

# PROPOSED USDA FOOD STAMP CUTBACKS FOR THE ELDERLY

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

WASHINGTON, D.C.

NOVEMBER 3, 1975



Printed for the use of the Special Committee on Aging

U.S. GOVERNMENT PRINTING OFFICE

65-120

WASHINGTON : 1976

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For sale by the Superintendent of Documents, U.S. Government Printing Office  
Washington, D.C. 20402 - Price 95 cents

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# PROPOSED USDA FOOD STAMP CUTBACKS FOR THE ELDERLY

MONDAY, NOVEMBER 3, 1975

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

The committee met, pursuant to notice, at 1:15 p.m., in the caucus room, 318 Russell Building, Hon. Frank Church, chairman, presiding.

Present: Senators Church, Kennedy, Pell, Chiles, Clark, and Bartlett.

Also present: William E. Oriol, staff director; Deborah Kilmer, professional staff member; John Guy Miller, minority staff director; Margaret Fayé, minority professional staff member; Patricia Oriol, chief clerk; Eugene Cummings, printing assistant; and Kathryn Dann, assistant chief clerk.

## OPENING STATEMENT BY SENATOR FRANK CHURCH, CHAIRMAN

Senator CHURCH. The Senate Special Committee on Aging will please come to order.

Good afternoon. Over the last few years, the Congress has time and again found it necessary to come to the defense of the elderly when the administration attempted to make them the scapegoats for inflation. Today's hearing concerns yet another administration attempt to penalize senior citizens for economic conditions beyond their control.

The White House fact sheet on President Ford's food stamp reform proposal tells us that it will "significantly increase benefits for those truly in need." Yet the President's Department of Agriculture is proposing new food stamp allotment formulas—which may be effective in the immediate future—severely reducing food stamp benefits for many needy.

In response to a U.S. court of appeals ruling to amend the food stamp allotment formula, the Department of Agriculture has issued regulations allegedly intended to better serve food stamp recipients. But two of these three proposals could seriously cut back and discourage the elderly's use of food stamps—at a time when inflation is squeezing their limited budgets drastically. Only recently have the elderly begun to use food stamps to their most effective potential, not only for buying groceries but also to pay for meals served in nutrition centers and for home delivered meals.

## POSSIBLE LOSS IN BENEFITS

In many ways, then, food stamps have helped numerous older Americans to obtain nutritious meals. But as the program now operates, an eligible participant must purchase a specific allotment of food stamps for a certain price. USDA's proposed allotment formulas, however, would cause the purchaser to suffer a loss in food stamp benefits. Some elderly would lose as much as \$20 worth of stamps—which is \$20 they cannot afford—and many would be forced to drop out of the program. Since most older Americans are struggling on limited incomes, they can ill afford this new burden.

I am especially concerned about the proposed formula's impact on the SSI recipient. In my State of Idaho, as well as 17 other States, the SSI recipient could be completely eliminated from the food stamp program. The fact that these individuals are eligible for SSI is evidence of their low-income status. Yet, they would not be eligible for food stamps under the new regulations. It seems rather ironic that one program would cancel out the effects of another.

I fully support better administration of our assistance programs—whether they be SSI, food stamps, or others. Many of these programs certainly have problems. But they are not corrected by putting greater burdens on our elderly.

It is my understanding that November 13—10 days from now—is the deadline to comment on USDA's proposed regulations. These regulations could become effective soon thereafter. USDA must, in accordance with the court's ruling, carefully consider and weigh all comments. I urge my colleagues and fellow citizens to submit their views in support of the elderly. Food stamp reform legislation is still only in the developmental stage, but these new allotment regulations are an immediate crisis for the needy among us.

I call upon the administration to review the impact of the total budget—not just social programs. The administration continues to cut social programs right and left and veto important and worthwhile legislation—yet, asks at the same time for a \$2.6 billion increase in the defense budget and persists in its proclivities for business bail-outs. I cannot agree with these priorities, and it is evident that the Congress shares my concern for the needs of the elderly.

In the past year, for example, the Congress has been able to halt administration attempts to:

(1) Freeze social security and SSI cost-of-living increases at 5 percent instead of 8 percent as authorized by law;

(2) Increase out-of-pocket payments by medicare patients by over \$1 billion;

(3) Raise the purchase price of food stamps to 30 percent; and

(4) Phase out funding for a community service employment program for the elderly despite an unemployment rate which is the highest in 34 years.

The purpose of today's hearing is to join once again to halt yet another administration attempt to unfairly victimize the elderly.

We will now hear from Senator Kennedy.

## STATEMENT BY SENATOR EDWARD M. KENNEDY

Senator KENNEDY. Mr. Chairman, I am pleased to participate in this hearing on the need to provide adequate food assistance for the elderly citizens of our country.

Your leadership in this important area deserves every commendation from those of us who have been concerned for a long time about the need to assist the thousands of elderly people who simply do not obtain the food they must have for good health.

Today's hearings appropriately address the plans of the Agriculture Department that could cause so many people to fall even further behind in the struggle for nutritional adequacy.

Time and time again I have worked with this committee and with the Select Committee on Nutrition and I have witnessed the actions of the USDA designed to serve the interests of food producers without seriously addressing the deserving demands of hungry people.

And so it is, that once again we are faced with proposals from the Department of Agriculture that seem to be more harmful than helpful.

First, the Department proposes to use new food stamp regulations that would determine food stamp allotments according to age and sex.

Even the Agriculture Department staff is believed to be opposed to this plan because it would require enormously complicated procedures for determining food stamp allotments for each individual household. To say that this plan inaugurates an administrative nightmare is a gross understatement. With 6 million food stamp households across the country, this proposal could institute 6 million customized allotments.

It is clear that if USDA has trouble managing the program under current regulations, there would be real chaos with proposal No. 1.

The second proposal is the same as the first except that it would eliminate many elderly women from the food stamp program at the end of this year. Then if they could get back onto the program next year, the cost of food stamps would be higher for them.

### THRIFTY FOOD PLAN INEQUITABLE

Finally, the Department proposes new allotment schedules based on the thrifty food plan which fails to provide recipients with a "nutritionally adequate diet."

The thrifty food plan was computed from 10-year-old data. It is calculated according to the amount of money households actually spend for food, instead of on the amount needed for adequate nutrition.

Paul Provencer, the director of the food stamp program in Massachusetts, insists that we must move to a more adequate level of nutritional adequacy if this program will deliver decent aid for those people who are forced to depend upon this kind of help to get the food they need.

As this committee continues its deliberations on this serious matter, I am hopeful that we can encourage the Department of Agriculture to adopt only those regulations that will insure maximum food assistance for needy people.

My efforts in this critical area shall continue to be devoted to the development of nutritional adequacy in every respect.

As a cosponsor of S. 2451, I have joined Senators McGovern and Dole in supporting the Food Stamp Reform Act of 1975. That bill streamlines the existing program by eliminating the cash transaction requirement so that all eligible food stamp recipients will be assured of getting their allotments with no hassles and no bureaucratic run-arounds.

It is my hope that together with the efforts of this committee we shall see the continuation of a food stamp program that will indeed serve the needy by providing adequate and substantial aid.

Senator CHURCH. Thank you very much.

We will now hear from Senator Clark.

#### STATEMENT BY SENATOR DICK CLARK

Senator CLARK. I want to thank the chairman for calling this hearing in which we shall get a better view of how the new food stamp allotments drawn up by the Department of Agriculture will affect this country's poor and elderly persons.

As a representative of a State containing the third largest proportion of senior citizens, I must express my strong displeasure with the proposed changes in the food stamp program allotments. These changes seem to directly contradict the intent of the 1975 U.S. court of appeals ruling.

The court instructed the Department of Agriculture to draw up administrative procedures that would guarantee all recipients the opportunity to purchase a nutritionally adequate diet. However, the effect of the new allotments would be exactly the opposite. We will hear testimony today which indicates that, in fact, more than 60 percent of all present recipients would receive substantially reduced benefits.

Once again, the elderly of this Nation are being called upon to bear the greatest burden. I would like to submit for the record a copy of a letter\* from the Iowa Commission on the Aging to Mr. Jack O. Nichols, the acting director of the Federal food stamp program. This letter points to the retrogressive nature of the Department's three proposals and for their use of the thrifty food plan as the basis of their calculations.

#### INFLATION VERSUS NUTRITION

Dr. W. W. Morris, chairman of the Iowa Commission on the Aging, writes that:

These are times which are trying enough for many elderly Americans, living as most of them do on fixed and already inadequate incomes during a period of rapidly inflating prices. Therefore, these are times when the Department of Agriculture should be lending every effort to substantially increase food stamp benefits for elderly recipients, probably increase the number of elderly eligible for such benefits, and make sure that food stamp coupon allotments provide all recipients with the "nutritionally adequate diet" guaranteed them under the Food Stamp Act.

I quite agree with the views expressed by Dr. Morris, and I hope that these hearings serve to point out the real hardships that these new allotments would impose on this country's senior citizens.

\*Retained in committee files.

Senator CHURCH. We will now hear from the public interest legal firm that filed the suit resulting in the recent court decision.

Ronald F. Pollack, director of the Food Research and Action Center, will summarize the finding of the court and the USDA's proposal for new food stamp allotments.

Mr. Pollack, if you will come to the microphone, and make yourself comfortable, you can get started.

#### STATEMENT OF RONALD F. POLLACK, DIRECTOR, FOOD RESEARCH AND ACTION CENTER, NEW YORK, N.Y.

Mr. POLLACK. Mr. Chairman and members of the committee, I appreciate the opportunity to appear before the committee today for the purpose of analyzing the Agriculture Department's recent food stamp proposals and their impact on the aged. As members of this committee realize, the food stamp program is immensely important for needy elderly people throughout the country.

The importance of the food stamp program for the elderly is underscored by the large number of senior citizens who have sought assistance—but were denied or placed on waiting lists—under title VII of the Older Americans Act, the nutrition program for the elderly. For example, as of a year ago, more than 116,000 aged persons, in 41 States, were on waiting lists at operating title VII projects.

When that figure is added to the unknown totals in the other nine States, and when those figures are added to the number of people who desire title VII aid but cannot even apply because no feeding site exists in their community, we find that hundreds of thousands of senior citizens desire nutrition aid but are not getting it. For them, and for many more, the food stamp program is the place of last resort if they are searching to end the pains of hunger and malnutrition.

#### BACKGROUND

In determining the effectiveness of the food stamp program, an important—if not the most important—factor to look at is the amount of benefits that poor people receive. Under section 7(a) of the Food Stamp Act, the Agriculture Secretary is required to establish coupon allotment levels that must provide each participating household with "the cost of a nutritionally adequate diet." These benefits must be updated every January and July "to reflect changes in the prices of food."

In December 1971, the Food Research and Action Center—in behalf of nine impoverished households and three community organizations—brought a suit against USDA alleging that the Department's coupon allotments fail to provide nutritional adequacy. Joining with us in this litigation were the Commonwealth of Pennsylvania and the city of New York. The case was called *Rodway v. The United States Department of Agriculture*.

On June 12, 1975, the U.S. Court of Appeals for the District of Columbia—in a unanimous ruling—held that USDA failed to follow proper administrative procedures when it promulgated its food stamp coupon allotment regulations. More importantly, the court also held



that the present coupon allotments fail to provide vast numbers of recipients with the "nutritionally adequate diets" guaranteed to them by the Food Stamp Act. Consequently, USDA was given 120 days to upgrade its nationwide allotments. USDA and the Justice Department refused to appeal the court's decision.

#### PROPOSED REGULATIONS

USDA's proposed coupon allotments were published in the *Federal Register* on Friday, September 19, 1975. They can be found on pages 43404-43410, volume 40. The proposed regulations contain three alternative plans for establishing coupon allotment levels. According to the Department, one of these plans—or a variation of one of them—will be the method adopted for determining coupon allotments when the final regulations are subsequently promulgated.

The Agriculture Department has invited public comment on these proposals. Pursuant to a court-approved scheduling settlement, comments will be accepted by the Department through Thursday, November 13. After an examination of these comments, the Department must promulgate final regulations by no later than December 13. At that time, USDA will be required to explain the basis for its decision.

All of the three plans are based on the Agriculture Department's new, so-called "thrifty food plan." As I will explain later on, the thrifty food plan is a wholly unreasonable basis for measuring the costs of nutritional adequacy for impoverished households subsisting on food stamps. However, rather than explaining that statement now, I would prefer to begin by analyzing the three alternative proposals themselves, starting with plan No. 3.

The third plan is the easiest to explain—and requires the least of our time—because it is virtually identical to the coupon allotment system now in effect. Under plan No. 3, and under the current system, monthly food stamp coupon allotment levels are uniform for each similarly-sized eligible household.

Thus, under the current allotment system now in effect, all eligible one-person households receive \$48 per month in food stamps; if, under the current system, the normal cost-of-food adjustment is implemented, each one-person household would receive \$50 per month in food stamps starting this January. The update calculations are based on July's food prices; USDA, under the law, should further update the January allotments to reflect August's food prices. In comparing each of the three plans to the current allotment system, I have calculated the allotments and purchase prices based on the benefits that would be implemented effective January 1, 1976. This \$50 allotment is the same amount that one-person households would receive this January under plan No. 3.

Similarly, each four-person household now receives \$162 per month, and each such household would receive \$168 under the current system as updated effective January 1. Under plan No. 3, as well, starting this January all four-person households would receive \$168 per month.

The following chart sets forth a comparison of the present system and plan No. 3 as both would be implemented starting January 1.

Household size	Current system	Plan No. 3
1.....	\$50	\$50
2.....	92	92
3.....	132	132
4.....	168	168
5.....	200	200
6.....	230	240
7.....	260	254
8.....	288	302
Each additional person.....	+24	+34

As is evident from the chart, plan No. 3 is precisely identical to the current coupon allotment system for household sizes one through five. For households of six or more persons, slight modifications have been made to increase their allotments. Essentially, then, plan No. 3 is a standstill allotment system—but at least it entails no reductions in assistance for the poor.

### PROPOSED CUTBACKS

The two other plans proposed by USDA, however, would substantially reduce food stamp assistance for the poor, especially the elderly poor. Plan No. 1, in particular, would do grave harm to most of the people now on the food stamp program. The following is a summary of the effect of plan No. 1.

The Department proposes to reduce food stamp aid to all elderly women by no less than 12 percent. Coupon allotments for an elderly woman, living alone, would be cut from \$50 to \$44 per month. Two elderly women—living together in order to conserve meager resources—would be reduced from \$92 to \$80 a month in food stamp aid. Elderly married couples would lose \$4 per month.

Senator CHURCH. These figures can be a little confusing for those who may not fully understand the program. The food stamp recipients are not getting that \$50 worth of food stamps, or the \$44 worth of stamp free of charge. Correct?

Mr. POLLACK. That is correct. That is not the case. People have to pay for the food stamps.

Senator CHURCH. Let us make it clear this is not \$50 worth of free food. This is \$50 in food stamps for which a substantial amount of money is paid—they buy the food stamps, do they not?

Mr. POLLACK. That is correct.

Senator CHURCH. Right, and do you include in your statement what recipients are presently paying for food stamps in your comparison of these three plans?

Mr. POLLACK. Senator, the charges for coupon allotments vary according to the income that a household receives.

On an average, a household pays approximately 24 percent of its income for its food stamps.

Now, if you will recall, last winter the President sought to increase the purchase prices to 30 percent of income. The President's proposal was defeated by the Congress and consequently purchase prices, on an average, increased approximately 24 percent of income.

Senator CHURCH. Right, and under any of these three new proposed sets of regulations, is that particular formula for payment changed?

Mr. POLLACK. Yes; it does to some extent.

Senator CHURCH. And you will explain that in your statement.

Mr. POLLACK. Yes, I will.

Senator CHURCH. All right, proceed.

#### PAYING MORE AND GETTING LESS

Mr. POLLACK. Moreover, for a large percentage of these recipients, food stamp prices would be increased as well. As a result, many elderly people would be paying higher prices for lower allotments, thereby squeezing them at both ends of the benefit spectrum. Indeed, the Department's proposed charts reflect that some elderly women would be charged \$45 a month for \$44 worth in food stamps—thus causing them to drop out of the program.

Young children and their mothers would also be hurt by the Department's plan. A mother with three youngsters would be cut from \$168 to \$110 per month in food stamp aid. Consequently, the food budget for that household would be reduced from 47 to 31 cents per person per meal—a level that would consign that family to hunger and malnutrition.

According to estimates obtained 3 days ago from USDA, approximately two-thirds of this Nation's 18.8 million food stamp recipients would obtain benefit reductions under the Department's plan. In sum, more than 12½ million poor people would lose part or all of their Federal nutrition aid during this period of inflationary food prices.

Plan No. 1 establishes a completely new coupon allotment system. Under proposal No. 1, USDA would no longer establish across-the-board allotments based exclusively on household size. Instead, benefits for a family would be based on the sexes and ages of each household member. As examples, a single woman between the ages of 20 to 54 years would receive a \$48 monthly coupon allotment while a single man of the same age would get a \$60 allotment. A single woman 55 years of age or more would receive an allotment of \$44 while her male counterpart would get \$52—due to economies of scales, each of these persons would receive lower benefit levels if they resided in larger households.

Senator CHURCH. What in the world is the rationale for discriminating on the basis of sex?

Mr. POLLACK. Well, now you are asking me to put myself in the role of the Secretary of Agriculture.

