDEOUT. The one you wrote?

Senator CHURCH. Yes. What do you think of the bill? Do you think it would be helpful if we do get these changes written into the food stamp program?

Mr. RIDEOUT. I think so.

Miss MORRIS. Yes.

Mr. SCOTT. Yes.

Senator CHURCH. Is there anything you would add to it?

Mr. RIDEOUT. One thing I was wondering about when Senator McGovern talked about doing away with the purchase requirement, I was not quite sure what he meant by that. Do you get them all free, or what?

Senator CHURCH. No.

Mr. RIDEOUT. I would be all for that. [Laughter.]

Senator CHURCH. Well, in essence you do, but it is limited. Suppose, for example, you received the \$30, just as a hypothetical case.

Senator MELCHER. Well, Mr. Scott and Mr. Rideout both receive \$12 worth of bonus stamps, \$38 in cash and \$12 in stamps.

Senator CHURCH. Then we can use the actual figures instead of hypothetical ones.

You pay out \$38 for your stamps and you get \$12 additional purchasing power, so you get \$50 worth of purchasing power for \$38 in cash. Now there are some older people whose incomes are so limited that when they pay for certain essential things—medicines, rent, heat—they sometimes lack the cash to buy stamps. This provision would enable those people to get the \$12 benefit, you see, without having to lay out the \$38 cash. They would not get \$50 worth, but at least they would get the benefit in the event that they lacked the money to pay for the stamps.

Mr. RIDEOUT. If your income is enough to allow you to pay out the \$38, but there is a poorer group.

Senator CHURCH. That is right, and this is meant to reach the very poor who might be deprived of the benefit of the stamps because they lack any money to pay for it.

Mr. RIDEOUT. Before you came in, I spoke to Senator Melcher about an idea that I thought was OK. It was to take the people who make up to \$100 net—just net income—and let them have everything free. A single person—let him have his \$50 worth. Then when you get to those whose income is \$200 and up, cut them off.

Senator MELCHER. Well, this provision in the bill would move in the direction of giving some relief to the very poor.

Mr. RIDEOUT. They are the ones that need it.

Senator MELCHER. Senator Chiles.

Senator CHILES. No questions.

Senator MELCHER. Well, the testimony from all three of you has been extremely helpful. The fact that Frances has not yet qualified and is surviving vigorously on \$25 or \$35 worth of groceries is really fitting into the kind of testimony we need, along with what you, Mr. Scott and Mr. Rideout, are giving us about people who are now on food stamps. There are failures in the program, we admit to that, and we particularly admit that the failures are more grievous with the

elderly. So to get your firsthand reaction on these points is extremely valuable to us.

I will promise you, Frances, that if we have a lick of sense here, we are going to cut out a lot of redtape and we are going to use the type of information that is provided to one Federal agency from another Federal agency. There is no reason to be duplicating this same information with social security, with SSI, and with the food stamp program.

Miss MORRIS. Social security worked like that during the forties. If you worked in processing or numerical, you got all that. All you had to do was go to that particular aid department and you would get the information.

Senator MELCHER. You didn't have the repetition.

Miss MORRIS. No.

Senator MELCHER. Very well. Thank you all very much. We very much appreciate it and it has been most helpful.

Senator CHURCH. You have to give the agency people the credit for vivid imagination—how the idea of a snowmobile would ever occur to them and how they would get that printed on this form.

Miss MORRIS. Lately they just become fashionable. [Laughter.] When I read that thing—

Senator MELCHER. Keeping up with the trend, is that it?

Miss MORRIS. Yes.

Senator MELCHER. Thank you all very much.

Miss MORRIS. Thank you.

Senator MELCHER. Our next witness is Jeff Kirsch, food stamp program coordinator, Food Research and Action Center.

Jeff, welcome to the committee.

STATEMENT OF JEFF KIRSCH, FOOD STAMP PROGRAM COORDINATOR, FOOD RESEARCH AND ACTION CENTER, WASHINGTON, D.C.

Mr. KIRSCH. My name is Jeff Kirsch. I am with the Food Research and Action Center—or FRAC, as we call it—which is a public interest law firm and advocacy group. We have been working for 6 or 7 years now trying to improve the Federal food programs on behalf of all of its intended beneficiaries.

Last year I appeared before this committee with a panel of elderly recipients from around the country and at that point we were looking for ways to block cutbacks and trying to stop the program from becoming less receptive and responsive to the needs of elderly people. It is a pleasure to be here today looking for ways to positively reform the program, trying to make access to the program easier for elderly recipients. For the steps you take to aid the elderly—if applied to all recipients—will be positive reform for the disabled, the working poor, the short-term poor, and the chronic poor. Because the food stamp program helps all these groups, it must be strengthened if it is to serve its purpose as the mainstay of our Nation's anti-hunger effort. Thus, I think your investigation is timely and important.

The first thing I would like to say is that for about 2 years now we have been in a constant position of defending the food stamp program. I must say it seems somewhat ridiculous to be defending a program that has worked. We have been spending much time and energy

trying to answer charges that have not been true. We have been spending time defending a program that has been working to fill the needs of poor and near poor people in this country; a program that has expanded to fill increased need and that has decreased in both cost and participation since that need—manifested by unemployment—has rescinded to some degree.

PROGRAM UNSATISFACTORY

I think in looking at the program I have always seen myself as the critic, and not as its defender. The fact is that the program does not work very well. The program does not work to fill the needs of most participants in general, and certainly the elderly specifically. I think that what the bill you have cosponsored with Senator Church does is to try to answer the main problem in the program, which is access on behalf of the elderly. I might add that your bill would help all recipients in terms of making the program more accessible.