I do not think I am a good representative of the Department's point of view.

The Department, apparently, has computed what it believes to be the nutritional needs of people based on their sexes and their ages.

Senator CHURCH. You mean men eat more food than women?

Mr. POLLACK. That is what the Department has concluded.

Senator CHURCH. All right. Go on.

Mr. POLLACK. By calculating benefits based on sex-age groupings, then, a wide difference in the amount of aid could be provided to households of the same size. For instance, a four-person household consisting of a man and woman—both 20 to 54 years of age—with two boys between the ages of 15 and 19 would receive a monthly allotment of \$194.

In contrast, a four-person household consisting of a woman 20 to 54 years of age with three children ages 2, 4, and 5 would get only \$118 per month in food stamps.

Under this newly proposed coupon allotment system, one of the groups hurt the most would be the elderly, particularly elderly women.

As I indicated before, an elderly woman's food stamp aid would drop from \$50 to \$44 a month; an elderly couple would be reduced from \$92 to \$88; and two elderly women, living together, would experience a reduction from \$92 to \$80.

#### INCREASES IN THE FOOD STAMP PURCHASE PRICES

Many elderly food stamp recipients would lose additional food stamp benefits under plan No. 1 because that proposal raises the price of food stamps for single-member households who have monthly incomes of \$170 or more. It would also raise food stamp purchase prices for two-person households with monthly incomes of \$270 or more.

These purchase price increases will be harmful to many elderly recipients who receive supplemental security income (SSI) benefits—the euphemistic welfare program for the aged. To fully appreciate the effects of plan No. 1 on these elderly recipients, consider the following:

1. In Colorado, Illinois, Michigan, Minnesota, New Hampshire, New Jersey, Oklahoma, Oregon, Pennsylvania, and Vermont, most or all elderly single-member households receive \$170 or more in SSI benefits. Consequently, an elderly female SSI recipient, who has no income deductions, would lose \$7 in food stamp benefits each month and receive only a \$5 food stamp bonus.

2. In Connecticut, Idaho, Kansas, Nebraska, Rhode Island, South Dakota, Washington, and Wisconsin, many single elderly female SSI recipients would be eliminated from the food stamp program because they would have to pay more for their food stamps than they are worth.

In other words, Senator, in the State of Idaho, recipients of SSI are precisely those people who will be forced to pay \$45 for \$44 worth of food stamps.

Consequently, SSI recipients in your State will drop out of the food stamp program entirely.

3. In all the States where SSI recipients are eligible for food stamps, single female elderly SSI recipients who receive \$20 or more in social security benefits (but have no income deductions) would lose \$7 in monthly food stamp benefits and receive only a \$5 monthly food stamp bonus.

4. In Colorado, Connecticut, Idaho, Illinois, Kansas, Michigan, Minnesota, New Hampshire, New Jersey, Nebraska, Oklahoma, Oregon, Pennsylvania, Rhode Island, South Dakota, Vermont, Washington, and Wisconsin, many or all persons receiving SSI plus \$20 in social security would be eliminated from the food stamp program because they would have to pay more for their food stamps than they are worth.

In sum, many SSI recipients would be hit a doubly hard blow. Their coupon allotments would decrease while their food stamp purchase prices would increase.

For those elderly people whose purchase prices stay below the coupon allotment levels, many nevertheless would drop out of the program.

This is because their meager food stamp benefits would hardly cover the costs of going through the eligibility certification process. The rigorous certification process would not be worth the expense or trouble. Thus, for practical purposes, the food stamp program would come to an end for most of the elderly in the country.

#### OTHER GROUPS HURT

Proposal No. 1 does not only hurt the elderly. The plan also reduces assistance for women and young children. Indeed, all women over 20 years of age—except women who are pregnant or nursing—would receive lower coupon allotments under the Department's first proposal. In addition, young children would face very severe losses of food stamp aid. The following three examples are illustrative:

1. A mother age 20 to 54 with a child under 1 year of age would receive a \$66 monthly coupon allotment as opposed to the \$92 allotment she normally would receive, thereby losing \$26 in food stamp benefits each month.

2. A mother age 20 to 54 with a child under 1 year of age and a child 1 to 2 years of age would receive an \$86 monthly coupon allotment, as opposed to the \$132 allotment she normally would receive, thereby losing \$46 in monthly food stamp benefits.

Senator CHURCH. When you speak of mothers with children losing benefits under these proposals, does that also apply to grandmothers who may have young children under care?

Mr. POLLACK. For grandmothers, they would probably be hurt even more because elderly women receive lower coupon allotments than a young woman.

Senator CHURCH. So a grandmother taking care of grandchildren would be even worse off.

Mr. POLLACK. That is correct.

3. A mother age 20 to 54 with a child under 1 year of age, a child 3 to 5 years of age, and a child 6 to 8 years of age, would receive a \$136 coupon allotment as opposed to the \$200 allotment she normally would receive, thereby losing \$64 in food stamp aid each month.

Consequently, for mothers and their children—including the millions of households receiving aid to needy families with dependent children (AFDC)—plan No. 1 would do considerable harm.

#### INCREASED PAPERWORK AND ADMINISTRATIVE EXPENSE

The certification process for food stamp aid, under plan No. 1, would be more complex and far more expensive than the current system. Rather than providing across-the-board coupon allotments for all similarly sized eligible households, benefits would be determined based on the sex/age classification of each household member. Upon the birthday of each member, the allotment would have to be calculated once again.

Let me give an illustration of how this would work. A pregnant woman is entitled to a \$50 monthly allotment. Upon the birth of her child, and while she is nursing, she would receive \$54 in food stamps each month. After she stopped nursing the child, her allotment would be reduced to \$40 per month. Thereafter, as she and her children have

birthdays putting them in new age classifications, the allotment would be readjusted again. For purposes of this example, I have calculated the benefit levels on the assumption that the household size remained at a constant four-person level. Obviously, with the addition of a new family member, the coupon allotments would have to be further adjusted.

One point I would like to emphasize that I think is crucial, and that is, according to a high-ranking source in the Agriculture Department—who preferred to remain anonymous—plan No. 1 would reduce the Government's expenditures on program benefits by \$400 to \$450 million per year. However, USDA calculates that the increased administrative costs of the plan would eat up all of these savings. Thus, the Department's plan would take food out of the mouths of the poor and replace it with increased funds for administrative paperwork.

Senator CHURCH. It is hard for me to feature how the Department could come up with an administrative plan that is more complicated than the present one, and it demonstrates the problem that we have within the bureaucracy.

You say that this plan, if adopted, would cost the Government more in added administrative costs than it would save the Government in reduced benefits for the needy?

Mr. POLLACK. That is correct, Senator Church.

Senator CHURCH. That is something that could only be thought of in a Government department.

Mr. POLLACK. Therefore, plan No. 1 involves a vast cutback in aid for the poor with no fiscal savings for the Federal Government. Clearly, then, the plan should be rejected.

#### PROPOSAL No. 2

Plan No. 2 is exactly the same as plan No. 1 except that it guarantees that any household—participating in the food stamp program as of December 31, 1975, and remaining continuously on the program after that date—would be kept at the same allotment level it received on December 31. In other words, plan No. 2 “grandfathered in” coupon allotment levels for households slated for coupon allotment reductions under plan No. 1, but it would not prevent increases in the food stamp purchase prices nor would it permit cost-of-food adjustments on the coupon allotments.

Plan No. 2 is no real improvement over plan No. 1 for the following four reasons. First, households would be maintained at the December 1975 allotment level only as long as they participate continuously in the food stamp program. If a household leaves the program—even for 1 month—it would lose this protection and would have its allotments calculated on the same basis as plan No. 1.

Second, households that are “grandfathered in” at their December 1975 coupon allotment levels would continue to receive those allotments without any upward adjustments for food price increases. However, under plan No. 1, a household's reduced allotments would be adjusted semiannually, and thus the lower allotments under plan No. 1 would soon be the same as the “grandfathered in” allotment under plan No. 2.

For example, an elderly woman, under plan No. 2, would receive a coupon allotment level "grandmothered in" at the \$48 level. Under plan No. 1, she would receive \$44 per month but that amount would be increased every 6 months to reflect increases in the cost of food. As a result, the benefit levels in plan No. 1 would soon overtake the "grandmothered" benefit levels of plan No. 2. In short, plan No. 2 merely delays—for a short period of time—the coupon allotment cutbacks in plan No. 1.

Third, while coupon allotments would not be lower than those of December 1975 for any household, the purchase prices would be identical to the ones established under plan No. 1. In other words, the purchase price increases for SSI recipients—that I described under plan No. 1—would also be levied under plan No. 2. Consequently, under plan No. 2, many "grandfathered" households would pay more for the same coupon allotments, thus receiving smaller monthly food stamp benefits.

Fourth, proposal No. 2 would complicate the administration of the food stamp program to an even greater degree than proposal No. 1. All of the administrative complexities in plan No. 1 would be experienced under plan No. 2. In addition, however, food stamp administrators would have to make a separate calculation for all households receiving the protection of the "grandfathered" clause. As a result, administration of plan No. 2 would be more cumbersome and expensive than plan No. 1.

For these four reasons, plan No. 2 is no improvement over plan No. 1. Both of them entail substantial cutbacks of assistance to the elderly and many others, and the two plans, therefore, should be rejected.

#### ALL BASED ON THRIFTY FOOD PLAN

All of the three plans proposed by USDA are based on the Department's new thrifty food plan. This plan was recently devised for purposes of replacing the economy food plan—the diet plan upon which present coupon allotments are based. According to the Department's intentions, once the thrifty food plan is adopted, the economy food plan will be discarded forevermore.

When the Agricultural Research Service (ARS) began to formulate the thrifty food plan, USDA and the Office of Management and Budget placed a constraint on the plan's cost level. USDA and OMB ordered that the thrifty food plan could cost no more than the present, inadequate economy food plan. Thus, rather than permitting ARS to devise a scientifically sound plan for measuring poor people's reasonable money needs for obtaining nutritional adequacy—as is unequivocally required by the Food Stamp Act—the administration replaced clear statutory dictates with fiscal expediency.

As a result of the administration's unlawful cost restriction, it is little surprise that the costs of the thrifty food plan—and the old, discredited economy food plan—are virtually identical. Based on July food prices, the monthly cost of the economy food plan for a hypothetical family of four with school children was \$168.50; the cost of the thrifty food plan, for that same family in the same month, was \$168.30, a reduction of 20 cents.

Since time is limited, only a brief analysis of the thrifty food plan's inadequacies will be stated. However, with the permission of the committee, I would like to insert into the record a more thorough explanation\* of the plan's deficiencies.

Senator CHURCH. Without objection, that may be done.

Mr. POLLACK. According to an Agricultural Research Service publication, the cost level of the economy food plan—and, hence, the thrifty food plan—“is not a reasonable measure of basic money needs for a good diet. The public assistance agency that recognizes the limitations of its clientele and is interested in their nutritional well-being will recommend a money allowance for food considerably higher than the cost level of the economy plan.” ARS, then, recommends that food allowances should be based “on the USDA low-cost food plan which costs about 25 percent more than the economy plan.”

The findings and recommendations of ARS are based on USDA's food consumption survey. The last survey found that less than 10 percent of the people eating at the cost level of the thrifty food plan obtained the recommended dietary allowance, the scientific standard for nutritional adequacy. More alarmingly, the survey found that less than 50 percent of the people eating at the cost level of the thrifty food plan obtained even two-thirds of the recommended dietary allowances.

Moreover, the thrifty food plan was devised only for “moderately active persons,” people involved in light office work requiring little physical exertion. Thus, the thrifty food plan was devised for people like lawyers, doctors, and white-collar employees—persons who do not frequently engage in heavy physical labor.

For food stamp recipients—over half of whom now reside in working families—their jobs do not involve white-collar work. They sweep floors; they carry heavy packages; they do stoop labor in the agricultural fields; and they fix big, messy machines. For them, the nutrition levels of the thrifty food plan are wholly inadequate.

Notwithstanding that fact, ARS admits that the thrifty food plan—for even moderately active persons—fails to provide sufficient amounts for five essential nutrients. The plan does not provide enough magnesium, vitamin B-6, folic acid, zinc, and iron (especially for women of childbearing age, teenage girls, and young children). The plan, of course, makes no allowances for special diets that elderly people might need due to health problems or previous nutritional deficiencies.

### CONCLUSION

In sum, the Agriculture Department's three-coupon allotment proposals do not meet the statutory test of nutritional adequacy. Even worse, plans Nos. 1 and 2 entail substantial reductions of assistance for elderly people throughout the country. At a minimum, therefore, plans Nos. 1 and 2 should be completely rejected, and plan No. 3 should be upgraded to provide adequate nutrition for all food stamp recipients.

Senator CHURCH. Thank you very much, Mr. Pollack, for your testimony.

Do you have any estimates on the number of SSI recipients who would be eliminated from proposals Nos. 1 and 2 nationwide?

\*See appendix, Item 1, p. 41.



Mr. POLLACK. We know that there are currently 1.7 million SSI recipients who are receiving assistance as a result of their being elderly. Out of that number, it is estimated that almost 600,000 of them are currently participating in a food stamp program. I would say at least 90 percent of those people will lose food stamps as a result of the Department's regulations.

Senator CHURCH. In terms of daily meals service, how much do the current allotments provide elderly people for food each day?

Mr. POLLACK. Elderly recipients currently are receiving 50 cents per person per meal, or in other words, \$1.50 for the entire food budget of the day. That is prior to the cutbacks that the Department of Agriculture has proposed.

The Department has proposed that a 12-percent reduction take place. A 12-percent reduction would put the per meal subsidies in the mid-40's (cents).

Senator CHURCH. When you speak of that, you are speaking of the actual value that the stamps provide; that is, the net value.

Mr. POLLACK. I am talking about the coupon allotment. I have not even subtracted from that calculation the purchase price. Elderly persons receive coupon allotments permitting them to purchase meals at 50 cents per person per meal; however, they pay about 25 to 35 cents for this, so they are receiving about a 15-cent subsidy per meal from the Federal Government.

Senator CHURCH. Which is pretty miserable in terms of what they must buy on each day for food.

Mr. POLLACK. Senator, I agree with that.

Senator CHURCH. Now, these newly proposed allotments will cut that benefit still further?

Mr. POLLACK. That is correct.

Senator CHURCH. You did not expect this would be the result of the lawsuit, did you?

Mr. POLLACK. No, sir. If we thought that would be the result of the lawsuit, I dare say we would not have brought it.

It was our expectation, particularly after the court of appeals unanimously ruled that coupon allotments should be upgraded, that that would be precisely what the Department of Agriculture would do. Thus, we are a little flabbergasted at the proposed regulations.

Senator CHURCH. Because actually, instead of upgrading the allotments, they have downgraded them.

Mr. POLLACK. That is correct.

#### CONGRESSIONAL ACTION MAY BE NEEDED

Senator CHURCH. Well, I think, then, the only real answer, unless we can prevail upon the Department through hearings of this kind to revise the proposal, the answer lies with congressional action, to reform or reconstitute the food stamp program; don't you agree with that?

Mr. POLLACK. Senator Church, this is a very interesting point. As you know, there have been various proposals introduced by various Senators, including Senator Chiles, to reform the food stamp program. A common thread in each of these bills, including the Buckley

bill—and I am pleased by this—is that we should provide more for those people who are truly in need.

Senator CHURCH. For the needy.

Mr. POLLACK. That is correct.

Senator CHURCH. And the objective of the congressional measure is to eliminate from the food stamp program people who should not be there in the first place.

Mr. POLLACK. That is correct.

All those proposals have that in common.

Senator CHURCH. To eliminate those who ought not be getting food stamps at all, but at the same time, to make the program more meaningful for the needy, who presently are not getting enough help.

Mr. POLLACK. That is the central thrust of each of the bills.

Senator CHURCH. And the Department of Agriculture new coupon allotments go in exactly the opposite direction.

Mr. POLLACK. Precisely.

Senator CHILES. Mr. Chairman, I think you kind of put your finger on it.

It looks to me, when you look to see what they are attempting to do, that they are attempting to try to cut costs, and to stop the program from mushrooming, but what they are doing here with the allotments, rather than going in and reform the way they are administering the program, especially in regard to the way eligibility is figured, and the way they have allowed the itemized deductions, rather than a standard deduction, or some other device, that you would try to target in on the people that need it, so I really think that what they are talking about doing now, they ought to stop, and they should not do anything until we see what the Congress is going to do.

I feel confident that we are going to see some legislation come out; there are a number of bills that have been introduced and that the Committee on Agriculture is working on.

I think they will report out a bill, and I expect it will be on the floor, I would think, before we adjourn.

Mr. POLLACK. Senator Chiles, let me embellish what you said with one fact. You are correct in saying that the Department of Agriculture is trying to save money by lowering the coupon allotment.

#### ADMINISTRATIVE EXPENSES EQUAL EXPECTED SAVINGS

What the Department has not told people, and this is one of the things we found out from the Department on Friday, is that the amount of savings that the Department expects to experience under plan No. 1—which is approximately \$400 to \$450 million—will be plowed right back into the program through increased administrative expenses to implement the new plan. Thus, there are no fiscal savings, and yet people are losing benefits.

Senator CHILES. And in this regard they are turning their attention in this direction. They are not doing anything about the problem at the top. They are allowing many, many people to get stamps who do not really need them. Also, they are doing nothing about the errors, which are up to a 26-percent error rate according to a General Accounting Office study. You are right; they are proliferating the problem.