Let's look at the food stamp program and try to figure out what are the major reasons people are not participating. About 3 years ago we thought that the main reason was that people didn't know about it, that perhaps even if people had heard about the program they had not made the connection between what they had heard and the fact that they may, in fact, be eligible for assistance. We thought that outreach was the answer; but as we began doing outreach around the country, we found other problems.

We found one of the big reasons people do not participate was because the benefits in the program were very small. The average benefit to people in the program now is about 27 cents per person per meal. Many people find that the hassle of participating, the effort it takes to get into the program and to actively participate in the program, is not worth that small benefit.

We also found through our outreach efforts that the stigma of using food stamps—or funny money, as it is often called—was not worth the hassle. The stamps are very identifying. It is not like SSI or public assistance; everyone knew you were on food stamps. It was not cash. We found that the stigma of the funny money, and having to use that funny money for all the food purchases, got in the way of many people's participation.

PURCHASE REQUIREMENT GREATEST DETERRENT

Finally, we found through outreach reports submitted by States throughout the country that the largest impediment was the purchase price. In that regard, S. 1272 addresses that problem by eliminating the purchase requirement and recognizing the fact that it is not good social policy to intend to serve people who are eligible under congressionally approved standards and then hope that half the people don't show up to apply. That is what we do now. Certainly, not all the people eligible to participate will enter the program if there's no purchase price. Many people will choose not to come in whether or not you give it to them free. Many people don't want the assistance.

Nevertheless, we know for a fact that there are many people kept out of the program because of the purchase requirement. Of course,

one reason is that they don't have the money to lay out. There is also another reason which is harder to understand. Many poor people live on a very, very tight budget and are simply afraid to tie up large amounts of money for expenses that could come up at the end of the month. At the end of the month there might be a pair of shoes that has to be bought, or something might go wrong, and if all you have is food stamps, you are either forced to try to illegally trade them in and get some 50 cents on the dollar, or you have to put off that purchase and not buy it.

I think what we do is force elderly people and very poor people to make very hard choices about how to spend their money. I think even if somebody could afford the purchase price in the current program, many people are unwilling to tie up that large amount of money in many cases. Many elderly, for example, must pay \$40 in order to get back \$50 worth of coupons. They don't want to tie up that money when they don't know what will happen at the end of the month. Of course there is also a psychological barrier. I think when we remove the purchase requirement and make the program more accessible to people they will be more interested. Many people have not made the effort to apply and to see what the facts are. So many people who would very probably have a very low purchase price, or no purchase price, and who were afraid to go to the office because they heard they have to lay out a substantial portion of their welfare check or their SSI check in order to buy the stamps, might now participate.

Of course, the purchase requirement also streamlines the program. This is very important to the elderly because one of the problems the elderly have in rural areas and in many cities is the inability to get to the location where they must exchange the cash for the coupons. The whole issuance procedure under elimination of the purchase requirement—or EPR, as we are calling it—becomes much simpler.

In rural areas it is possible, if the State chooses, to simply mail the stamps to the post office and recipients could go to the post office and pick up that amount of stamps. Or in other areas, again where the State finds it advisable, they could mail the stamps directly to the recipients where, in many rural areas, they have post office boxes anyway. It would make sense. Such an issuance procedure is much more streamlined and involves much less cost, much less personnel, and absolutely no cash. So there is less possibility for abuse at any level of the food stamp operation.

I think you have heard from a lot of different people, including the elderly that were here yesterday and the administration, about the advantages of EPR, so I won't deal with that any longer.

STANDARD DEDUCTION FAVORED

I would like to briefly talk about the standard deduction. The elderly generally fare fairly well under the standard deduction. Many other recipients around the country have questions about the standard deduction, especially the way it is in the administration food stamp bill, because there is a lot of damage to certain areas of the country where there are high costs. But the elderly groups and elderly recipients I have talked to around the country generally favor a standard deduction, not only because of what it does to the budget of that household,

but also the way it helps to get them certified. They don't have to bring in lots of receipts and they don't have to try to make a number of return trips because they didn't know they had to bring the receipts the first time they came.

There are a couple of things about the deduction that I think are very important. First of all, I believe that there needs to be some kind of shelter deduction—an excess shelter deduction—to allow for those households with exceptional costs, either due to living in a very dense, urbanized area where shelter costs are higher, or living in cold areas where the utility costs are rising more rapidly than we would like to recognize. I think that is a very good procedure and I think it helps many of the poorest elderly significantly. It certainly helps the smaller households and we know that many of the poorest elderly live in one- or two-person households.

There is also another provision in the Dole-McGovern food stamp bill which has been called the child care provision, but it is not a child care provision alone. The language in the bill calls it a deduction for dependent care in order to allow someone to work or go to school. I think you will find that in many households not headed by an elderly person there are, in fact, elderly persons who must be cared for. Many of those households are poor households and they must pay for someone to come in to take care of that elderly person during the day so that the household head may go to work.

The Dole-McGovern provision would help such a household. By calling it a child care deduction we are missing one of the major reasons for doing this, which would be dependent care.

VARYING STANDARD DEDUCTION SUGGESTED

There has been some suggestion in many quarters to use different standard deductions for different household sizes. Last year, when the House Agriculture Committee approved a food stamp bill, they had different standard deductions for different household sizes. I think that is basically a bad idea because of the way the current program is structured.