It will end up costing even more now with what they are going into, rather than simplifying the program. Then as you say, most of our money will go toward trying to correct something rather than to the people who need it. There should be a special emphasis toward helping the elderly, or even a special deduction for the elderly.

Mr. POLLACK. Senator Church, in your opening statement, I think you correctly pointed out that these regulations are separate from the legislative process now underway.

I might point out, however, that questions concerning the various bills have been raised. The administration's proposal that it submitted 2 weeks ago has been prepared in a rather unthoughtful manner, particularly because it creates a disincentive to work.

Let me say one word about that. Under the administration's proposal, a family of four earning \$6,300 a year through wages would be denied food stamps, even though its take-home pay is \$5,600; whereas a family of four that is receiving \$5,600 through either welfare or unemployment compensation would stay on the food stamp program.

A working family with \$5,600 in take-home pay and an unemployment compensation welfare family with \$5,600 each have the same amount of money. The working family is denied the food stamps while the welfare-unemployment compensation family stays on the food stamp program.

Clearly, the administration has created huge work penalties. We should not be establishing such work disincentive.

Senator CHILES. I can see your point.

Senator CHURCH. Any other questions? Senator Kennedy?

Senator KENNEDY. I just wanted to express my appreciation to you, Mr. Chairman, in calling these hearings. They are very timely, and I hope as a result of them an attempt will be made to make some sense from these recommendations that have been made by the Department of Agriculture, and in taking initiative here in the legislative point of view, to reverse their direction, which I would agree with the statements and comments that have been made by you, Senator Church and Senator Chiles.

I think it is enormously regressive; administratively, it is a nightmare.

I would be interested, Mr. Pollack, if you could just comment on all the implications that these regulations would have on my own State of Massachusetts. I understand that if they were put into effect, it would have an enormously serious implication up there.

That is what I heard from my people, and I would be interested from your study of this program, whether that would be the case?

#### EFFECT: REDUCED BENEFITS

Mr. POLLACK. In your State of Massachusetts, Senator Kennedy, what would occur is that all people participating in the so-called AFDC program would be affected by these regulations.

The vast majority of them would receive benefit reductions. For a family of four, for example, with three youngsters and a mother, the benefit levels would be reduced from \$168 a month to \$110 per month, meaning a reduction of \$58 per month in food stamp aid.

In addition to that, in Massachusetts, all of your female social security pensioners, who are not participating in the supplemental security program, would also suffer reductions.

In Massachusetts, there would be no effect on supplemental security income recipients since Massachusetts is a so-called cash-out State. But for those people on social security, there would be reductions; and for mothers with young children, particularly the people participating in AFDC, there would be a very substantial reduction.

Senator KENNEDY. Well, I do think that, Mr. Chairman, we see the extraordinary kind of financial problem that many of the States are having, particularly my own State now, which is under very heavy burden to cut back the variety of these different areas, the State programs in the first place, because of a number of different economic problems.

I will not ask or take the time of this committee now to list those, but this would only come down to the problem, in very human terms, as a result of which I think would be absolutely catastrophic in terms of getting the important nutrition needs of the people in that State, and I think it is just one additional kind of reason, but certainly an important one as far as I am concerned, and I look forward to working with you, and to bring some rationality into a policy which I think is headed right up the wrong road, in terms of the nutritional needs of the American needy people, so, thank you, Mr. Pollack, for your presentation.

Senator CHURCH. Thank you very much, Senator Kennedy.

Senator Pell?

Senator PELL. I have no questions at this time, but I congratulate you, Mr. Chairman, on having this hearing on this matter.

This hearing today is one more effort to stop false economizing in the Government, and stop taking it out of the hide of the old and the poor, and the defenseless, at the same time. Through these hearings, maybe we can also eliminate some of the abuses that do take place in the food stamp program, and I think this is an excellent idea, and I am glad to be here.

Senator CHURCH. Thank you very much, Senator Pell.

I just wanted to make one final summation of your testimony, Mr. Pollack.

You have left me with two very vivid impressions.

#### WORK DISINCENTIVE CREATED

The first is that this is an administration that constantly berates welfare, and talks about work.

Well, that is fine, and yet they come up with a new program that gives a disincentive to go to work, instead of an incentive to go to work, which is directly contrary to the rhetoric. Second, this is an administration that constantly talks about reducing costs, so they come up here with proposals that reduce the benefits to the people who need it, and adds so much to the administrative costs, that they come out with no reduction in costs at all. They just shift it away from the needy into the hands of the administrators, and we have too much of that already.

In all of these programs, our big fight is in getting the money to where it is needed, instead of building big bureaucracies to administer programs that get so complicated, that most of the money goes into administration rather than benefiting the people that are supposed to be helped. Generally, I would say, these proposed new allotments constitute an abomination that we ought to assure are not put into effect.

Thank you very much.

Mr. POLLACK. Thank you.

Senator CHURCH. Our next panel is composed of Mrs. Josephine Baptista of Pawtucket, R.I.; Mrs. Catherine Campbell of Pawtucket, R.I.; Mrs. Marie Nixon Taylor of Philadelphia, Pa.; Mrs. Emma Rodgers of Ludlow, Vt.; and Mr. Jeff Kirsch, food stamp program coordinator of the Food Research and Action Center, New York.

Some of these ladies have come here from some distance.

Some of them have flown here and it was their first airplane flight. A couple are from Rhode Island, which leads me to note that there is a Senator from Rhode Island at the table, Senator Pell. I think that he would like to welcome the Rhode Island ladies, especially, before Mr. Jeff Kirsch introduces the panel.

Senator PELL. I am very glad to see Mrs. Campbell and Mrs. Baptista here.

As I understand, this is the first time, not only that you have ever been on an airplane, but the first time you have been in Washington.

You are both very moving and genuine witnesses on this important issue and I look forward, as we move along, to learning exactly what the sacrifices are that would be the result of the enactment or enforcement of these regulations.

My office is just around the corner, and I would like you to drop by after these hearings.

Senator CHURCH. If you will introduce the panel, please go ahead, Mr. Kirsch.

**STATEMENT OF JEFF KIRSCH, FOOD STAMP PROGRAM COORDINATOR, FOOD RESEARCH AND ACTION CENTER, NEW YORK, N.Y.**

Mr. KIRSCH. Mr. Chairman, we appreciate the chance to be here this afternoon. I commend the committee for holding this hearing. These USDA proposals would have the most serious consequences if they were implemented.

I would like to introduce four women who will directly suffer the results of the promulgation of the USDA's proposed plans Nos. 1 and 2, as well as the inadequate nutrition assistance provided by the thrifty food plan.

They are here to explain to you, in their own words, the effect of these proposed regulations upon them.

I think it is important, as the previous witness pointed out, that these women not be seen in isolation. They represent every social security recipient and SSI recipient in their State, all of whom have the same income from these programs that these women do. Therefore, in most cases, what happens to these women as a result of the proposed regulations will happen to everybody else in their State as well as to all elderly women participating in the food stamp program.

They will make a brief statement, and then they would like to answer any questions you may have.

There have been two changes in the witness list:

Ms. Susan Steiner from New Brunswick, N.J., was scheduled to testify. She called me yesterday morning and said that she has a severe case of laryngitis. She suggested that somebody else could better present her case.

Ms. Emma Rodgers from Ludlow, Vt., was anxious to come and to make her views known to the committee.

Also, Ms. Campbell brought with her Josephine Baptista from Pawtucket, and together they will make a statement.

The first witness will be Emma Rodgers. She is 59 years old, and receives income from the supplemental security income program (SSI).

Her total income is \$231 per month. Out of that \$231, she must pay her rent which is \$140, and she must pay electrical expenses and all her other household expenses.

In addition, she buys food stamps. She pays \$27 for \$48 worth of food stamps.

If the proposed regulations by the Department of Agriculture were to be implemented, she would receive only \$44 in food stamps instead of the \$50 she would receive under the current program on January 1.

Ms. Rodgers would like to explain what will happen to her.

#### STATEMENT OF EMMA RODGERS, LUDLOW, VT.

Ms. RODGERS. I would be severely hit by this regulation. I purchase the food coupons, and I go to the grocery store, and the \$48 worth of stamps do not buy as much as I need. In addition, I have to pay \$10 for things like soap, toilet tissue, paper—things that food stamps cannot buy. Then I have to pay \$2 to get my groceries home. So there isn't that much left over for all the other expenses that I have.

I have insurance, and of course a telephone, and I have a cemetery lot, and a lot of other payments that come out of the \$90 I have left after I pay rent.

Senator CHURCH. How much do you pay for your food stamps?

Ms. RODGERS. I now pay \$27.

Senator CHURCH. That \$27 gives you how much under the present program?

Ms. RODGERS. I get \$48 worth. I believe I will be getting \$50 in January, when they update the amounts, if these proposals do not go through.

Senator CHURCH. And that would be reduced under USDA's proposals. Do you know how much that would be reduced under the allotment they proposed, the allotment by the Department?

Ms. RODGERS. I think it would be reduced to \$44 a month. Actually, any reduction would severely hurt me because I have a sugar problem, and I have to have a certain diet.

Senator CHURCH. You mean you just cannot get by.

Ms. RODGERS. That is right.

Senator CHURCH. I don't know how you manage on \$48 with the prices of food the way they are. And the administration's new allotment would reduce you to \$44.

Ms. RODGERS. That is right.

Senator CHURCH. I see. You just cannot get by with any less, can you?

Ms. RODGERS. No; I really could not.

I think it would be difficult for a lot of these elderly people to get by with less coupons. It doesn't even last the whole month now.

Senator CHURCH. And with your other expenses, you really do not have any extra money to spend.

Ms. RODGERS. No, I do not. I really don't.

Senator CHURCH. Maybe we should ask some of these administrators to try it out for size, see how they could get along with that amount of money for food a month.

Mr. KIRSCH. I would next like to introduce you to Mrs. Marie Nixon Taylor from Philadelphia, Pa.

Mrs. Taylor is 80 years old. I told her you would not believe that, but she really is 80 years old. She receives income from two sources. She gets about \$174 from the social security program, and she receives just over \$23 from the SSI program, for a total of \$197.70.

Currently she pays \$36 for \$48 worth of food stamps, and I think she can better express her concerns than I.

#### STATEMENT OF MARIE NIXON TAYLOR, PHILADELPHIA, PA.

Mrs. TAYLOR. Good afternoon, Senators. My name is Marie Nixon Taylor. I am 80 years old and I receive SSI and food stamps in the State of Pennsylvania. I came here today because I am extremely upset about the future of the food stamp program.

I am a member of the Action Alliance of Senior Citizens and the Philadelphia Welfare Rights Organization. The Philadelphia Welfare Rights Organization was a plaintiff in the Food Research and Action Center's lawsuit which tried to show that present food stamp coupon allotments do not meet the nutritional needs of the Americans who receive them. I follow the newspapers and I receive information from many organizations. In the last 2 weeks the things I have been reading and hearing about the food stamp program have made me shudder.

The regulations now being proposed by the Department of Agriculture to change the food stamp coupon allotments will mean certain hunger and great hardship for millions of people in this country. The Department of Agriculture's proposals Nos. 1 and 2 would hurt families with children as well as many thousands of people in Pennsylvania who, like me, are on SSI. Many of us would have to pay more than we now pay to receive less than the food stamp coupon allotment that we now receive. Also, under these proposals, an older woman would receive a smaller coupon allotment than an older man. I can't understand how the Department of Agriculture figures this. I need as much food as any older man I know.

#### SPECIAL DIETS MORE EXPENSIVE

My doctor has me on a special diet which is low in cholesterol. I can only buy fish and lean meats rather than the fattier, cheaper cuts, and as you all know, all meat is terribly expensive. Many of us old folks

are on special diets, and the foods we need to keep alive and in decent health often cost more than the regular, nondietetic items. The thrifty food plan of the Department of Agriculture assumes that people are healthy but what about those of us who are not in good health? Must this program punish us because our poor health requires us to pay more for the food we need?

I now pay \$36 a month for \$48 worth of food stamps. Frankly, I can't understand how they came up with the \$48 figure for a single person. Anyone who has been in a supermarket lately knows that for \$48 a month a single person can hardly buy anything. Everytime I go into a supermarket I see prices up 4 cents or 5 cents over the time before. I recently spent \$13.66 for a shopping bag of food, and I could hardly feel its weight. A few years ago I could spend the same amount for two shopping bags of food. I would bet that no home economist in the Department of Agriculture could buy a nutritionally adequate diet, especially for a person like me who is on a special diet, for \$48 a month.

Because \$48 in food stamps cannot stretch for me, I usually spend at least \$8 to \$10 extra each month in order to buy the foods I need to keep me healthy. If the present food stamp system stays in effect, by January I will have to pay \$38 for \$50 worth of food stamps. If proposal No. 1 is accepted, I would have to pay \$39 for \$44 worth of food stamps, a loss of \$7 a month. With all the hassle I have to go through, like running across town to be recertified and standing in line at the bank to purchase my stamps, it hardly seems worth the trouble for only a \$5 bonus. If the Government makes me pay more for my food stamps, but allows me less in the way of food, it will hurt me.

I do hope you understand that old people will not tolerate any proposals which will cut our benefits and hurt us. We built this country, paid our taxes, fought in your wars, and raised the next generation. There are more old people around these days; we are organized, and we vote. In a country as rich as ours, it would be shameful if the Government carried out these awful food stamp proposals, for it would mean that malnutrition would increase.

Please tell the President and the Department of Agriculture that they must not cut food stamp benefits for the elderly or for millions of Americans. The food stamp program is absolutely essential for those of us on fixed incomes as well as for the working poor. Keep the food stamp program strong until you can come up with a better plan to assure nutritionally adequate diets for all Americans.

Senator, I feel I have to say this, it would be a grave injustice to the country if we let this program go.

We have the largest budget for the military, we pay rich farmers millions of dollars to let land lay idle instead of growing food and distributing it to the poor and to the elderly. I feel this would be a great injustice, if we would let this food stamp program deteriorate, because the President gives billions to other countries to fight each other and to send them war supplies and to supply them with everything they need. Still, he cannot take care of the elderly and the sick at home. It is not correct.

I thank you for listening.



## FOREIGN AID GIVEN PRECEDENCE

Senator CHURCH. I like all of your testimony, Mrs. Taylor. I especially like the punchline. It just happens we have a foreign aid bill in the Senate this afternoon which is approximately one-sixth of the total foreign aid package we will be asked to vote on this year, and this bill comes to \$1.6 billion. But there is a little footnote in it that nobody will see, unless they read the fine print, which brings it up to \$2 billion, and that is just one-sixth of what we are talking about for the total year in foreign aid. Here we have people like you coming and pleading not to have their food stamps cut back from \$48 to \$44, and you have special dietary problems.

Now, there is no special accommodation made for people who have dietary problems that may require them to pay for expensive food. Is that correct?

Mrs. TAYLOR. Yes. There is no allowance whatsoever. We have to make due with that money, and also, Senator, I would like to say this: When we get the food stamps, you know, all we can get with it is food, so when we have to buy soap and tissues, and things like that, we have to have money for that, in addition to the money we spend to buy food stamps. Well, if we have to take more for the food stamps, that means we do not get the other necessities we need, because it is not there for us.

Senator CHURCH. Yes.

Mrs. TAYLOR. And these are the things that are making it very, very hard for senior citizens.

Senator CHURCH. Yes, indeed.

Senator PELL, do you have any questions?

Senator PELL. No, not yet. Thank you very much, Mrs. Taylor.

Mr. KIRSCH. I would like to point out one special factor about Mrs. Taylor's case.

At present, she pays \$36 for \$48 worth of food stamps. The reason she pays \$36 instead of the maximum \$38 is because she pays the medical insurance and hospitalization insurance, in addition to medicare, which she feels she needs.

If, for 1 month, she did not pay those medical costs, under plan 1 she would have to pay \$45 for \$44 worth of food stamps, thereby rendering her ineligible for food stamps completely. Therefore, it is important to understand that many people will be forced out of the food stamp program, because they will no longer be eligible, or because the small bonus will not warrant their participation.

I would next like to introduce the two women from Pawtucket, R.I.

On my right is Catherine Campbell, a 75-year-old woman who gets her income from the SSI program in the amount of \$205 a month.

Next to Ms. Campbell is Josephine Baptista, who is also 75 years old and receives her income from SSI and social security.

Mrs. Baptista's total is \$209 a month. Both of these women have to pay \$36 for \$48 worth of food stamps.

If proposal No. 1 is implemented, they would be forced on January 1 to pay \$39 for \$44 worth of food stamps instead of the \$50 they would have received if the current program were to be continued.

This means that they are losing \$7 a month in necessary food aid, and they will be reduced to a food stamp bonus of \$5.

**STATEMENT OF CATHERINE CAMPBELL, PAWTUCKET, R.I.**

Ms. CAMPBELL. I do need food stamps. I need them very much, and the people of Rhode Island, especially the senior citizens, also need them. When I go to a store I keep seeing the prices going up week after week. It's really hard to keep up with them. You just have to buy a little less than you need to eat the way you should.

Senator CHURCH. Your allotment is not going up, and they are proposing to bring it down, but the prices in the foodstore keep going up.

Ms. CAMPBELL. That is right. They keep going up every week. People on fixed incomes suffer more than most people.

Senator CHURCH. And you are in a bigger squeeze.

Mrs. TAYLOR. That is right.

Senator CHURCH. So your present from the Department of Agriculture is that you are going to get reduced stamps to solve your problem.

Ms. CAMPBELL. That is correct. The \$12 extra I now get in the program isn't enough. If they cut me down to only a \$5 bonus, it won't be any help at all, because it just isn't worth participating in this program, with all the trouble and nasty looks you get from people, for only \$5 a month. That doesn't even justify the paperwork.

**STATEMENT OF JOSEPHINE BAPTISTA, PAWTUCKET, R.I.**

Mrs. BAPTISTA. I'm glad to be here with all you people from Washington.

Senator PELL. It is nice to see you.

Senator CHURCH. It is good to have a friend right here from Rhode Island, isn't it.

Mrs. BAPTISTA. Well, it certainly is. The food stamps are a good source of help for us elderly people. Every time we go to the store, we try to get something that we like with the small amount of stamps we have, and then that means that we are short in other things, you know, because we cannot get all of those things that we do like. There's just not enough money for that.

If we just go along with the amount of stamps we have got, we are lucky.

I know that I have to spend plenty outside of stamps for food as well as for articles like soap powder, and other items we need to keep clean and healthy. The stamps just don't cover all the needs I have. I don't understand how they can consider cutting us back. How can I buy the kind of diet I need for just the \$44 worth of stamps that I need? I want to put in a good word for that food stamp program, because we cannot do without it.

Senator CHURCH. Thank you, Mrs. Baptista.

Senator Pell, do you have a question?

**PET FOOD CONSUMED BY ELDERLY**

Senator PELL. I would be interested in any examples of the kind of food you are compelled to purchase.

For instance, I have heard a report that a certain amount of dog food and cat food is eaten by the elderly citizens of our country.

Do any of you—have any of you had that experience or are you aware of others who have been forced to do that?

Mrs. TAYLOR. I know that there have been people in the State of Pennsylvania that have been eating dog food and cat food, and some of them belong to some of the groups that I belong to.

It does happen, because that is the only way they get a little bit of meat, because they cannot afford to buy it. Every time you go to the store, Senator, it costs 5 or 10 cents more. The people who are on some kind of diet, and I would say most senior citizens are on some kind of a diet, if they have any health problems at all, cannot possibly manage on \$48 a month. It is impossible.

Senator PELL. What would be, Mrs. Baptista—for example, what would be your average daily diet? What would you have for breakfast, for lunch, for dinner on an average day?

Tell us first about breakfast.

Mrs. BAPTISTA. A slice of toast and a cup of tea. And you are paying 79 cents for some cereal.

Senator PELL. Cereal and tea, any orange juice?

Mrs. BAPTISTA. Sometimes.

Senator PELL. Sometimes?

Mrs. BAPTISTA. Yes. I like to make my own orange juice when I can afford it.

Senator PELL. But you do not grow the oranges.

Mrs. BAPTISTA. No. Maybe if we went a bit further south, we could do that. That would really be helpful.

Senator PELL. And what would be your lunch?

Mrs. BAPTISTA. Well, maybe some soup and a sandwich.

Senator PELL. What kind of sandwich, what kind of bread?

Mrs. BAPTISTA. Well, rye bread, that is the only kind I like. I usually make a sandwich of something like tuna or sardines, but even that is pretty expensive and you can't have tuna all the time. I'd like to have meat, but it is very costly and I don't like lunch meats. If I've cooked a ham or a turkey, I'll use that for sandwiches. That's what I really like. The problem is that if you want to eat the things you'd like to have, or should have, you can't afford it. You really have to be very creative to make do, and you make do on what you can. I am fairly healthy and can get around. It's really much more difficult for the people who can't be on their feet much, or who need special foods. For them, eating well on our income can really be a chore.

Senator PELL. And for supper and dinner, what would you have?

Mrs. BAPTISTA. I like a baked potato.

Senator CHURCH. That is very good.

Mrs. BAPTISTA. Idaho potato and maybe some hamburger, you cannot buy very much steak.

Everybody looks at you if you put a piece of steak in your basket, they think you are rich.

Once in awhile, though, I do have a piece of steak.

Senator PELL. You like steak?

Mrs. BAPTISTA. Yes, sir, or pork chops.

Senator PELL. But would you find that fish and chicken are expensive, as expensive as the red meat?

Mrs. BAPTISTA. Yes. It's very hard for me to buy much meat. It's very expensive.

Senator PELL. You are right.

Mrs. BAPTISTA. When we go out in a group on special occasions, we always try to have steak. We always try to pick a steak if we have the money to pay for it.

Ms. CAMPBELL. Senator Pell, a pound of red salmon is \$1.85. I cannot buy that. It's too high. I can just look at it, that is all.

#### ADEQUATE DIET IS DIFFICULT

Senator PELL. I recognize the tremendous hardship that these changes in regulations will cause you, and I agree with the chairman, we should do what we can to prevent the impact they have on you.

At the same time, there are ripoffs, not by the older people but by some of the young, some students, and others, who are experts at the food stamp program, in the way they should not be, and somehow we have to ripoff the ripoffs.

I do not know how it gets done, but we have many of you suffering while others get too much. This is the Solomon-type of problem we face in the Congress.

Ms. CAMPBELL. Why should we suffer for somebody else's abuses, if they do exist. I can tell you that the old people I know don't cheat. I don't know about the ripoffs, but cutting back on us elderly folks isn't going to solve the problem.

Mr. KIRSCH. Senator Pell, if abuses do exist, then we must try to stop them. I don't believe that it is happening to any significant degree at all. But that is not the question here, sir. What we are pointing out at this hearing is that once the Congress decides who is to receive food stamps, they should receive the nutritionally adequate diet the law guarantees. Under USDA's proposals which use the thrifty food plan, this will not happen. There's simply no sense to that at all.

Senator CHURCH. Right. We thank you all for appearing before us today.

Mr. KIRSCH. Thank you, Mr. Chairman.

Senator CHURCH. We will now hear from our next panel, Paul K. Philbrook, commissioner, Department of Social Welfare, Vermont; and Ms. Peggy McGuire, coordinator of program and staff development, Department of Social Services, Missouri.

I have just been called to the floor of the Senate, where I am told that the amendment that I am offering, trying to strike that footnote out of that foreign aid bill, is about to come up. I had better go there to see if I can save you people \$800 million; meanwhile, Senator Pell will conduct the hearing.

Please excuse me for having to leave.

Senator PELL [presiding]. Carry on, Ms. McGuire.

#### STATEMENT OF PEGGY McGUIRE, COORDINATOR OF PROGRAM AND STAFF DEVELOPMENT, DEPARTMENT OF SOCIAL SERVICES, MISSOURI

Ms. McGUIRE. Mr. Chairman, my name is Peggy McGuire. I am the coordinator of program and staff development of the Division of Family Services in the State of Missouri.

I am here to represent Mr. Lawrence Graham, director of the Department of Social Services in the State of Missouri, who regrets his inability to attend this very important hearing.

However, I am pleased to be here to testify in regard to the three proposals submitted by the Department of Agriculture, and I would like to say that Missouri has made known to the Department of Agriculture how we feel about these proposals.

I have a prepared statement to provide you in detail with Missouri's positions on these proposals.

Therefore, I would like to summarize the major points outlined in the written material, and I will break these down by the proposals submitted.

Proposal No. 1 states a household's monthly coupon allotment will be computed on the basis of the age and sex of the members of the household.

This means that the certification worker will first determine the monthly coupon allotment for each member of the household, and then total these allotments, to arrive at the household's monthly coupon allotment; then the worker will compute the food stamp net income to determine eligibility; and then, if eligible, the worker will determine the purchase requirement.

The major effects of these proposals are:

#### EFFECTS OF USDA PROPOSALS

Point No. 1; the coupon allotment for thousands of people will be reduced or eliminated entirely.

This is particularly true of elderly women living alone, where their coupon allotments will be reduced from \$50 to \$44 per month, and elderly couples, where their coupon allotments will be reduced from \$92 a month to \$88 a month.

This will occur since the coupon allotment is based on the age and sex of the members of the household, and I would like to testify, I am in agreement with Mrs. Taylor, a woman needs just as much food each month as a man needs.

Point No. 2; the proposal also increases the purchasing requirement for 1- and 2-member households, providing the income for a 1-person household is \$107 or more, and for a 2-person household providing it is \$170 or more.

This will have a drastic effect on persons receiving supplemental security income, and those receiving both supplemental security income and social security.

Point No. 3; what this means is that elderly persons will receive less food stamps, and pay more for them than they are receiving and paying for at the present time.

It also means that many will become totally ineligible, because they will be required to pay more than the coupons are worth, and would therefore drop out of the program.

Point No. 4; in addition to this, it further complicates the administration of the food stamp program.

If anyone had told me 6 months ago that anything could be introduced to further complicate the administration of the food stamp program, I would not have believed them. However, this proposal would result in increased errors, and it will also result in the need for additional staff.

Obviously, the cost of administering the program will increase substantially.

Proposal No. 2 has the same drastic effect on the elderly, as proposal No. 1, with the exception of "grandfathering in" those persons receiving food stamps in December 1975, who continuously receive food stamps thereafter.

What this means is the monthly coupon allotment that is received in the month of December 1975 would not be reduced, providing they continually receive food stamps.

This proposal has the following additional major effects:

#### OTHER MAJOR EFFECTS

(1) Any single elderly person or elderly couple, "grandfathering," who ceases to participate in the program, even if it is just for 1 month, loses his "grandfathering" privilege.

This means that the worker would then automatically revert to proposal No. 1 to determine the coupon allotment and the purchase requirement.

(2) It will be necessary to compare the December 1975 coupon allotment, with the new calculated allotment, each time the food stamp recipient is recertified, to be certain that the recipient is not denied food stamps to which he is entitled. What is more important is that the cost-of-living increases will have no effect on the December 1975, coupon allotment.

That amount will always remain the same, however, the increase in the purchase requirement that will be applied for other recipients will be applied to that December 1975 coupon allotment.

Such a proposal will eventually become an administrative nightmare. It will also result in people having to pay more for the same amount of coupons than they have to pay in December 1975.

Proposal No. 3 is essentially the same as the system now in effect. It is not based on the age and sex of each member of the household.

The major objective of proposal No. 3 is, as is true for Nos. 1 and 2, the coupon allotment is based on USDA's thrifty food plan.

We do not believe USDA's thrifty food plan provides an adequate nutritional diet which, of course, is the purpose of the food stamp program.

In conclusion, I would like to say that Missouri is strongly opposed to proposals Nos. 1 and 2.

Proposal No. 3 is the base of the three and would be an even better plan, if it were based on the Department of Agriculture's low-cost food plan.

Thank you.

[Prepared statement of Peggy McGuire follows:]

#### PREPARED STATEMENT OF PEGGY MCGUIRE

Mr. Chairman and members of the committee: I am Peggy McGuire, coordinator of program and staff development, Department of Social Services in the State of Missouri. Within the Department of Social Services is the Division of Family Services which is responsible for administering the food stamp program for the State of Missouri. I am pleased to be here today, to testify in relation to the three proposals submitted by the U.S. Department of Agriculture as a result of the court case, *Rodway vs. USDA*.

As you are aware, the court ordered the Department of Agriculture to establish a method of calculating food stamp allotments that will provide our recipients with an opportunity to purchase a nutritional adequate diet. As a result of this court order, the Department of Agriculture issued three alternative

proposals for coupon allotment regulations. I appreciate the opportunity to discuss each proposal with you and to make you aware of the effect each will have, not only on the recipients we serve, but on the administration of the food stamp program.

The Department of Agriculture's first regulation will calculate a household's monthly coupon allotment on the basis of the age and sex of each member of that particular household. This proposal would require the administration of the food stamp program to become more complicated and more expensive than it is at the present time. The procedure would be as follows:

1. The certification worker will first determine each individual household member's monthly coupon allotment based on the age and sex of each member of the household.

2. After the household allotment is calculated, the certification workers will have to determine the household's net monthly food stamp income in the same manner as they have in the past. This includes totaling the various kinds of income available to the household and then subtracting the appropriate and various types of food stamp deductions.

3. After the household income is determined, the certification worker will determine the household's purchase price. Only at that point, will the certification worker know if the household is actually eligible for food stamps. (For instance, if the household's purchase price exceeds the coupon allotment, such household would be ineligible for benefits.)

The determination of food stamp eligibility now is a complicated procedure. Due to the methods prescribed by USDA, for the present determination of eligibility, many errors result which in turn results in a higher quality control error rate. This particular proposal would further increase the error rate since changes in age, pregnancy, a nursing mother, and other changes in circumstances within the family would have a direct effect on the monthly coupon allotment and the cost to that household. If this proposal were adopted, it would require additional staff to handle the administration of the food stamp program. I do not believe, however, that even with such additional staff, provided the legislature would provide us this staff, we could calculate and redetermine food stamp monthly allotments on an accurate basis. Considering the increase in staff, the increase in errors, and the fiscal sanctions that could be applied, it does not appear to me that proposal No. 1 could even be considered as administratively sound.

The effect on proposal No. 1 on recipients would be to reduce the coupon allotment in a large number of cases. Some examples of cases in which the coupon allotment would be reduced are elderly women living alone, elderly couples, and families containing mothers with children under the age of nine (9). Not only will the monthly coupon allotment be reduced, but the cost of food stamps will, in many cases, be increased in these types of households. Most of these people are receiving supplemental security income, social security, and/or aid to dependent children. These persons are on a much lower income scale and cannot afford the reduction in the coupon allotment nor the increased cost of coupons. In addition to those persons receiving public assistance, low-income families, particularly nonwelfare mothers with children will also suffer from the restrictive eligibility standards. The eligibility standards are geared to the allotment levels of each household and this allotment level is determined by the age and sex of the individual household members. If such a household is determined to be eligible, the food stamp bonus would be so low that such households would not participate in the program.

#### ADEQUATE BENEFITS LACKING

I firmly believe that the drastic and harmful effect to recipients and the additional administrative costs that would be a result of proposal No. 1, will drastically restrict the ability of the food stamp program to provide adequate benefits to needy families. As a result, I believe that proposal No. 1 should *not* be adopted by USDA.

Proposal No. 2 is exactly the same as Proposal No. 1 with the exception that Proposal No. 2 guarantees that any household participating in the program as of December 31, 1975 will not receive a coupon allotment lower than the allotment it was receiving on the date for as long as the household remains continuously on the program after that date. In other words, proposal No. 2 has the same problems that I mentioned in proposal No. 1 but adds an additional problem of "grandfathering in" households participating in December 1975.

We have had experience with "grandfathering in" in the SSI program and in other programs. Such "grandfathering" complicates the administration of any program and complicates the administration of the food stamp program to an even greater degree than proposal No. 1. In addition to the complexities of proposal No. 1, should proposal No. 2 be adopted, it would require the certification worker to first calculate the coupon allotment in the same manner as proposal No. 1. The worker would then compare this figure with the December 1975, allotment. If the latter coupon allotment is higher, then the household's income and the purchase price must be calculated. By the same token, if the former coupon allotment is higher, then the household's income and the purchase price must be calculated. This procedure would continue for as long as such household continued to receive food stamps; however, if the household ceases to participate in the food stamp program, for even 1 month, it will lose the "grandfathering" protection and such case would then revert to the procedure used in proposal No. 1. Considering that many households continually receive Food Stamps over a period of time, the process of determining the monthly coupon allotment in comparison with the allotment received in December, 1975, would become an administrative nightmare.

The effect on households would be the same as the effect Proposal No. 1 would have on households with the exception of the "grandfathering in" provision. Proposal No. 2 would cause delay in processing food stamp eligibility, an increase in errors, and would result in the need for more staff thus resulting in a substantial increase in administrative cost. For these reasons, Missouri is also opposed to Proposal No. 2.

Proposal No. 3 is similar to the present food stamp coupon allotment system; in other words, it is not based on the age and sex of individual household members, thus, every household of the same size will receive the same coupon allotment. In addition, food stamp purchase prices will not be raised under proposal No. 3.

All three of these proposals are based on the Department of Agriculture's thrifty food plan which is considered inadequate for insuring a proper diet for food stamp recipients. Missouri would prefer that the coupon allotment be based on the low-cost food plan rather than the thrifty food plan. However, in considering the three proposals suggested by the U.S. Department of Agriculture, proposal No. 3 is the only proposal that will not be harmful to claimants and is administratively feasible.

To sum up my comments, Missouri strongly opposes proposal No. 1 and proposal No. 2. I believe that proposal No. 3 is the only proposal submitted that could even be considered in the administration of the food stamp program.

Thank you very much.

Senator PELL. We will now hear from Paul R. Philbrook, commissioner, Department of Social Welfare, Vermont.

Senator Stafford has been detained in your home State of Vermont, and he has asked us to tell you that he regrets that he is unable to be present for your testimony.

#### STATEMENT OF PAUL R. PHILBROOK, COMMISSIONER, DEPARTMENT OF SOCIAL WELFARE, VERMONT

Mr. PHILBROOK. Thank you very much.

I appreciate the opportunity to appear before your committee this afternoon.

Vermont is a small, rural State with a population of approximately 460,000. Though not wealthy—the last per capita income figures I saw placed us 39th in the Nation—1972—our citizens have for years demonstrated their willingness to help their less fortunate neighbors to an extent more generous than the national average. While not complacent—we have far to go—I'm proud of that commitment by my fellow Vermonters.