The rationale for differentiating the deductions is that one-person households and two-person households have significantly lower deductions than households of four, five, or six—and basically that is true. However, at the same time households of one or two pay a much lower percentage of their income in the current program for food stamps than do larger households. Therefore, if one of the precepts of food stamp reform is to try to not disproportionately hurt any group of individuals, I think you have to set standard deductions the same size for all households so that the elderly and other people in one- or two-person households are not disproportionately harmed. People don't realize that the elderly, and other persons in one- and two-person households, pay significantly less for their food stamps, in terms of a percentage, than do larger households.

Finally, if these other suggestions I have made—such as the shelter deduction, the dependent care standard, and the fact that deductions should not be geared to household size—are adopted, and if the deductions are of adequate size. I don't think there is any reason to have an extra deduction for the elderly. I think that notion is basically a trib-

ute to the political clout of the elderly and their propensity to vote. I think the cost of that provision, which should be very close to \$200 million in excess of current service, would be a disservice to the other people in the program who have not yet reached the age of 60 or 65.

I think it would be giving an additional benefit to elderly people, who can certainly use the assistance, but it would come to elderly people at the expense of hurting other people on the program. Given certain cost constraints the Congress is acting under, I think it would be unwise social policy to be giving \$200 million to the elderly who don't need the program in order to be held harmless under food stamp reform. I think it just does not make sense. If you have an unlimited amount of money, I think that is wonderful—everybody will get an increase.

But there are cost constraints. President Carter has indicated that he will not approve a food stamp bill that substantially increases costs, and I expect Congress to live up to that warning.

Senator MELCHER. Ho, ho, ho. We will talk to Mr. Carter.

Mr. KIRSCH. Well, I would hope so. I don't want to put myself in a position to defend the President's budget. In fact, I would like to think that since the administration has chosen to bring new people into the program—2.5 to 3 million people—by eliminating the purchasing requirement, that in order to bring those new people in there should be new money to pay for those new people. Mr. Carter has seen fit to lower benefits for some recipients in order to pay for those new people.

Senator MELCHER. Yes. I don't want to interrupt you but I think this point about whether or not the budgetary restraints will keep food stamps from the people who need it is a despicable use of budgetary authority.

ABUNDANCE OF FOOD

I wonder how we arrive at this point where we say that you can't have enough to eat because we have got a deficit. We have the food, mind you, lots of food in America. We have got a billion bushels of wheat alone sitting around that nobody chooses to buy at this time and, before 1977 is out, we may well have a billion and a half bushels of wheat sitting in this country that nobody wants to buy. We have the food here. How can we arrive at a situation where a compassionate President and a compassionate administration can say, "Well, we have to hold the line on food stamps"?

Now I want to compliment your group, FRAC, for pointing out, as you did in the case against Secretary Butz, that outreach was not successful on food stamps and that outreach, as authorized and directed by Congress, must be utilized. I want to compliment you particularly on that.

Mr. KIRSCH. Thank you.

Senator MELCHER. I think of all the food we have in the United States and I think about how strong our biblical teachings are, about food for people who need food, food for the hungry. In Genesis the Garden of Eden was depicted as somewhere where you really had no cares and all the food in the world. Moses was rewarded by God and the Israelites were rewarded by God with manna from heaven—food.

Surely Moses as the head of the Israelites was not trying to direct which group could have how much or saying, "You can't all share it alike."

Sometimes I wonder if it is true that our Government has not utilized outreach as it should and was not attempting to determine whether or not we were actually deliberately trying to keep people from having the use of the program to hold down the cost. If that were the case, then I think it was despicable and I think any budgetary restraints that are thrown in now just to hold down the cost are despicable also. I don't care whether it is Republican or Democrat, Butz or a new Secretary.

The basic question of the food stamp program is who is hungry; find out who needs better nutrition and make it available to them. But people are inhibited by redtape. It is almost humorous to find snowmobiles listed on the form.

Mr. KIRSCH. I support any amendment to keep off the program anybody with airplanes or yachts.

Senator MELCHER. Yes, yachts.

I think the bill we have introduced, S. 1272, does not contain a provision on the standard deduction. But I think the standard deduction is a wise step, a very wise step. Now the administration strongly advocates that and it advocates it on the basis of simplicity and on the basis of overcoming some of the hurdles that keep people from applying for food stamps.

I think your group has rendered a very good service in finding out all the hassle that is involved. Sometimes people won't take the patience to find out. They think it is too much to overcome to get a few dollars worth of food stamps every month so they don't do it. Well, the standard deduction will do away with a lot of that hassle. I take it you are advocating something a little bit higher for the standard deduction than \$80.

Mr. KIRSCH. I am concerned. I would like to make sure that the standard deduction reasonably takes into account current benefits in the program. The problem with the administration's bill is twofold. One, I think the standard deduction is too low; but more than that, a straight standard deduction for all households disproportionately hurts areas of the country that are very cold and also disproportionately hurts households in those areas.

Senator MELCHER. You would want to incorporate something with a standard deduction—something for the elderly which includes heating costs and utility costs.

SHelter-Cost Deduction Proposed

Mr. KIRSCH. Yes. I think it is essential, because we have seen the figures and the figures are that under the administration's bill, without any kind of shelter notion at all, that 57 percent of the households in the Northeast alone are hurt. We have seen that if you look at New England alone—15 percent of the households in New England are cut out of the program. Now I think a lot of that damage is ameliorated by a shelter standard of some type—an excess shelter deduction.

Senator MELCHER. Well, I don't quarrel with you at all. In fact, I think it is necessary. When the administration made their original proposal right here at this committee table, Senator Leahy from Vermont said, "You are going to hurt our people in the Northeast." Of course I come from a part of the country where there are cold winters, too, but yesterday's testimony brought out a very significant fact. A shelter deduction, if it just relates to the cost for heat because you live in a climate where you have to have the heat, would not really be equitable for people. In Atlanta it is not very cold—very mild temperature—and yet the shelter costs are quite high, much higher than they are in a lot of other metropolitan areas.

Mr. KIRSCH. I would be opposed to regionalizing. I would be opposed to saying every State east of Ohio would get \$90 and every State south of Maryland would get \$60. I think that would be inequitable and in many cases perhaps unconstitutional.

The way to do it is to allow for an individual notion per household of what that household needs as a percentage of its income. For example, on the House side the bill introduced by the chairman of the House Agriculture Subcommittee, Mr. Richmond from New York, allows a \$75 standard deduction for all households. In addition to that he allows for a special deduction for the amount that shelter costs exceed 50 percent of net income. So if you are paying more than half your net income for shelter, you get an extra deduction up to \$75 a month.

Senator MELCHER. Now getting back to these long-winded forms—

Mr. KIRSCH. I have talked to many recipients around the country and they say that a standard deduction is so good that we should not itemize, but the damage of a straight standard is so severe that most recipients tell me—every recipient that I have talked to tells me, and I think it is a wise idea—that the extra hassle to identify and to bring in your rent receipts and utility receipts which everybody has, is worth ameliorating the damage of the straight standard deduction.

Senator MELCHER. In other words, we could perhaps eliminate three-fourths of this form, but we are still going to be stuck with the one-fourth for the shelter deduction.

Mr. KIRSCH. We found that the shelter is the most easily identifiable and the most easily quantifiable. Also, the main point of that deduction is that for the months of the winter when people's budgets go haywire because of utility bills, that an excess shelter deduction would trigger off some protection for the household when the utility bills exceeded half of their income.

In Atlanta they certainly pay more than in Dublin, Ga., or Decatur, Ga. That household would be protected because if they had to pay more than 50 percent of their income for shelter they would have a protection up to \$75 a month. So I think the Richmond proposal on the House side would be worth looking at in terms of filling the needs of your constituents and the constituents of your colleagues.

Senator MELCHER. I am a little bit disappointed in it, but perhaps your logic is meritorious, I am not sure. You have already said that in looking at the whole spectrum of food stamp participation and the social conscience, you conclude that we should not give an added deduction for the elderly.

Mr. KIRSCH. At this point in time.

Senator MELCHER. At this point in time.

SPECIAL RECOGNITION OF ELDERLY

Somewhere along the line though there ought to be a little bit of recognition of the aged in this. We are focusing now on whether or not the elderly are getting the attention of the public and, therefore, Congress also, because they are getting organized, and I think it is wise that they do. I think they should organize and I compliment them for doing so.

Don't you believe that in this deduction there should be something for the elderly? For instance, shelter, the question of heat; if all of us can wear sweaters and jackets and keep our thermostats at 65 in our homes, there still is a greater stress on the elderly at that temperature. There are questions about the elderly—shelter or otherwise. Some of them are not able to climb up three flights of steps in the inner city. Don't you really believe that they deserve a little bit of a break—perhaps it could be on the added shelter allowance for the elderly?

Mr. KIRSCH. Well, I have two reactions. I think in terms of an added shelter deduction, it might be appropriate on an individual basis. I think to make the blanket judgment that there has to be a special shelter deduction for the elderly, I am not sure the facts will show that; but the shelter deduction I am urging does help the elderly significantly, and the poorest people especially. The reason is that the poorer you are, the larger percentage of your income you pay for shelter, and it helps them.

Senator MELCHER. That is a very good point.

Mr. KIRSCH. I know Senator Dole is here and I know his schedule is a lot tighter than mine.

On this point the one question is: How much of this problem, in terms of the needs of the elderly, should be fulfilled through the food stamp program and how much of it should be done through a new housing program for the elderly? The food stamp program does not even serve the nutritional needs of the elderly, and I think it is a mistake to look to it and to try to ask it to serve any more of the need than the best nutritional assistance it can provide.

Senator MELCHER. I think, very briefly, the answer to that is, we have food stamp amendments before us now and we know if we help people with food, and particularly the elderly, we are going to help them with their medical bills, and others. There is a point there in addition to just helping them with their bills. Adequate nutrition makes them more healthy. Frances amazed me when she said she keeps that vigorous good health with only a tight budget of \$25 to \$35 a month, but she is a very wise and smart shopper.

Mr. KIRSCH. She must be.

Senator MELCHER. If we have adequate nutrition through the Food Stamp Act and if we relieve some of that burden on the elderly, we not only help them with better health but we help them use what funds they do have to pay their utility costs. So it is a question of the poor. Jesus said, "We have the poor with us always." Well, we are not going to have these elderly with us always if we don't help them now.

They will be gone. We do have a chance to help them in their last few years of life by acting now, and I think that is the answer to your question. This is that help.

Mr. KIRSCH. It is discouraging.

Senator MELCHER. This is at hand and a new program is down the road somewhere maybe 3, 4, or 5, years away. Frankly, I welcome anything that will implement this program now. It will probably take 7, 8, or 10 years to be meaningful. The elderly are a special case. They are in their last years and we can help them now and we should help them now.