Last month, October, 49,560 Vermonters were certified as eligible to participate in the food stamp program. In terms of the number of people served, it is the largest program the department of social welfare administrators.

Senator PELL. How many was that figure again?

Mr. PHILBROOK. 49,560 Vermonters.

Senator, eligible Vermonters will pay \$997,000 for their October food stamps and receive \$2,004,000 worth of stamps in return—a bonus of \$1,007,000. In addition to the obvious food purchasing benefit accruing to the program participants one should also note the million dollar shot in the arm provided each month to Vermont food retailers.

That's enough of a commercial. My real reason for appearing before you is to share my concerns as a welfare administrator regarding the USDA proposed new coupon allotments for the food stamp program.

#### NEW ELIGIBILITY REQUIREMENTS

USDA's first alternative, proposal No. 1, would calculate a household's monthly food stamp coupon allotment on the basis of the age and sex of each household member. The effect of this is to add a brand-new component to the eligibility determination process.

Today, when our eligibility worker finally gets gross income reduced to net income—an overly complex process, by the way—he knows whether or not the family is eligible for benefits. If eligible, he then plugs the net income figure against a purchase requirement table to determine the amount of the bonus benefit. However, a new step is added under proposal No. 1. Having gotten net income and the purchase requirement, the worker then has to compute this particular family's allotment, according to its age and sex composition, to find out whether it is more or less than the purchase requirement. Only then can a real determination of eligibility be made.

The additional eligibility work does not end upon initial certification. At each review of eligibility the process must be repeated, or at least reviewed, to be sure no family member has moved from one coupon allotment category to another.

It would seem to follow that these added certification complexities will add to administrative costs, since the number of certifications a worker can complete in a day will obviously decrease. I doubt, however, this would be the case in Vermont. Clearly the need for more certification staff could be there. It is not at all clear, however, that I would be given legislative authority and funding to add that staff.

What, then, would be the real result? We already have serious staffing problems. Caseloads in this program run as high as 400 households per worker and there is a substantial number of cases in which the review date has passed. This additional workload would merely exacerbate the problem; the length of time between application and initial certification would increase, as would the number of cases overdue for review. The real losers, clearly, will be those the program is intended to assist.

Quality control and possible Federal fiscal sanctions are subjects much on the minds of welfare administrators across this country. One of the questions we constantly ask ourselves when considering program changes is: "Will this change increase our potential for error?"

If decided on that basis, proposal No. 1 wouldn't stand a chance. It's potential is staggering. In addition to the obvious, one can imagine a quality control error charged because a mother stopped nursing her child and failed to notify the agency. Or think of the wonderfully complex regulations USDA could promulgate defining how often a mother must nurse her child to be categorized a nursing mother.

To carry this one step further the following are what I understand to be the possible coupon allotments for a mother under age 55 and one child: \$66, \$68, \$70, \$74, \$76, \$78, \$80, \$82, \$84, \$88, \$90, \$92, \$96, \$100, \$102, \$104, \$106, \$110, and \$114.

There ought to be bingo in there somewhere.

#### SECOND PROPOSAL SAME AS FIRST

Proposal No. 2, USDA's second alternative, is even more complex than the first. It is exactly the same as proposal No. 1, but also "grandfathers" the December 1975 caseload. Grandfathering, though sometimes necessary and even desirable, inevitably complicates the administration of the program involved. In this case, not only would the eligibility worker have to go through the extra step of computing the coupon allotment at each review, but in addition compare it each time with the December 1975 allotment and select the more advantageous of the two.

Proposal No. 3 is much like the present food stamp coupon allotment system. While it does nothing to simplify program administration, neither does it further complicate it. Of the three USDA proposals, it is clearly my choice.

I would be shirking my responsibility to Vermonters if I did not at least briefly note how these proposals will impact on benefits in Vermont.

An elderly Vermonter living alone, whose sole income is the State supplemented supplemental security income benefit, receives \$187 a month.

He or she now pays \$36 per month to receive \$48 worth of food stamps—a bonus of \$12.

Under proposal No. 1, this elderly person—if a woman—would pay \$39 for a reduced allotment of \$44. Her bonus has been reduced \$7 per month. Any elderly woman who also receives social security—thereby increasing her monthly income to \$207—loses all entitlement.

Currently we have approximately 900 "one-person" households certified for participation with incomes in excess of \$170 per month, that is, 900 "upper income" participants. The great majority of these are SSI recipients and each one of them who is an elderly woman recipient faces a benefit reduction or complete loss of benefits under proposal No. 1.

While recognizing that the "official" concern of this committee is the aged, let me give you one more example—the young mother with one child living solely on public assistance. In Vermont today, this mother could receive a maximum monthly grant of \$250—\$265 in our one more urban county. This mother now pays \$68 for \$92 worth of food stamps. Under individualized allotments, this mother with one child under age 1 would only be entitled to a \$66 allotment at a purchase price of \$68—thereby losing all benefit entitlement.

Clearly, none of these proposals get at the root problems of the food stamp program, nor were they meant to. There are, however, several bills before the Congress which have as their intent some basic restructuring of the program. I welcome these initiatives and believe that feeling is shared by all welfare administrators across the Nation.

#### LITTLE ABUSE AMONG ELIGIBLE RECIPIENTS

Senator PELL. I would like to ask each of you, in connection with this program, and obviously, this committee, and I as one of the members strongly support the concept of the food stamp program, but what is your own estimate of the number of people who are receiving food stamps—the percentage in each of your States who are not qualified, in your mind, and who should not receive them?

What would be your view in the State of Missouri, what would be your estimate?

Ms. McGUIRE. I do not believe that I could give you percentages.

Senator PELL. Roughly.

Ms. McGUIRE. I think I could cite examples.

Senator PELL. I would rather have from you—you are sort of an authority on what happens to Missouri—your estimate of percentages, because that is what the Federal Government is concerned with. If there is an abuse to the concept of helping the neediest, what would be your guess, your estimate?

Ms. McGUIRE. I think there is really very little abuse among food stamp recipients who are eligible.

The problem occurs because many people are eligible who in my own opinion should not be considered eligible.

Senator PELL. What would that percentage be roughly in your mind?

Ms. McGUIRE. Well, I would just have to pull a percentage out of the air. Many of these people are eligible for a short period of time. For example, students and strikers. I would have to say, approximately 15 percent.

Senator PELL. Fifty or fifteen?

Ms. McGUIRE. I would say about 15 percent, because included in that group, I would have to include the public assistance households, in which the income limitations and resource limitations do not apply.

In other words, for any person who is not receiving public assistance, there is a maximum income limitation in that household, and if their income exceeds that maximum income limitation, they are ineligible for food stamps.

If they are receiving public assistance, then those maximum income limitations do not apply, so that we have persons in the State of Missouri who are receiving food stamps and also receiving public assistance, who have a higher income than perhaps the neighbor next door who is ineligible for food stamps.

Senator PELL. I understand. Let me ask you that same question, pulling it out of the air a bit, for Vermont.

Mr. PHILBROOK. Senator, on the basis of fraud, willful fraud, I would put that number at under 5 percent.

Senator PELL. I am not talking about fraud. I am talking about eligibility.

Mr. PHILBROOK. Let me start again. If you put it on the basis of how many people would be eliminated from the food stamp program, if it were restructured as I would choose to restructure it, it probably would be somewhere between 10 and 15 percent.

Students today, they get exemption from the work requirement, for example.

#### STUDENTS SHOULD USE SAME WORK REQUIREMENT

I would continue students in the food stamp program, but I would subject them to the same work requirement as is expected of everybody else and thereby a number of students would obviously be dropped from program eligibility.

I would not advocate dropping strikers from the food stamp program.

Senator PELL. Would you oppose these regulations? It seems to me that they not only go right across the board, knocking out and harming equally, the old, the defenseless, and the people who should get it, as well as it knocks those out who should not get it. This new proposal also greatly complicates the present regulations, which are complicated enough. Would that be a correct statement?

Mr. PHILBROOK. Absolutely. No question about it.

Senator PELL. It would mean a multitude more of administrative work.

I have tried to understand the regulations, and I found them very complicated to understand.

Mr. PHILBROOK. Senator, in my State, I am afraid the result would be trying to figure out the more complicated regulations with the same number of administrators, and with the same number of eligibility staff, and there I think is one of the real problems.

Senator PELL. Do you know if your group, that is, your group of State administrators of these programs, has submitted your idea on the optimum regulations to the Federal Government?

Mr. PHILBROOK. There is indeed that kind of group and it is my understanding that that group will be coming up with a proposal for the Congress of what we as administrators would like to see as the optimum package, if you will.

Senator PELL. I hope you have more generous treatment for those such as the witnesses who were here this afternoon and less generous for those who abuse the program, and with greater simplicity to administer.

I think those should be the three goals of such a program, and you might even say it would cost less.

Mr. PHILBROOK. Yes, Senator.

Senator PELL. I thank you both very much indeed for being with us.

Mr. PHILBROOK. I thank you.

Senator PELL. We will now hear from our final panel of the day.

Daniel Quirk, director of public policy, National Council on the Aging; Clavin Fields, member of board of directors, National Causus of the Black Aged; Cyril F. Brickfield, counsel, American Association of Retired Persons; and Diane McMahon, executive assistant to the director, National Council of Senior Citizens.

Let me say that we will keep the record open on all of these questions, so that questions submitted by Senator Church and by other members of the committee will be answered within a timeframe by November 20.

I understand these witnesses each have a short prepared statement. You may proceed in any manner you wish.

We will go in the order of the witnesses as listed on the witness list, so Mr. Quirk, you will please go first.

**STATEMENT OF DANIEL QUIRK, DIRECTOR OF PUBLIC POLICY,  
NATIONAL COUNCIL ON THE AGING**

Mr. QUIRK. Thank you, Mr. Chairman and distinguished members of the Senate Special Committee on Aging. I am Daniel Quirk, director of public policy of the National Council on the Aging. As you are aware, the National Council on the Aging is a private, nonprofit organization, whose membership consists of individuals and organizations throughout the country who serve the Nation's older citizens. For 25 years, NCOA has provided leadership in the field of aging to public and private agencies at the national, State, and local levels. We continue to be a national resource for planning, information, and service in those areas affecting the lives of the Nation's elderly population.

Mr. Chairman, we welcome this opportunity to appear before your committee to comment on the U.S. Department of Agriculture's proposed food stamp coupon allotment regulations which were published on September 19. NCOA is convinced that these regulations are a clear threat to the well-being of millions of older persons. We commend this committee's efforts today to provide a forum which will highlight the potential danger of these proposed regulations to the Nation's most vulnerable population—the elderly poor.

Mr. Chairman, the facts are irrefutable. The Department of Agriculture's proposals which calculate a household's monthly food stamp coupon allotment on the basis of the age and sex of each household member will severely increase the food costs of elderly couples and elderly women living alone. Millions of older people who take advantage of the program will have benefits substantially reduced and in many cases eliminated.

Other speakers this afternoon have detailed for the committee the potential impact of these proposals on the already meager incomes of older participants in the program. NCOA is chagrined at the seeming disregard the Agriculture Department has shown for the plight of the elderly who in this period of rampant inflation are too often forced to decide between a meal and required medicines.

**“GLARING INCONSISTENCIES”**

We are further concerned at the glaring inconsistencies in the administration's recent remarks and actions on the food stamp program. In his food stamp message to Congress in July, the President said: “In fairness to those truly in need, we must focus food stamp assistance on them.” Testifying on October 20 before the Senate Committee on Agriculture and Forestry, Secretary Earl L. Butz spoke of “concentrating benefits on the most needy.” At the same time, the Agriculture

Department issued their proposed regulations which directly take food off the table of millions of those Americans most in need of food assistance—the elderly poor living on fixed incomes.

Certainly, the Department's third proposal, which basically continues the program in its present form, is the best of the alternatives offered. Yet in maintaining the present system of coupon allotment, this proposal will also maintain millions of older persons on diets which are nutritionally inadequate.

It seems to us that the Department is capable of devising a plan which takes into account the nutritional needs of the elderly—a plan which would provide all recipients with the "nutritionally adequate diet" guaranteed them under the Food Stamp Act. There is no question that we have the capability of designing such a plan—what is seemingly lacking is a commitment to move in that direction.

Thank you, Mr. Chairman and members of the committee, for this opportunity to present NCOA's views on these proposed regulations.

Senator PELL. Our next witness will be Mr. Clavin Fields, member of the board of directors, National Caucus of the Black Aged.

#### STATEMENT OF CLAVIN FIELDS, MEMBER, BOARD OF DIRECTORS, NATIONAL CAUCUS ON THE BLACK AGED

Mr. FIELDS. Mr. Chairman and members of the committee, my name is Clavin Fields. I am a member of the board of the National Caucus on the Black Aged, Inc., and the director of the Institute of Gerontology at Federal City College. I want to thank the committee for its invitation to present a statement on the Department of Agriculture's proposed rulemaking on food stamp allotments. The National Center on Black Aged is preparing comments\* which examine those regulations in greater detail. I would appreciate it if those comments could be included in the record of this hearing.

Senator PELL. They will be included in the record in full.

Mr. FIELDS. What is happening with the proposed food stamp regulations is not difficult to understand, the proposed regulations seem to be part of a larger effort by the administration to strip the food stamp program. The U.S. court of appeals, in its decision in *Rodway v. USDA*, found that the current food stamp allotment system provides food stamp households less than they need to purchase a nutritionally adequate diet. USDA was required to develop new procedures to correct the deficiency. The Department has responded with three alternative proposals, none of which comply with the *Rodway* decision.

#### LITTLE RELIEF PROVIDED BY PROPOSALS

The first two of USDA's alternative proposals will result in substantially lower benefits, not only for elderly individuals and couples, but also for women with children. Moreover, at the same time that benefits are decreased, the greater complexity of the first two proposals will cause administrative costs to increase.

The third proposal does little more than adjust upwards the coupon allotments. It too fails to comply with the decision of the court of

\*See appendix, Item 3, p. 47.

appeals that substantially all food stamp recipients receive an allotment large enough to provide a nutritionally adequate diet. We believe this is why the administration has attempted to write the third proposal into law in S. 2537, which was introduced by Senator Talmadge on October 21, so that it will be immune from attack in the courts.

Most black aged in America, as well as others living above and below the official poverty line, desperately need the assistance that the food stamp system provides. The National Caucus on the Black Aged supports the efforts of this committee and others to require USDA to comply with *Rodway* and provide adequate nutrition to food stamp recipients.

Senator PELL. We do not want to put our female witness last, so we will call her now, Ms. Diane McMahon, executive assistant to the director, National Council on Senior Citizens.

**STATEMENT OF DIANE McMAHON, EXECUTIVE ASSISTANT TO  
THE DIRECTOR, NATIONAL COUNCIL OF SENIOR CITIZENS**

Ms. McMAHON. Mr. Chairman, members of the Senate Special Committee on Aging, my name is Diane McMahon and I am representing the National Council of Senior Citizens, a nonprofit, nonpartisan organization of over 3,000 older people's clubs throughout the United States.

We welcome the opportunity to testify here today on the alternative regulations that the Department of Agriculture has published in regard to food stamp allotment tables.

Our major purpose today is to go on record in support of the testimony given by the Food Research and Action Center.

I would also like to note that the very effective testimony given by the panel of elderly women who would suffer directly if the Department of Agriculture's proposals 1 or 2 were put into effect, can be corroborated by hundreds of letters that national council headquarters have received from elderly people throughout this country.

The National Council of Senior Citizens will be giving our full testimony on food stamps before the Subcommittee on Agricultural Research and General Legislation on November 18 and we will be happy to supply copies of that testimony to this committee.

Very briefly, I would like to comment on the three food stamp allotment procedures which the Department of Agriculture has proposed. Proposals Nos. 1 and 2—which would base each household's allotment on its age and sex composition—would both have particularly devastating effects on single- and two-person elderly households, in some instances by reducing the bonus value of food stamps and in other instances by increasing the cost of food stamp purchases so that people will have to drop out of the program. The third proposal is similar to the allotment schedule presently in effect and therefore is the least harmful alternative for elderly recipients. However, this proposal is still inadequate. Ample evidence exists that USDA's thrifty food plan, on which the allotments are based, does not provide most food stamp households with a nutritionally adequate diet.

PROPOSED LEGISLATION WOULD HURT ELDERLY POOR

While we are here today, we should also like to call the committee's attention to the fact that new food stamp legislation introduced by the Ford administration would cut over 5 million low-income persons from the food stamp rolls and make another 5 million pay additional sums for the same amount of food stamps each month. This bill is punitive and socially backward and among those it penalizes are some of the low-income elderly who now need food stamps in order to subsist. Other bills before the Senate, most notably legislation introduced by Senators Dole and McGovern, would reform the food stamp program without specifically targeting the elderly for inequitable cutbacks which they simply cannot afford.

Thank you.

Senator PELL. We will now hear from Cyril F. Brickfield, counsel, American Association of Retired Persons.

**STATEMENT OF CYRIL F. BRICKFIELD, COUNSEL, NATIONAL RETIRED TEACHERS ASSOCIATION/AMERICAN ASSOCIATION OF RETIRED PERSONS**

Mr. BRICKFIELD. Thank you very much, Senator.

I have a statement which I would like to have incorporated in the record.