Senator Dole is here.

Mr. KIRSCH. I will gladly step aside for Senator Dole.

Senator MELCHER. You stay right where you are, we are not through with you.

Senator DOLE. I may need you anyway, so don't leave.

Senator MELCHER. Bob, welcome to the committee. We are extremely pleased that you are going to testify here for the special committee.

STATEMENT OF HON. BOB DOLE, A U.S. SENATOR FROM THE STATE OF KANSAS

Senator DOLE. Thank you, Mr. Chairman.

I will take only a few minutes, but I would like to stress first of all the interest I have in this matter, and to commend you for your interest in the food stamp legislation. Because we both serve on the Agriculture Committee, we heard Senator Talmadge suggest this morning that we would like to finish work on the agriculture bill which includes the food stamp provision by mid-May. I think it is encouraging. He also stressed the need for compromise which may or may not be encouraging, depending on who compromises what.

There is a great deal of interest in the program and certainly as it affects the elderly, since they make up a sizable portion of our population. I am certain that your committee has this information as we have it. Right now there are about 23 million elderly people. It increases steadily. About 3.3 million of the elderly group live below the poverty line and about 1 million of them are participants in the food stamp program.

We believe that in addition to various features of the food stamp legislation, one thing which will help the elderly is to eliminate the purchase requirement. We think that in itself will be a giant step forward as far as recognition of their problem and in trying to bring people into the program who should be participating.

I think most of us are becoming more and more familiar with the problems that come with age. The longer we are here, the more we are aware of the problem. I mean, familiarity itself does not really solve the hardships and the need is still there, regardless of how well we think we may understand the problems as we sit as legislators on either your committee or the committee considering food stamp legislation.

I think we have an obligation to be of assistance and to be understanding, and then to carry out some positive action. I don't think that most senior citizens want, and many do not need, assistance. But for those who do, I think we have a commitment—not a partisan commitment or not even a bipartisan commitment—just a commitment—

to help them. It has been said that the way society treats its elderly reveals a great deal about its value system, and I think that is true.

I want to comment just briefly insofar as my State of Kansas is concerned. According to comparisons done by the Administration on Aging, Kansas is tied for fourth place in terms of density of elderly population. Census figures from 1976 show that 289,000 Kansans are 65 or older. They make up 12.5 percent of our population, and I have a responsibility to these constituents.

I am pleased that the Dole-McGovern food stamp bill will benefit the elderly through our standard deduction of \$100. As you are aware, the administration proposals make that standard deduction \$80. Statistics from the Department of Agriculture show that 6 percent of the total participants in the present food stamp program are elderly. The average deduction claimed by an elderly person is \$46 monthly, which is \$30 below the national average monthly deduction, so I think a standard deduction of \$100 will provide greater food benefits to this population. I say that as compared to the \$80 standard deduction recommended by the administration.

ELIMINATE PURCHASE REQUIREMENT

Another boost to the elderly results because of the elimination of the purchase requirement. We find that many people who are eligible to participate in this age bracket will live on fixed incomes. I think that even though there are some on this committee who disagree, there are many people who just can't come up with that front-end money to purchase food stamps.

I suggest that some of us who are viewed as conservatives are subject to some ridicule because of our position in eliminating the purchase requirement, but I think it is a view very compatible with a conservative philosophy. We are simply trying to help those people below the poverty line who can't help themselves. It seems to me that it is a step in the right direction and I certainly agree with the administration in this regard.

I agree with President Carter's action recommending to Congress that the purchase requirement be eliminated. I think the thrust of any program must be, by whatever name, to provide proper nutritional assistance. So I would only say finally that whatever we agree upon, it must be designed to help people in need, and certainly it must be designed to help those senior citizens who are in need and allow them to participate in the program in a dignified manner. I think that in itself is almost as important as any other feature. One way we can do this, of course, is to make certain that they are going to be eligible by eliminating the purchase requirement.

I also agree with the efforts made to simplify the certification process for older citizens and reduce, where we can, the redtape we have to wade through. I am not certain what Senator McGovern may have said earlier today, but I am certain that it was somewhat along these lines. I commend you, Senator Melcher, for taking the time to emphasize, underscore, and demonstrate the real need in this area. Now you are aware of the present law and the special allowance made. We believe that the standard deduction, as I tried to point out, of \$100 will provide some relief for those in the senior citizen category.

Senator MELCHER. I note that in your testimony, and I think you are absolutely correct, that since the average reduction claimed by an elderly person is \$46 a month, that a \$100 deduction would certainly benefit the elderly.

Senator Church and I and others introduced S. 1272, where we attempted to eliminate some of the redtape. We agreed with Senator McGovern that, for the elderly at least, the EPR would be eliminated. We also have a second agreement with Senator McGovern, which allows the social security and SSI recipients to apply for food stamps at their local Social Security office. That goes a long ways toward cutting down some of the redtape.

THE STANDARD DEDUCTION AND SHELTER

Now we did not put into our bill, however, the \$100 standard deduction, nor any standard deduction, but I personally feel very much attracted to the idea of the standard deduction. On a standard deduction, how do you get into this question of shelter? The cost varies from place to place. Particularly paying the utility bills during the winter has been very aggravating for anybody in the cold winter area, which was extensive last year and even this year. Generally, it was quite a mild winter here, but last year it was kind of rugged for a couple of months.

How do you handle that in the standard deduction? Have you got anything additional? I think when we asked Senator McGovern about it he said, they had an allowance for unusual circumstances of \$50. Now do you view that as applicable to the shelter cost?

Senator DOLE. As I recall that provision, I reviewed it more as some extraordinary cost such as emergency fuel cost, which we had last winter in many areas, and probably would not apply to shelter. That is how I view it. Now Senator McGovern may view it somewhat differently.

Senator MELCHER. We are using this term "shelter" to include heat, but you would view it as an extraordinary cold winter situation such as we had in some areas last year.

Senator DOLE. Uncontrolled increase in the cost of some otherwise normal expenditure would be how I would apply the \$50. In fact, it is there just for that purpose. I think it was sort of stimulated by the extraordinary fuel costs which went along at \$40 a month and then jumped to \$90 a month without any warning. That same person would still have that same income, but it would very rapidly decrease in terms of purchasing power.

I just want to say one word about the standard deduction. It does simplify the administration, particularly in the case of the elderly where their itemized costs are generally very low. In any event, it does give them an advantage.

Now I am not certain we are going to end up with \$100. The administration suggests \$80. I understand they said that if new legislation goes above the current cost of the program, it might be vetoed. I don't know that to be the case, but Secretary Bergland indicated that we had to hold down the cost. Even at \$80 it would be beneficial to the elderly. I am not sure how others might view it.

Senator MELCHER. Your bill has a point that, I admit, until it was mentioned—

Senator DOLE. Probably has something we have missed, too.

THE STANDARD DEDUCTION AND SHELTER

Senator MELCHER. Well, it was mentioned today by Senator McGovern and it was mentioned by Jeff in his testimony, and that is on dependent care.

Senator DOLE. We think that is a work incentive. In other words, we allow that deduction to working parents, and it costs only, as I understand it, about \$30 million. So it is not a great cost involved. If it were an expensive item, it might be different, but I don't see much resistance to that. I don't know how many might be eligible

Senator MELCHER. Well, I don't think there ought to be any resistance. I think it is an oversight and it is a significant point, one that equity is all on our side. I hope we don't lose track of that in whatever final amendments there are after this committee and the Agriculture Committee of the Senate has worked on it and it goes through the Senate, and the whole procedure right through the conference. I hope we don't lose track of that because I think it is a very significant and equitable provision.

Senator DOLE. I am just advised that it represents about 3 percent of the caseload and that is why the cost is nominal. When you consider the total cost of the food stamp program at \$30 million, while it is a great deal of money, it would not be a determining factor.

Senator MELCHER. But as you say, it is constructive because it encourages work, the opportunity for work, and rewards work.

Senator DOLE. I think the big battle will come in the Senate Agriculture Committee on the purchase requirement, because there is a strong difference of opinion whether we should have any handout from the Government unless you make some kind of a payment. I can cite examples in the farm program itself where we pay out millions of dollars without any farmer making a payment. Last year it cost in the neighborhood of \$600 million, and no payments were made for the benefits.

Senator MELCHER. Well, I know of the philosophical split within the Senate Agriculture Committee on that particular point. But it would seem to me that, particularly for the elderly, there is absolutely no reason why we cannot agree, within the Senate at least, for the elderly requirement for laying down the cash that can be—

Senator DOLE. That is the point that I think I am certain you will make at the appropriate time. I mean if it is obvious we are not going to eliminate the purchase requirement, what is the fall back position? This might be one certainly worth consideration. If we are going to have any elimination at all, you might look at the elderly and the handicapped. These are a couple of groups that are very vulnerable which deserve special attention.

Senator MELCHER. Well, Senator Dole, I want to thank you very much for your testimony. I want to thank you very much for your long association with Senator McGovern spearheading the effort in the Senate to have a more equitable food stamp program.

Senator DOLE. I might say we have been referred to as the "odd couple," but we do have an interest in the food stamp program.

Senator MELCHER. Thank you very much, Bob.

Senator DOLE. Thank you.

Senator MELCHER. Now, Jeff, we will return to you.

Mr. KIRSCH. It is always a pleasure to follow Senator Dole when he talks about food stamps.

Senator MELCHER. Jeff, we have already talked in our colloquy with Senator Dole about this dependent care and I am impressed that you made a point of that because with some people I think it has been overlooked. I think a deduction for dependent care is absolutely equitable; it is very constructive and very helpful—perhaps because it affects only 3 percent. Is that the reason it has been overlooked?

Mr. KIRSCH. For most of the people it does affect, it is for child care. But I think the important thing to note about that—whether it is child care or dependent care for the elderly—for the very few households it affects, it is crucial.

Senator MELCHER. Yes, it is.

Mr. KIRSCH. It would be a terrible thing to penalize someone for working, and that would be the case if we did not recognize dependent care.

Senator MELCHER. What about this scenario: We have talked about dependent care primarily and principally for children, but what about a deduction for caring for an elderly person in the home—a daughter does it for her mother who is elderly and needs and requires care. What about a deduction for that? When you consider equity, that should be recognized. The care required by the elderly person in the household removes some opportunity for work also, or cuts down on the work that that person is able to do, since she must care for the elderly person.

Mr. KIRSCH. I think the intent of the Dole-McGovern bill, as I understand it, is to allow a deduction for the cost of that care if you have to pay someone else to come in and do that. I don't know the best way to handle the problem. Indeed, if there should be any problem because you have to have a member of the household stay home, I don't know how the food stamp program can account for that. Certainly the case where you have to make an additional expense to care for that person has to be accounted for. It is just so essential.