Senator PELL. It will be inserted after your oral presentation.\*

Mr. BRICKFIELD. I will identify myself, Mr. Chairman. I am the legal counsel for the National Retired Teachers Association/American Association of Retired Persons. We have a combined membership of 8.7 million elderly across the Nation. My associates here are Janet Wegner and Faye Mench.

We are here today to support the views set forth in the prepared statement of Mr. Ronald F. Pollack of the Food Research and Action Center. Senator, when Senator Church was presiding, he pointed out that the U.S. Court of Appeals decision required the USDA to come up with new proposals, and importantly, to invite comments from individuals and organizations. Today, of course, we are making our comments, which I know the USDA will consider. But among other things, the Senator pointed out, there is also a need for congressional examination to reform and restructure the food stamp program. In this connection I would like to observe for the consideration of this committee, and of course the Congress itself, that while the food stamp program has been a fine idea, our associations nonetheless believe that in the long run, the guaranteed minimum income benefits of the SSI program should be raised to a level where the food stamp program would become unnecessary. We say this, because there is, in the final analysis, no substitute for real income. We know, and it is in the statistics and the files of this committee, that only 28 percent of the elderly who are eligible for the food stamp program actually participate. The majority do not participate for a lot of reasons. They do not participate because they are sometimes too prideful to participate, or they have transportation problems getting to the local welfare agency.

\*See p. 39.



They are fearful, because they have to bring documents, and they are not certain what documents are necessary. They face 2-hour interviews and 16-page questionnaires. Sometimes they do not have cash to buy the food stamps.

#### INCREASED SSI INCOME STANDARDS

I heard two ladies testify earlier; one said she spent \$27 to buy \$48 worth of food stamps. I think the other lady paid \$36. My point is that many people do not have the \$27 or the \$36, as the case may be, to buy the necessary food stamps. So as I say, in its deliberations, the committee should consider increasing the minimum income standards of the supplemental security program to the point at least where the food stamp program is no longer necessary.

For the record, I would also like to state that we oppose proposals Nos. 1 and 2, and for the reasons that have been stated by various witnesses. As to proposal No. 3, Senator, we find it the least objectionable, although it is far from satisfactory, and we would certainly like to see an increase in the allotments under proposal No. 3 as promulgated by USDA.

Thank you very much.

Senator PELL. Thank you.

I would say one approach here would be to substitute a higher SSI basic level or floor for some of the categorical approach programs, would you go along with that?

Mr. BRICKFIELD. Yes, we would like to see the SSI program levels raised. For the time being, we would like to see it raised to the poverty levels as established by OEO, now known as the Community Services Administration.

Senator PELL. I think many, if not most, things in the Government need simplification too. One of the concerns I have with these proposed amendments is the increased complexity of them. This is going the wrong way. We in Government now should at least make the gesture of trying to simplify things. We have legislation in to try to reduce the number of forms. I noticed that in the press the other day, Senator Proxmire asked for a copy of every governmental form available. The agency threw up their hands and could not fulfill the request, because there were so many—but this is going in the reverse direction.

Also, those of us who are faced with the problem that while the vast majority of people desperately need food stamps, and maybe nutrition, there are a few bad apples in the barrel who spoil the barrel for everybody else, because they are ripping it off, and the question is, how can you eliminate those without hurting the whole program?

This committee has no legislative responsibility, but its job is to illuminate the problem, by bringing it to the public view, and perhaps produce changes in the regulations, or the legislation that is forthcoming, so I thank you all very much for being with us.

I would like to say that the record will be kept open until November 20, so that anybody may supplement or insert a statement until that time, and I also would like to thank the senior citizens, who I see in the audience, who have taken a pretty difficult trip, to climb a lot of stairs, to get here, and give us their presence.

I only wish that not only senior citizens, but also our other citizens were aware of the problems of the aged, because they will all be aged if they are lucky. If they are unlucky, they will not be aged some day. You have done a very good thing by giving your time today.  
 [The prepared statement of Mr. Brickfield follows:]

#### PREPARED STATEMENT OF CYRIL F. BRICKFIELD

I am Cyril F. Brickfield, counsel to the National Retired Teachers Association and the American Association of Retired Persons—affiliated nonprofit associations representing nearly 8.7 million older persons. Accompanying me here today are Janet Wegner and Faye Mench, members of the NRTA-AARP legislative staff. Our associations appreciate this opportunity to comment on the three alternative allotment formulas proposed by the Department of Agriculture in compliance with the ruling of the U.S. Court of Appeals of the District of Columbia in the case *Rodway v. USDA*. In addition, we would like to make a few comments on the food stamp program in general as it applies to older persons.

In the long run, our associations would like to see guaranteed minimum incomes raised to a level which would render the food stamp program unnecessary. For the elderly in particular, food stamps are not an adequate substitute for real income. Only 28 percent of the elderly, blind, and disabled persons eligible for the program participate in it. We suspect that even if outreach efforts were redoubled, distribution problems resolved, and the purchase requirement eliminated, there would still be large numbers of elderly persons who for one reason or another would not participate in the program. As a result, our associations place highest priority on increasing minimum income levels for older persons under the supplemental security income program.

In the meantime, however, the food stamp program plays a very important role in protecting low income elderly persons from hunger, and it is important that the program be made to operate as efficiently as possible to reach the greatest number of persons in need.

Alternative 1 is unsatisfactory for two reasons. First, the increased administrative burden of this proposal is likely to be astronomical at a time when we should be concerned both with reducing Federal administrative costs and with simplifying eligibility requirements for Federal programs. Second, elderly women and couples would receive smaller allotments under this alternative and many elderly participants would be subjected to higher purchase prices and more stringent income eligibility standards. Our associations feel that elderly persons already squeezed by inflation, who must watch rents, utility bills and food costs rise higher each month while income remains the same, should not be expected to suffer another blow to their standard of living. The effect of the current inflation has been 20 percent worse for the poor than for middle-income persons, since basic necessities have been most affected by inflation. The poor and elderly are also hardest hit by high unemployment rates, since the marginal and part-time jobs held by many of them are the first jobs to be eliminated in a period of belt tightening. Those elderly persons who have become dependent on the food stamp program to see them through from 1 month to the next should not be asked to suffer reduced benefits.

Alternative 2 appears equally unsatisfactory to our associations, since this alternative has the same disadvantage of increasing the administrative burden of the program and, in the long run, the same disadvantage of reducing benefits for elderly participants.

Alternative 3 is the least objectionable of the three proposals, although it is far from satisfactory. This proposal does not result in reduced benefits, but provides no greater benefits on the average than does the present system. Our associations would prefer to see the institution of higher allotments based on a more nutritionally adequate food plan.

Despite its obvious importance to low-income elderly persons, the food stamp program is currently under heavy political attack from critics who contend that it is being "misused" and is "out of control." This rhetoric has, unfortunately, overshadowed the fact that the program does offer the guarantee of at least a basic minimum level of nutrition to low-income persons. Our associations do not wish to imply that the program is entirely free of abuses and mismanagement—there is certainly a need for reform of the program, especially in the areas of administrative simplification and in reasonable efforts to control possible abuse.

I hope, however, that emotional, often unsubstantiated charges of "welfare cheating" will not make us lose sight of the vital importance and basic value of the program. Our associations will continue to press for adequate retirement income for all older Americans so that food stamps will no longer be necessary for them. In the meantime, however, we strongly support the continuation of a more effective, efficient food stamp program.

Senator PELL. This hearing is recessed, subject to call of the Chair.  
[Whereupon, at 3:40 p.m., the hearing was adjourned.]

## APPENDIX

### MATERIAL SUBMITTED BY INDIVIDUALS AND ORGANIZATIONS

#### ITEM 1. THRIFTY FOOD PLAN INADEQUACIES; SUBMITTED BY RONALD POLLACK,\* DIRECTOR, FOOD RESEARCH AND ACTION CENTER, NEW YORK, N.Y.

##### USDA'S THRIFTY FOOD PLAN IS INADEQUATE AND SHOULD NOT BE THE BASIS FOR FOOD STAMP COUPON ALLOTMENTS

All three proposals for modifying current food stamp allotments to comply with the *Rodway* decision are based on the cost of USDA's new thrifty food plan, the cheapest of four food plans developed by the Consumer and Food Economics Institute of the Agriculture Research Service. In other words, USDA claims that food stamp coupon allotments, based on the thrifty food plan, will realistically allow recipients to buy the "nutritionally adequate diet" guaranteed them by the Food Stamp Act. USDA has adopted the recommended dietary allowances (RDA) for basic nutrients most recently set in 1974 by the National Academy of Sciences-National Research Council as the standard for nutritional adequacy. If the thrifty food plan does not provide recipients with a realistic opportunity to purchase the RDA, that is a nutritionally adequate diet, then the use of any of the three proposals is violative of the Food Stamp Act and out of compliance with the *Rodway* decision. A brief review of the thrifty food plan is necessary, therefore, in order to comment on USDA's proposed new coupon allotments. This review will demonstrate that the thrifty food plan is inadequate and should not be used as the basis for food stamp coupon allotments.

##### A. HOW USDA DEVELOPED THE THRIFTY FOOD PLAN

USDA developed the thrifty food plan in four basic steps. First, it took data on food purchasing habits of urban households from USDA's 1965-66 nationwide food consumption survey, updating the prices to 1974 levels. For purposes of studying the actual food consumption of certain low-income households, USDA isolated a subsample of urban households that were in the 10th through 25th percentiles of food expenditures per person per week. This subsample group, which had a median income of \$5,190 a year after taxes, and an average household size of 3.79 persons, was spending \$5 to \$7 per person per week for food. As might be suspected, the diets of this subsample of urban households did not satisfy the RDA, that is, these households were not receiving nutritionally adequate diets. Consequently, as a second step in developing the thrifty food plan, USDA constructed hypothetical diets that would satisfy the RDA if households in the subsample were to consume a mixture of foods different than the mixture which they actually consumed. Because RDA depend on a person's age and sex, the content of these hypothetical diets had to vary with the age-sex composition of subsample households.

In seeking diets upon which food stamp allotments would be based, USDA was working with a self-imposed cost restriction. The final food plan could not cost more than USDA's economy food plan. The economy food plan is USDA's cheapest food plan and is presently used as the basis for food stamp coupon allotments. The economy food plan is equal to 80 percent of the cost of USDA's next to lowest food plan, the low cost food plan. (Other USDA food plans include the moderate cost food plan and the liberal food plan.) Thus, as a third step in

\*See statement. p. 5.

developing the thrifty food plan, USDA eliminated hypothetical diets that cost more than the economy food plan and selected only hypothetical diets that would cost no more than the average food expenditure of households at the 10th percentile of food costs per person per week. Thus USDA developed a thrifty food plan which would cost a family of four \$168.30 a month (in July, 1975)—the economy food plan for the same family would cost \$168.50 per month. It is important to remember that Congress and the *Rodway* court did not impose the cost restriction on USDA that led to establishing cheaper hypothetical diets. This restriction was self-imposed.

The fourth and final step in developing the thrifty food plan was to establish the current cost of the plan for households of different size. Based on the observation that costs per unit of food consumed declines as household size increases—a process called economies of scale—the total cost of the thrifty food plan for households of each sex-age composition was revised downward for households of 5 or more persons, and revised upwards for households with less than four persons as follows: If the household contains only 1 person, a 20-percent increase is added to the cost of the thrifty food plan; a 10-percent cost increase is added for a two-person household; 5 percent for a three-person household; 5 percent of the cost of the thrifty food plan is subtracted for five- and six-person households, and 10 percent is subtracted for households containing seven or more persons.

#### B. THE FLAWS IN THE THRIFTY FOOD PLAN

There are many flaws in USDA's thrifty food plan. Some are obvious even from the brief description of the plan provided above, and others become apparent upon closer study of the plan and USDA's reports on the plan. These flaws make it imperative that the thrifty food plan not be adapted by USDA as the basis for establishing food stamp coupon allotments. Listed below are some of the problems with the plan. Some of these problems are difficult to understand, however, it is important to be acquainted with these issues if you are going to file comments with USDA:

##### 1. *USDA's consumption data does not reflect poor people's actual incomes*

USDA took its initial data in establishing the thrifty food plan from a subsample of urban households in its household consumption survey of 1965-66. Those households had a median annual income of \$5,190 after taxes. Households with that kind of annual income in 1965-66 could hardly be considered poor. Indeed, most food stamp households today have an annual income below the median income of that subsample. Consequently, the food consumption patterns of the subsample used by USDA could not have been reflective of the food consumption patterns of poor people, that is, food stamp recipients.

##### 2. *USDA's consumption data is outdated*

Even if the subsample of the household consumption survey of 1965-66 contained poor households, that survey is almost 10 years old. Because there have been drastic changes in the relative prices of different food items since 1965-66, it is obvious that the food consumption pattern of today's low-income households are not similar to those observed for a subsample of low-income households 10 years ago. Commonsense and economic theory require a conclusion that households will now consume less food where prices have substantially increased. Thus, even small hypothetical changes from the 1965-66 actual consumption patterns incorporated in the thrifty food plan may imply large changes from the actual consumption patterns of the present. Finally, the use of the dated 1965-66 household food consumption survey was unnecessary. Far more current data might have been utilized and was available to USDA, such as: "The Low Income Food Consumption Survey, Spring, 1975" conducted by the National Consumers Congress; the "Health and Nutrition Examination Survey (H.A.N.E.S.) (1971)" conducted by the National Center for Health Statistics, U.S. Department of Health, Education and Welfare (HEW); the "Ten-State Nutrition Survey (1971)," conducted by the Health Services and Mental Health Administration of the Center for Disease Control, HEW; the paper presented by Sylvia Lane, an agricultural economist at the University of California at Davis, before the American Agricultural Economics Association Annual Meeting at College Station, Texas, in August, 1974, entitled "Food Aid Program Effects on Food Expenditures and Levels of Nutritional Achievement of Low Income Households."

### 3. *USDA's methodology for constructing the thrifty food plan is three-times removed from reality*

As noted above, the hypothetical diets built into the thrifty food plan are based on the foods purchased by households whose expenditures for food fell in the 10th-25th percentile, adjusted to constitute a nutritionally adequate diet. But the diets for each sex-age category in the plan are based on the amounts of particular groups of foods consumed by people in the sex-age categories of the entire sample, rather than people just in the 10th-25th percentile. USDA, therefore, estimated the diets for each sex-age category in the thrifty food plan, though it should have used data showing the amounts of foods consumed by people of different sex and age within the 10th-25th percentile. Finally, USDA substituted for the foods they assumed people were eating even cheaper foods in order to lower the cost of the thrifty food plan. The thrifty food plan therefore "costs out" at the 10th percentile, it is not nutritionally adequate.

The hypothetical diets that are built into the thrifty food plan are thus thrice removed from reality. First, by rearranging the foods purchased by households in the subsample; second, by using estimates for the amounts of food eaten by people of different sex and age; and third, by selecting the least expensive foods within each food category. It is thus clear that the amounts and combinations of foods used in the thrifty food plan have little relationship to the real world, and may be highly inappropriate for the low-income households that use the food stamp program—especially the very poorest households, whose food expenditures fall below the 10th percentile.

### 4. *The economies of scale in the thrifty food plan fail to consider important factors relevant to many needy food stamp recipients*

When the total cost of the thrifty food plan for age-sex groups was adjusted for economies of scale according to household size, those adjustments were based on a study of urban and rural nonfarm households. Because the availability of foods, food prices, and even food packaging, probably differs between urban and rural areas, and since these factors can be expected to influence the size of consumption economies, adjustments based on data for both urban and rural households may be inappropriate. In addition, the data for these adjustments was not restricted to the range of households in the 10th through 25th percentile of food costs. Finally, economies of scale considerations presume that the poor households have enough refrigeration space, accessible food stores, and available funds for buying in bulk. These assumptions should not have been made.

### 5. *The thrifty food plan fails to account for regional and local price differentials*

Nothing about the thrifty food plan takes account of divergencies in current food price levels among and within regions of the United States, a consideration recognized as significant by the court of appeals in *Rodway*. Thus, food stamp recipients living in localities where food is expensive relative to the price level for the entire Nation would certainly have to pay more for a diet like the thrifty food plan than the estimated cost of that plan. For example, a preliminary study by a home economist reveals that if thrifty food plan purchases cost \$100 nationwide, those same purchases would cost \$106.80 in New York City, \$104 in Atlanta, and \$102.10 in Philadelphia. Regional differences in food price levels are available from the Bureau of Labor Statistics; USDA could have used that data to compute regionally-based food stamp allotments.

### 6. *The thrifty food plan assumes that poor people have the greatest ability to avoid waste and spoilage of foods*

The thrifty food plan provides for a 5-percent waste factor, that is, it assumes that 5 percent of the edible food purchased will not be consumed. This is an unrealistic level. The cheaper the food the more inedible material it will contain. Cheaper cuts of meat, spoiled fruit, vegetables, and other "bargain foods" result in more waste and spoilage. USDA has constructed a thrifty food plan based on purchasing cheap foods and at the same time has assumed that poor people will have the ability to contain the amount of spoilage to a smaller percentage than USDA allows for its more expensive food plans.

### 7. *Some of the food categories in the thrifty food plan are questionable*

The thrifty food plan places certain foods in what may be the wrong food categories. For example, the plan puts bacon and salt pork in the meat category, but these foods are high in fat or salt content so that their place in the meat category is questionable.