Miss KILMER. But the way the Dole-McGovern bill is written now will not cover that instance?

Mr. KIRSCH. I am not sure. That is, it is not called a child care provision. I think that might be one of the errors that might be taken care of in the regulations.

Miss KILMER. So even if the custodian of the dependent is not working, it might be covered.

Senator MELCHER. You would recommend that?

Mr. KIRSCH. I think that might be a good idea. I think the person who is doing the caring—if the person is being paid by the household in order to free a household member to work, it would be covered. I would be glad to work with your staff.

Senator MELCHER. It would be helpful. It is a point. It is a part of the picture of dependent care and it is not—we don't think that the Dole-McGovern language really gets at that point.

Mr. KIRSCH. I also think it is good social policy indeed to help elderly people stay with their family instead of having to go to a nursing home or a hospital.

Senator MELCHER. I think you are absolutely right on that.

USE OF POSTAL SERVICE

Now you testified you would recommend using the postal facilities for distribution of food stamps, yet the Department told us—very sincerely told us—that the objections raised by the Justice Department and others on what would happen if food stamps were sent through the mail—people would be rifling post office boxes and going through the mail to try to find the stamps and stealing them, because they are quite negotiable. Now I think we should have the ingenuity to overcome that, but what are your recommendations?

Mr. KIRSCH. I think that might be an objection if the intent of the legislation were to require that food stamps be mailed to post offices or to be mailed to recipients. But I think it might be appropriate to at least offer the State the option of being able to do that because, in many cases, the State would find that in certain rural areas it would work well. Right now in many areas the stamps are issued through the mail. It is not a problem in many areas and I think what the Justice Department might be addressing is any provision to make it mandatory that the stamps be mailed. I think the other option would be to have the stamps delivered to post offices and the elderly could go to the post office and simply pick up their stamps.

Senator MELCHER. Like registered mail?

Mr. KIRSCH. Yes. I am sure the Postal Service could come up with some way to guarantee that. There are negotiable instruments mailed now and I think with certain protections it is cheaper than having to pay personnel to be at an office to make the exchange. I think in terms of costs, you would find it cost-efficient and I think you can find ways to make it work.

Senator MELCHER. Under the existing law, the State pays 50 percent and the Federal Government pays 50 percent for administering the program.

Mr. KIRSCH. Yes.

Senator MELCHER. So there is no reason why this should not be examined to see whether the cost to the State and the Federal Government, which is to be shared 50-50 in this particular item, would not cost just the same, less, or slightly more than the existing method for food stamps. I have long thought that we did not address the problems of food stamps adequately in rural areas because we were not using post offices significantly.

I think one of the witnesses here yesterday, Dr. Loving, mentioned that some small community in Georgia was 23 miles away from the county seat, so those people living in that small community had to go to the county seat to get them. I had to give him my own example in Rosebud County, Mont., where Ashland and Lanier are 60 miles away. The elderly don't get to the county seat and may never get there in the entire remaining years of their life; it is just too far.

So if we can use post offices for distribution, if we can use them as a focal point even for receiving the application forms, we would truly reach into the rural areas.

Now, I did not know until the testimony that we received yesterday that outreach programs are easier to operate in the city. The word of mouth apparently gets around better in the cities and the contact between individuals who are using food stamps and those others that are not, if they would apply—it seems to be better accomplished by the city. It is in the rural areas where Outreach seems to have fallen down and has failed miserably. As a correction to this, I think we could use the post office. I am interested in your remarks.

USE OF SOCIAL SECURITY OFFICES

Mr. KIRSCH. Well, the bill that you and the chairman have introduced starts to address that problem. You provide for certification of SSI recipients and other beneficiaries in the social security offices themselves, and I think that is a very good step. But social security offices also have the same problem that you are talking about in many areas; many are in the county seat. It is not a panacea.

Senator MELCHER. It is not a panacea; in fact, there are lots of county seat towns that don't have a social security office, so that phase of it does not help us in the rural areas.

Mr. KIRSCH. The biggest problem I see is that the States have simply not made an effort to make sure the program is accessible. The States have not made an effort nor have they made a financial commitment to hire the staff necessary to staff the offices necessary to do the job. I think one of the things that needs to be done, especially for the elderly, is to have a concept of a circuit-riding certification worker. A certification worker would not be tied down to the office but, combined with Outreach, could go to senior citizens, could go to churches, could go to clubs in certain rural communities, and there could be a schedule.

Senator MELCHER. Do you find this improving since the suit that you were involved with—that Frank was involved with—against Earl Butz? Do you find it has improved?

Mr. KIRSCH. It has only improved because, after we filed the suit against the Department of Agriculture, we filed 28 individual suits against 28 States. It was like pulling teeth. One of the problems was that Secretary Butz did not publish strict regulations, or any reasonable regulations at all. The States were as well at fault for not having made the effort to inform people and to make the program accessible. Since those suits were filed and with community organizations in every State—your State as well—there have been efforts on the part of the State to make the program more successful. The situation is improving and there have been creative means found to serve the needs of the elderly.

Senator MELCHER. It seems odd to me where the States were involved. They have to pay only 50 percent—not of the stamps at all, but 50 percent of the administrative costs, which is a tiny fraction of the program itself. The program is so helpful in so many ways to other State responsibilities—the welfare program, for instance—if it were not for food stamps, the welfare costs for the Federal Government and the States themselves would have to be increased.

Mr. KIRSCH. Of course the economy has been helped tremendously by the input of those Federal dollars. Federal dollars have a multiplier effect in terms of creating jobs.

Senator MELCHER. Of course they do.

INCREASE REQUIREMENTS, DECREASE PARTICIPATION

Now I want to ask what I think is really a key question. That is, if we eliminate the purchase requirement, you have said that you think that strikes out some of the redtape and some of the obstacles for people applying for and using food stamps. I think you are correct. The testimony of the Department of Agriculture—the testimony of Secretary Bergland last week or a couple weeks ago here in the Agriculture Committee and Carol Foreman, the Assistant Secretary's testimony yesterday—was to the effect that really there would not be a significant increase in the utilization of food stamps. When I say "significant," I am talking about a 15-percent or a 20-percent increase in the use of food stamps. Their estimates are much below that. They are thinking in terms of following the administration's advice and taking some people out of food stamps—period.

We eliminate; we decrease by increasing the requirements for eligibility. We decrease some of the participants; they have that figure projected from the information we get off their computers. On the other hand, they are recognizing that there will be some increase in participation and they cite the elimination of the purchase requirement that fits into this because of increase in participation.

I happen to think that they are underestimating by a long way what will be the participation in the food stamp program if we make some improvements. I think we are going to make those improvements. One of them, at least, is the elimination of purchase requirement for the elderly. I don't know whether they will go beyond that. I think we can simplify the forms. I think we can have a better outreach, and what have you. If we do these things, what is your estimate of the increase in the participation?

Mr. KIRSCH. Well, I certainly don't have access to the Department's computers. I do know, however, because I have been involved in trying to evaluate the effects of the bill, that they have made every effort to go over this—the Department of Agriculture, the House Agriculture Committee staff, and the Congressional Budget Office.

Senator MELCHER. Maybe they have the same computers.

Mr. KIRSCH. No.

Senator MELCHER. They have different models.

BENEFITS VERY SMALL

Mr. KIRSCH. I think one of the reasons is that we must still recognize that the benefits of the food stamp program are very small. The higher the income, the less the benefit. As I said before, the average benefit now is only about 27 cents per person per meal. So unless you really need the assistance, you are not going to go through the hassle of applying and using food stamps.

Even after you cut the people off at the top, the remaining folks will not get a very significant benefit. I think those people will still choose not to come in, first, because of the hassle, and second, because you are identified as a food stamp user by using the food stamps. I think the people that will come in—I think it is about 3 million people. The best we can tell is that it is the group of people who are—

Senator MELCHER. What was that? Will all those people enter the program right away?

Mr. KIRSCH. I think certainly not immediately. The Department won't promulgate regulations immediately, but I think over the life of the bill, and I would hope that the Agriculture Committee would report out a 4-year bill—I think about 3 million people will come in in those 4 years. It will be a real outreach effort to tell people, "We have a changed program. We want to be sure you get the assistance." I think it will be those people that we care about—not the \$16,000 family that is not really in the food stamp program now anyway, but the family which is struggling on \$3,000 a year who simply can't get along. I think the 3 million persons figure seems to be accurate, the best I can tell.

Senator MELCHER. Well, we have been talking about the broad concept and the broad usage of food stamps, but this hearing is specifically for the elderly. The estimates are that only a million of our elderly now are using food stamps. If that is true, I would think that if we have an enlightened concept of developing the amendments to the Food Stamp Act, within 2 or 3 years we should increase the number of the elderly that are using food stamps by two or three times that number. If my concept of this is correct, that takes up, just within those people over 60, the increase of 3 million that you speak of.

Mr. KIRSCH. I cannot argue with you. I don't know the facts. I would hope you are correct, but I think that what we found, especially among the elderly, is that there is a stigma to it; it is a problem. I think the best we can do is to get all those people—give everybody an opportunity to participate. Right now people don't have that opportunity and will not make the choice for only \$10 for an elderly person. As long as they have that choice, I think we have done as much as we can do, and the Senate and the House will have made the biggest effort possible.

I would like to ask one thing. I am worried about the notion of eliminating the purchase requirement for only the elderly for two reasons. One is a purely political reason. There are a lot of poor people besides the elderly. These poor people don't have a very powerful lobby. Poor people, especially in the Agriculture Department and in the Congress as a whole, don't have the clout that the elderly have, organized labor has, or organized industry has. So I can just hear legislators and bureaucrats saying, "Let's do it for the elderly," and then feeling they don't have to worry about anybody else. I think it is too easy for a lot of people to do that.

I also think that the administration of the program will be terribly confused if you have some recipients who are getting their stamps free and others who are paying a purchase price. It unnecessarily complicates the system. I would very much like to encourage you to look at EPR as benefiting the entire caseload. I think that EPR is so important that I ask you to please keep that in mind.

Senator MELCHER. Well, you make an eloquent argument. Senator Dole and I were speaking of what the action would be in the Senate Agriculture Committee, realizing the philosophical arguments that many members of this committee have against it as a forerunner of a direct cash-out. I think our elimination of the purchase requirement for the elderly might be something that is viable within the committee. If we are successful on that basis, perhaps the members of the committee would be receptive to whatever you like.

Mr. KIRSCH. I understand.

Senator MELCHER. I want to thank you very much, Jeff, for your testimony today and for the fine work that FRAC is doing every day. Thank you very much.

Mr. KIRSCH. Thank you very much.

Senator MELCHER. That completes the hearing for today.

[Whereupon, at 3:02 p.m., the committee adjourned.]