8. *RDA assumes good health and average activities*

The thrifty food plan does not take into consideration that low-income people may have higher RDA needs than other economic groups, since low-income people are often in bad health or under unusual stress. For example, the "Ten-State Nutrition Survey (1971)" conducted by HEW revealed that poor people have 2½ times more chronic diseases and infectious diseases than the general population. Also, low-income people tend to be more active than the general population, working at manual labor jobs, and doing more physical labor at home because of a lack of labor-saving appliances such as washing machines, dishwashers, vacuum cleaners, etc.

9. *Essential nutrients are not provided sufficiently by the thrifty food plan*

The thrifty food plan is iron deficient for women of child-bearing age, for teenage girls and for young children. This deficiency results from USDA's assumption that breads and flours would contain the higher iron enrichment level proposed by the Food and Drug Administration in 1973. These higher levels have not been adapted. USDA has also assumed that this iron deficiency could be repaired through the purchase of iron-fortified cereals. However, iron-fortified cereals are the most expensive cereals. Once again, USDA has constructed a food plan inconsistently assuming that poor people will choose cheaper foods in general, but will purchase the more expensive iron-fortified cereals. Finally, an additional problem with the plan's actual nutrient content is the possibility that it may not meet RDA requirements for zinc and folic acid, and the fact that it provides only 80 percent of the RDA for magnesium and vitamin B6.

10. *The thrifty food plan costs the same as the economy food plan and is therefore unrealistically low*

The cost of the economy food plan for a family of four in July, 1975 was \$168.50 per month. The cost of the thrifty food plan for that same family was \$168.30. According to USDA's "1965-66 Household Consumption Survey," less than 10 percent of the persons eating at the cost of the economy food plan obtained the RDA, and less than 50 percent obtained even two-thirds of the RDA. It is inconceivable that persons eating at the cost of the thrifty food plan, therefore, could fare any better since that plan cost the same as the economy food plan.

**ITEM 2. LETTER AND ENCLOSURE FROM NEAL S. DUDOVITZ, STAFF ATTORNEY, NATIONAL SENIOR CITIZENS LAW CENTER, LOS ANGELES, CALIF.; TO SENATOR FRANK CHURCH, DATED OCTOBER 30, 1975**

DEAR SENATOR CHURCH: Enclosed for your reference is a copy of the National Senior Citizens Law Center comments on the food stamp proposals for new maximum monthly allowable income standards and basis of coupon issuance as published in the *Federal Register*, Vol. 40, No. 183, Friday, September 19, 1975.

Thank you for your consideration of the matters raised herein.

Sincerely,

NEAL S. DUDOVITZ, *Staff Attorney.*

[Enclosure.]

NATIONAL SENIOR CITIZENS LAW CENTER,  
*Los Angeles, Calif., October 30, 1975.*

Re Comments on food stamp program proposals for new maximum monthly allowable income standards and basis of coupon issuance as published in the *Federal Register*, Vol. 40, No. 183, Friday, September 19, 1975.

JACK O. NICHOLS.

*Acting Director, Food Stamp Division, Food and Nutrition Service, U.S. Department of Agriculture, Washington, D.C.*

DEAR MR. NICHOLS: The National Senior Citizens Law Center is a federally funded legal services program concerned with the problems of elderly poor persons. We provide research, litigative, technical and legislative assistance to legal services programs across the country serving the elderly poor. Since adequate nutrition is of great importance to our clients we are concerned with the operation of various federal food assistance programs, including the food stamp program, and how those programs affect the nutrition of senior citizens.

We have read the USDA's proposals on altering the food stamp program and wish to present to you our comments and criticisms of your suggested changes. First, we would like to commend you for your attempt to abide by the court's decision in *Rodway v. USDA*, 514 F. 2d 809 (D.C. Cir. 1975), in publishing these proposals for comment. Further, your providing alternative plans is also a step in the right direction and gives interested persons and groups an opportunity to make more constructive criticisms of your proposals. We hope your initial attempt to follow the proper administrative procedures as outlined in *Rodway* will continue and that you will fully consider both our comments and those of other interested persons when making your final decision.

Despite these surface attempts to follow the necessary procedures, we are distressed by the substance of the three proposals offered by USDA. In our judgment none of these suggestions will provide our clients, the nation's senior citizens, with the nutritionally adequate diet required by law in the food stamp program.

#### PROPOSALS 1 AND 2 RESULT IN LOST BENEFITS

Perhaps the most harmful effects on senior citizens come from the use of USDA's new thrifty food plan. Although the *Rodway* decision clearly indicates that USDA must consider a number of factors in determining appropriate food stamp allotment that will provide a recipient with a nutritionally adequate diet, you have failed to give consideration to facts other than age and sex. With respect to senior citizens, this failure is particularly devastating and results in their losing extensive food stamp benefits under your first and second proposals.

We strongly urge USDA to consider other statistically proven facts about our nation's elderly in determining their nutritional needs and resulting food stamp allotment. We suggest the following are some of the more obvious factors that must be considered.

1. *Mobility*.—It is widely known that lack of mobility is one of the most severe handicaps of senior citizens. Due to their immobility many seniors are unable to purchase food at the lowest available price and in fact are forced to buy food at the much higher priced small neighborhood stores. Thus, some of the assumptions inherent in the thrifty food plan with regard to a recipient's ability to "shop around" for the lowest priced foods cannot be applied to senior citizens.

2. *Physical illness*.—Recent statistics show that over 75 percent of our elderly suffer from some kind of chronic health condition. Many of these elderly require special diets to combat their illness. Special diets may require the purchase of unique foods, higher quality foods, or greater numbers of some nutrients than are provided in the thrifty food plan. In general, as all persons who have been on highly regulated diets know, it costs more money to eat the food on special diets. The elderly also are forced to pay a greater proportion of their income for medical costs; thus, having less money available for food than other persons. In fiscal year 1974, the per capita health care costs for older persons was 3.7 times higher than that of persons under 65.

3. *Shopping abilities*.—Seniors will also have difficulty in purchasing the best foods for the dollar, as required under the thrifty food plan, because of the smaller quantities they purchase as well as their lack of education. It is a clearly recognized rule in our economy that smaller quantities of food usually cost more per serving than larger quantities. Therefore, seniors, because large numbers live alone (more than one-third of all elderly women live alone) and they do not cook as much as other persons, will pay more money for food than other adults. In addition, the average senior citizen's lack of education clearly hampers his ability to "shop around" and get the best buy available. The latest statistics show that 50 percent of all older Americans have not completed 8 years of elementary education.

These factors as well as variances for region of the country and urban/rural dichotomy must be considered in determining the proper food stamp allotment. We realize that USDA cannot be expected to produce an individualized allotment plan for every recipient, but it can take into consideration clearly recognized statistical data which relate to the nutrition of senior citizens. We suggest that USDA can compensate seniors for the problems noted above by granting adequate extra bonus stamps for each senior citizen every month. Such a program would clearly go a long way towards alleviating the inequities of the thrifty food plan, if USDA insists upon using the plan as a basis for the food stamp allotment.



We are specifically opposed to proposals 1 and 2 which you have evolved from the thrifty food plan because in effect they will reduce or eliminate the food stamp benefits of great numbers of elderly recipients. In our judgment these two proposals are essentially identical. The only difference being that proposal 2 has a grandfather clause which may forestall the disastrous effects on current food stamp recipients for a few years (assuming the recipients could meet the requirements set forth in the regulations which is doubtful).

#### ELDERLY WOMEN HARDEST HIT

Elderly women in particular will be harmed by these proposals. For example, under proposal 1 all elderly women living alone will be eligible for \$44 of stamps monthly as compared to the \$48 currently available and the \$50 of stamps that would be available under the allotments that would normally be in effect as of January 1, 1976.

Not only does proposal 1 reduce stamp allotments for older women, but it also lowers the maximum monthly income eligibility standards for those women from \$215 to \$190. Additionally, those women at the top of the income eligibility scales will have their monthly bonus reduced from \$10 to \$5. Since there are many more elderly women than men and because more than one-third of all senior women live alone, proposal 1 harms a large proportion of seniors solely as a result of its detrimental effects on women over 55 years of age.

Other senior citizens are also harmed by these proposals. Elderly couples will receive less coupons than would normally be available in January, 1976. Thus, despite the inflationary adjustment required under law, proposal 1 would provide an elderly couple less total benefits than they had in July 1975.

Perhaps the most distressing aspects of proposal 1 are its treatment of persons on SSI, who are by definition poor and in need of financial assistance in order to survive. In some States those persons may lose as much as \$12 per month in food stamp benefits and in two States (Wisconsin and Colorado) SSI couples will be eliminated from the program because their purchase price will exceed the value of their allotment. Proposals 1 and 2 rather than showing a concern for the Nation's 22 million elderly again demonstrates the Government's willingness to deprive our senior citizens of benefits they deserve.

These proposals will place significant pressures on the administration of the food stamp program. Rather than simplify the current procedure, proposals 1 and 2 both require new computations of a household's food stamp allotment based on the age and sex of the members. These allotments will of course change any time a household member becomes older or is pregnant and therefore may vary considerably during any given year. Our experience in legal services is that food stamp caseworkers under the present system are already overburdened and responsible for many administrative errors in establishing the household's net available income. These additional complications caused by proposals 1 and 2 will only result in increased administrative costs as well as increased errors.

With regard to proposal 3, we are also opposed to its implementation; although it clearly is the best of what we consider to be three bad choices. In essence, proposal 3 continues the present food stamp allotment system. At the present time the third proposal would not terminate and reduce the benefits of senior citizens.

On the other hand, proposal 3 is also based on the thrifty food plan, which we have already criticized. Further, USDA has already admitted about 25 percent of food stamp households would not receive sufficient stamps under this proposal to purchase the thrifty food plan. By your own definition proposal 3 cannot provide the nutritionally adequate diet required under the Food Stamp Act.

In summary, we oppose the use of the thrifty food plan and all three proposals for food stamp allotments. We cannot understand USDA's clear insensitivity to the needs of the nearly 4 million poor senior citizens. Any proposal to provide the poor of our country (nearly 20 percent of whom are senior citizens) with adequate nutrition must consider the special problems of the elderly. Clearly, proposals such as yours which actually deprive current senior citizen recipients of benefits in the face of our current economy must be rejected.

Thank you for your consideration of our comments.

Sincerely,

NEAL S. DUDOVITZ, *Staff Attorney.*

**ITEM 3. LETTER AND COMMENTS ON PROPOSED FOOD STAMP RULE-  
MAKING REQUIRED PURSUANT TO *RODWAY* v. *USDA*, FROM STEVEN  
R. BAER, COUNSEL, NCBA; TO JACK O. NICHOLS, ACTING DIRECTOR,  
FOOD STAMP DIVISION, FOOD AND NUTRITION SERVICE, U.S. DE-  
PARTMENT OF AGRICULTURE; DATED NOVEMBER 6, 1975; SUBMIT-  
TED BY CLAVIN FIELDS,\* BOARD OF DIRECTORS, NATIONAL CAUCUS  
ON THE BLACK AGED**

DEAR MR. NICHOLS: On September 19, 1975, the Food and Nutrition Service of the United States Department of Agriculture issued draft regulations in response to the opinion of Judge Skelly Wright, writing for a unanimous panel, in *Rodway* v. *USDA*, 514 F. 2d 809 (D.C. Cir. 1975). The proposed rulemaking provides three alternative allotment regulations to be implemented with the Department's new thrifty food plan.

The National Center on Black Aged has examined those regulations and concluded that they fail to serve the needs of the many aging and aged blacks and others who are dependent upon the food stamp program.

In order to properly evaluate the proposed rulemaking these comments will consider not only the effects on food stamp consumers of each of the alternative proposals and the new food plan but also how the proposed rulemaking fails to comply with the order of the court of appeals.

**I. THE *RODWAY* DECISION REQUIRES THE DEPARTMENT OF AGRICULTURE TO PROVIDE  
A NUTRITIONALLY ADEQUATE DIET TO FOOD STAMP RECIPIENTS**

*Rodway* v. *USDA* was brought by individual food stamp recipients, the Commonwealth of Pennsylvania, the City of New York, and the National Welfare Rights Organization represented by the Food Research and Action Center claiming that both the current food stamp allotment system and the Secretary's economy food plan fail to provide food stamp recipients "with an opportunity to obtain a nutritionally adequate diet" as required by the Food Stamp Act, as amended, 7 U.S.C. § 2013(a) (1971).

Under the present system the size of all allotments are based upon the needs of a hypothetical family of four using the Department's economy food plan: Every four-person household receiving food stamps—regardless of the age, sex, or individual needs of its members—receives the same allotment each month. Adjustments are made for larger or smaller households but, again, the allotments are based upon the needs of the hypothetical family of four.

The court of appeals found that USDA's decision to use a hypothetical family of four was made without the notice required by section 4 of the Administrative Procedure Act, 514 F. 2d 817, and that such an averaging system cannot be maintained unless its allotment levels are such as to provide substantially all food stamp recipients with a substantially nutritional diet. 514 F. 2d 823.

The court declined to determine whether the economy food plan achieves a nutritionally adequate diet, 514 F. 2d 818, but did indicate that "the Secretary must find support for the plan in fact," 514 F. 2d 818 n. 16.

**II. THE FIRST TWO ALTERNATIVE PROPOSALS FAIL TO PROVIDE A NUTRITIONALLY  
ADEQUATE DIET**

The Department's first two alternative proposals base monthly allotments on the age and sex of each member of the food stamp household. Although these proposals give the appearance of complying with the *Rodway* decision, this is not actually the case.

*Rodway* did not specifically require the Department to set allotment levels for food stamp recipients on the basis of age, sex, physical condition, regional price differences, or other factors. Rather, the court stated that USDA's current system fails to provide a nutritionally adequate diet to all food stamp recipients and suggested that one approach to remedy that deficiency might be to differentiate allotments according to age, sex, and other factors. 514 F. 2d 823. The only requirement actually imposed by *Rodway*, however, is that "virtually all recipients" receive an allotment "sufficient to allow them to purchase a nutritionally adequate diet." 514 F. 2d 823.

\*See statement, p. 35.

This requirement—providing an adequate diet to food stamp recipients—is precisely what the first two proposals fail to do. It seems that instead of increasing food stamp allotment levels the Department of Agriculture used *Rodway* as a pretext to decrease allotments for certain groups such as the aged, women, and children. In many instances, then, food stamp recipients could receive smaller, not larger, allotments under the first two proposals.

The second proposal is identical with the first except that it contains a grandfather clause which could enable individuals currently receiving food stamps to receive the higher of either current allotment levels or those set by the first proposal. The second proposal does not represent any real improvement over the first since inflation and other factors will inevitably cause future allotments to increase anyway. Moreover, food stamp households that are unable to remain on the program continuously, as well as new food stamp households, would be forced to accept the allotments set in the first proposal.

The table below indicates that extent which monthly allotments could be cut for the elderly under the first two proposals:

FACE VALUE OF FOOD STAMPS

	Now	As of January 1975 <sup>1</sup>	Under 1s propos a
Elderly women (over 55).....	\$48	\$50	\$44
Elderly couple (men and women over 55).....	90	92	88

<sup>1</sup> Using allotments normally in effect.

An elderly man would receive only \$2 more under the first proposal than he would have received under the allotment that would normally be in effect after December 31. By comparison a man between 20 and 54 years of age would receive a \$60 monthly allotment under the first proposal.

In addition, the first two proposals could increase the price that many food stamp recipients would be required to pay for their allotments. Single person households with monthly net incomes of \$170 or more and two person households with net monthly incomes of \$270 or more would both be required to pay more for their allotments. The Food Research and Action Center has indicated that the elderly who receive either supplemental security income or social security benefits or both will be affected in the following manner:

1. In Colorado, Illinois, Michigan, Minnesota, New Hampshire, New Jersey, Oklahoma, Oregon, Pennsylvania, Rhode Island, Vermont, and Washington, most or all elderly single member SSI households receive \$170 or more in SSI benefits, and consequently, an elderly female SSI recipient, who has no deductions, will lose \$7 in food stamp benefits each month and receive only a \$5 food stamp bonus.

2. In Connecticut, Idaho, Kansas, Nebraska, Rhode Island, South Dakota, Washington, and Wisconsin, many single elderly female SSI recipients living alone will be eliminated from the food stamp program because they will have to pay more for their food stamps than they are worth.

3. In all the States where SSI recipients are eligible for food stamps, female elderly SSI recipients, without deductions, who are living alone and who are also receiving \$20 or more in monthly social security benefits, will lose \$7 in monthly food stamp benefits and receive only a \$5 monthly food stamp bonus.

4. In Colorado, Connecticut, Idaho, Illinois, Kansas, Michigan, Minnesota, New Hampshire, New Jersey, Nebraska, Oklahoma, Oregon, Pennsylvania, Rhode Island, South Dakota, Vermont, Washington, and Wisconsin, many or all of the recipients in example 3 will be eliminated from the food stamp program because they will have to pay more for their food stamps than they are worth.

5. In Idaho, Minnesota, Vermont, and Washington many elderly SSI couples will lose a total of \$6 in monthly food stamp benefits, and in Connecticut, Nebraska, Oklahoma, Rhode Island, and Vermont, many elderly SSI couples will lose \$12 in monthly food stamp benefits and receive only an \$8 bonus. In addition, SSI couples in Colorado and Wisconsin will be forced off the food stamp program because their purchase price for their monthly food stamp coupon allotment will exceed the value of their allotment.

6. If SSI couples in the States in example 5 are also receiving \$20 or more in monthly social security benefits they will lose even more food stamp benefits and many more will be forced off the program because their purchase price will exceed income. For example, many SSI couples that receive only \$20 in monthly social security benefits will lose \$6 in food stamp benefits if they reside in Maine, Michigan, New Jersey, Oregon, and Pennsylvania; \$12 if they reside in Idaho, Minnesota, Vermont, and Washington; and \$18 if they reside in Connecticut, Nebraska, Oklahoma, Rhode Island, and Vermont (Chittenden County only). In these last five States, SSI-social security elderly couples will receive a \$2 monthly food stamp bonus.

Both the first and second alternative proposals fail to provide the nutritionally adequate diet which was the reason *Rodway* was brought and the basis for Judge Wright's decision. Moreover, as the Secretary and other USDA officials have already conceded, the computation of allotments predicated upon sex and age would be too difficult to administer. Even as allotment benefits are cut for the elderly and others the greater complexity of the first two proposals will cause administrative costs to increase.

### III. THE THIRD ALTERNATIVE PROPOSAL FAILS TO PROVIDE A NUTRITIONALLY ADEQUATE DIET

The third proposal is the best of three inadequate proposals. It is also the proposal which the administration has apparently intended to adopt all along. The administration's food stamp bill was introduced by Representative Michels in the House on October 20, 1975, as H.R. 10244 and, in a somewhat different form, by Senator Talmadge in the Senate the next day as S. 2537. Both the House and Senate versions would make the third alternative proposal and the thrifty food plan part of section 3(n) of the Food Stamp Act. This would effectively insulate the Department's third proposal from judicial review. Unfortunately, the third proposal also fails to provide a nutritionally adequate diet.

Under the third proposal food stamp allotments are based, not on the age or sex of the recipient, but on the size of the food stamp household. Thus every household of the same size—regardless of the age, sex, or physical condition of its members—will receive the same coupon allotment. In fact, the amount of the allotment to food stamp families of five or less people is the same as it would have been after December 3, 1975, if there had been no *Rodway* decision and no remedial regulations. Households of six or more persons will receive somewhat greater monthly allotments.

In many instances, however, not only the allotments but also the purchase prices of food stamps have been increased. The table below shows the allotment and price increases by household size and income :

Household size	Face value of stamps		Price of food stamps		Net income
	Now	3d proposal	Now	3d proposal	
1.....	\$48	\$50	\$36	\$38	\$170-\$189.99
1.....	48	50	36	38	190-209.99
1.....	48	50	38	40	210-229.99
2.....	90	92	70	72	270-289.99
2.....	90	92	70	72	290-309.99
3.....	128	132	100	103	360-389.99
3.....	128	132	109	112	390-419.99
3.....	128	132	110	114	420-449.99
4.....	162	168	138	140	480-509.99
4.....	162	168	138	144	510-539.99
4.....	162	168	138	144	540-569.99
5.....	192	200	164	168	570-599.99
5.....	192	200	164	172	600-629.99
5.....	192	200	164	172	630-659.99
6.....	222	240	190	196	660-689.99
6.....	222	240	190	205	690-719.99
6.....	222	240	190	208	720-749.99
7.....	250	264	214	215	720-749.99
7.....	250	264	214	224	750-779.99
7.....	250	264	214	228	780-809.99
7.....	250	264	214	228	810-839.99
8.....	278	302	238	243	810-839.99
8.....	278	302	238	252	840-869.99
8.....	278	302	238	261	870-899.99
8.....	278	302	238	262	900-929.99

At the upper income levels, as indicated on the table below, the amount of the increased monthly allotments will be identical with the increased monthly purchase prices:

Household size	Monthly net income	Amount of increased allotment	Amount of increased purchase price	Net gain for food stamp recipients
1-----	\$170-\$189.99	\$2	\$2	0
1-----	190-209.99	2	2	0
1-----	210-229.99	2	2	0
2-----	270-289.99	2	2	0
2-----	290-309.99	2	2	0
3-----	420-449.99	4	4	0
4-----	510-539.99	6	6	0
4-----	540-569.99	6	6	0
5-----	600-629.99	8	8	0
5-----	630-659.99	8	8	0
6-----	720-749.99	18	18	0
7-----	780-809.99	14	14	0
7-----	810-839.99	14	14	0
8-----	900-929.99	24	24	0

For these food stamp households the bonus value (that is, the difference between what a food stamp recipient pays and the face value of the monthly allotment) will remain unchanged. In other words, these households will fare no better under the increased allotments of the third proposal than they do under the present arrangement.

Although the third proposal is an improvement over the other proposals and even, in some instances, over the present allotment schedule, it too fails to comply with the court of appeals decision in *Rodway*. By USDA's own admission, a quarter of all households receiving food stamps would not receive enough under the third proposal to purchase a nutritionally adequate diet under the Department's thrifty food plan.

#### IV. THE THRIFTY FOOD PLAN FAILS TO PROVIDE A NUTRITIONALLY ADEQUATE DIET

In order to accurately assess the three alternative proposals it is also necessary to consider the thrifty food plan upon which they are based.

Since the new food plan replaces the economy food plan the National Center on Black Aged is forced to conclude that the Department was unable to follow the suggestion of the court of appeals to show "in fact" that the economy food plan provides a basis for a nutritionally adequate diet. 514 F. 2d 818, n. 16.

There are a number of problems with the new food plan, however, which lead us to believe that the thrifty food plan does not improve upon the old economy food plan presently in use.

The first and most striking problem with the new thrifty food plan is the USDA's self-imposed cost restriction. The economy food plan was the lowest-priced of all of the USDA's food plans. The thrifty food plan which replaces it will now be the lowest-priced food plan. More important, the Consumer and Food Economics Institute of the Agricultural Research Service, which developed the new food plan, was working under a self-imposed cost restriction—the thrifty food plan could not cost more than the inadequate economy food plan.

There are further problems with the thrifty food plan. The design of the plan itself is questionable. It fails to take regional price differences into account. Moreover, the plan is based upon the consumption patterns of households surveyed 10 years ago which earned a median annual income of \$5,190. Even today, with inflated prices, most food stamp households have a lower median income. The plan was then "adjusted" several times in order to:

- (1) Lower the cost of the thrifty food plan by selecting the least expensive foods available;
- (2) Account for the varying consumption needs of individuals of different age and sex; and
- (3) Compensate for the nutritional deficiencies of the 1965-66 sample.

As a result the new thrifty food plan has little realistic relationship with the actual eating habits of the typical consumer and even less to do with the needs and eating habits of the low-income food stamp household.

Further, the thrifty food plan allows too little for waste and spoilage—only 5 percent. It is unrealistic to assume that food stamp households can maintain such low levels of waste. Many food stamp households do not have adequate refrigeration facilities. Sale items and cheaper commodities will, in many cases, spoil sooner than other foods. And items like plastic wrap, aluminum foil, plastic bags, and containers, which are necessary to keep stored foods fresh, cannot be purchased with food stamps. In the face of all this, the USDA allows less for waste and spoilage in its thrifty food plan than in its more expensive food plans.

Finally, even if the thrifty food plan was not placed under the same cost ceiling as the economy food plan it replaces, it is doubtful that it can supply the nutrition food stamp recipients require. The plan is iron deficient for young children, teenage girls, and women of child-bearing age. Moreover, the plan assumes normal health and average activity on the part of food stamp recipients even though many low-income individuals, including aging and aged blacks, receiving food stamps, require special diets or are employed in menial jobs requiring great physical activity.

The administration's food stamp bill, the National Food Stamp Reform Act of 1975, in effect, acknowledges that the thrifty food plan is nutritionally inadequate. Both the Senate and House versions of that bill attempt to undercut any judicial challenges of the nutritional adequacy of the thrifty food plan by defining a nutritionally adequate diet in terms of the new food plan. Pursuant to section 2(c) of the administration's proposed legislation no one could claim that the thrifty food plan does not provide a nutritionally adequate diet since a nutritionally adequate diet is one "determined in accordance with the thrifty food plan in 1975 by the Secretary." It is unlikely, however, that the administration's bill will pass through both houses of Congress unscathed. And, even if the bill should become law with section 2(c) intact, there is one thing that will not change. The thrifty food plan does not, in fact, provide a basis for a nutritionally adequate diet.

#### CONCLUSION AND RECOMMENDATIONS

The first two of the three alternative proposals suggested by the Department of Agriculture fail to comply with the requirement in the *Rodway* decision that substantially all food stamp recipients be provided a nutritionally adequate diet. The new thrifty food plan appears to be no better than the economy food plan which, the court's suggestion in *Rodway* notwithstanding, the Department declined to defend.

The third proposal is the least offensive of the Department's three proposals, but it too fails to comply with *Rodway*, and its allotment levels must be increased. In addition the Department should either replace or rework its thrifty food plan so that it reflects the realistic needs of food stamp recipients.

The Department of Agriculture should not wait upon proposed legislation that may insulate its regulations from attack. The court of appeals will not wait that long. And, in any event, USDA should bring its regulations, as well as the entire food stamp program, into compliance with *Rodway*. Substantially all food stamp recipients must be provided a nutritionally adequate diet if the food stamp program is to make any sense.

Since much of the decision of the D.C. Circuit in *Rodway* turned on the Administrative Procedure Act and the issue of notice it is appropriate to consider USDA's use of the *Federal Register*. Almost a year ago NCBA commented on the Department's failure to provide adequate and timely notice of proposed rulemaking. We believe that USDA's future announcements in the *Federal Register* could be more informative if they would include figures and tables comparing current allotment and price levels with proposed changes in those levels.

The food stamp program can be one of the most effective programs in the United States. Unlike manpower or housing programs, the food stamp program is required to benefit all individuals who are eligible and apply for assistance—no matter how many individuals apply. We believe that this is at the root of the recent controversy surrounding the program. The National Center on Black Aged urges the Department of Agriculture to reconsider its proposed rulemaking and provide a nutritionally adequate diet to all food stamp recipients.

Respectfully submitted.

STEVEN R. BAER, *Counsel, NCBA.*

#### ITEM 4. STATEMENT FROM MARY T. GODWIN, PUBLIC HEALTH NUTRITIONIST, MONTGOMERY COUNTY, MD., HEALTH DEPARTMENT

The thrifty food plan is a new food plan developed for use in setting the guidelines for food stamp coupon allotment. The Agricultural Research Services USDA developed the thrifty food plan to replace the economy food plan, currently used for determination of the food stamp allotments. Detailed and complex formulae were used to arrive at the thrifty plan, but the end result is that the cost of food for a family of two, age 55 and over, for August 1975, under the thrifty plan is \$87.50 (1), and under the economy food plan, which it is proposed to replace, the cost is \$90, or a difference of \$2.50. The economy food plan was designed for "temporary or emergency use when funds are low." In September 1969, "USDA nutritionists and food economists recommend that public assistance agencies consider the low cost rather than the economy plan as a standard for money allowances for food" (2). The low cost food plan for August for a family of two, age 55 and over was \$112.50, or \$25 more than the thrifty food plan. Perhaps a more appropriate name is the shifty food plan.

##### *Cost of food plans in August 1975 for family of two, 55 and over*

Thrifty food plan.....	\$87.50
Economy food plan.....	90.00
Low cost food plan.....	112.50
Moderate cost food plan.....	140.30

Prior to 1964, the low cost plan had been used by welfare agencies as a basis for food allotments for needy families.

The claim is made that the thrifty food plan is nutritionally adequate; yet, in the nationwide food consumption study of 1965, only 1 in 10 had an adequate diet on the economy food plan (3). Let us examine some of the reasons why persons on the thrifty food plan are not likely to have an adequate diet.

##### FALLACIES OF THE THRIFTY FOOD PLAN

The actual allotment may be substantially less than the cost of the thrifty plan. The cost of the thrifty food plan used for food stamp allotments will be based on the cost of food 6 months (4) to a year prior. The consumer price index for food from December 1973 to December 1974 rose 12.2 percent. Food costs are likely to continue to rise, not fall.

No allowance is made for regional price differences. The U.S. average annual cost of a lower budget for food for a retired couple in the autumn of 1974 was \$1,334, for New York City the cost was \$1,501, a difference of \$167 annually, or about \$16 per month more. Of the 40 major cities, in 19 the cost of food was higher than the U.S. average (5).

No allowance is made for meals or food outside the home. The thrifty food plan is for food eaten at home. Mealtime should be a time to socialize, share with friends, break away from the loneliness and isolation of living alone and growing old—a need widely recognized.

Food costs more in inner city neighborhoods. The cost of the thrifty food plan is based on averages of retail food prices for cities. This figure would be lower than the actual cost of food in inner city neighborhoods where over 33 percent of the elderly poor live. Few supermarket chains locate in the inner city. Food is generally purchased at small independent stores where prices are usually higher. In addition, patrons in low-income area stores tend to purchase certain items in smaller sizes at higher unit costs than those in higher income area stores (6).

It seems reasonable to conclude that the foods in the thrifty food plan will cost far more than the amount allotted; hence the thrifty food plan.

##### LIMITATIONS OF THE THRIFTY FOOD PLAN

Assuming an elderly individual or couple were to attempt to live on the thrifty food plan, the following would be necessary: knowledge of the foods included, ability to purchase, store, prepare and eat the foods.

*Italic figures within parentheses refer to references printed on p. 54.*

*Nutrition education?*

Since the cost of the thrifty food plan was less than the economy food plan for August 1975 in an early national survey, 1 in 10 had an adequate diet on the economy food plan (2). The question arises, "How are individuals or families going to eat an adequate diet on less?"

The thrifty food plan contains a specific list and quantities of foods which substantially differ in quantities of some items from foods eaten by persons spending at the economy food plan level. For example, survey families of four ate 12.9 pounds of meat while the thrifty plan allows for 7.4 pounds; (other) vegetables and fruit, survey families ate 14.2 pounds, the thrifty food plan contains 12.6 pounds; the survey families ate 8.5 pounds grain products but the thrifty food plan contains 11.4 pounds. Some of these adjustments, with the exception of vegetables, are probably desirable, but how are individuals or families going to be informed of the foods within the plan needed for an adequate diet? There is no nutrition education program accompanying the food stamp program. Furthermore, the prevailing philosophy emanating from government agencies "that all food is good food" (7) must seem confusing to persons trying to follow a restricted food list.

*Ability to purchase*

In addition to inadequate allotment (money or stamps) to purchase food, there may be a problem with quality. Studies by welfare organizations, New York Office of Consumer Affairs, and the D.C. Democratic Central Committee (8), have demonstrated that the food available in many inner city stores is inferior in quality, and stale. This raises questions about nutrient content and safe storage periods at home.

*Ability to store food*

Many elderly poor live in poor housing, lacking an adequate refrigerator and storage space. Buying in moderate quantities may not be desirable under these conditions. In addition, older persons, especially single women, tend to buy in the smallest quantities available, raising food costs. In any case, a 5 percent allowance for waste seems totally unrealistic for persons living under these conditions. The USDA household food consumption survey found the percentage of total household food wasted in urban households in 1965: (9)

Meat, fish, poultry, eggs, cheese, and nuts.....	26.1
Vegetables .....	25.3
Fruits .....	18.3
Grains .....	11.6
Sugar and sweets.....	6.0

There is evidence that the poor waste less (10), but 5 percent allowance appears to be totally unrealistic.

*Ability to prepare the foods in the thrifty food plan*

The ability to prepare the food will depend largely on personal skill, equipment and facilities available, fuel costs, and motivation. All of these could pose difficulties as are demonstrated in the following quote from USDA:

"Studies show that most families spending as little as the cost for the economy plan do not select foods that make a good diet for every family member. A homemaker needs considerable skill and interest in buying and preparing food if she is to provide her family with a good diet for as little as the cost of the plan. Many homemakers with limited budgets do not have the skill or interest or equipment needed to do this." (11) The plight of the elderly widower on the thrifty plan seems grim.

*Ability to eat the food on the thrifty plan*

The rights of individuals and families to preserve the food patterns integral to cultural, ethnic, and religious groups from which they draw their identity must be recognized. In the homogenized thrifty food plan it seems highly unlikely that these important aspects of food patterns will be presented. Are we going to rob people of the pleasure, warmth, and significance of kosher foods, for example, especially in the midst of the despair of poverty? Eating is a social experience. Under the thrifty food plan, there is no allowance for sharing with a friend, nor an allowance for eating food outside the home in a restaurant, cafeteria, or drive-in. For the elderly food is a manifestation of their emotional, social, cultural, ethnic, and religious identity. To rob them of this is to "rob" them of soul.



Nutritional needs are substantially increased under stress and illness in the elderly poor. In 1968-69, 50.4 percent of persons with incomes under \$3,000, 65 years and over, had some limitations of activity due to chronic conditions, or 43 days of restricted activity compared to 32.9 percent in the higher income (23.4 days) (12). In addition, there are a number of factors that may interfere with the form of food eaten, such as poor fitting dentures or the age-related loss of the sense of smell and taste which may make food unattractive, monotonous, and uninspiring, especially with the limitations of the thrifty food plan. Interference with nutrient absorption in part due to the process of aging or the presence of disease, interference with the storage and utilization of nutrients, and increased excretion may also be part of the aging process. Good nutrition can increase the productive period and delay the onset of infirmities. A good diet is somewhat cheaper than medical and nursing care.

#### CONCLUSION

The thrifty food plan is not adequate for the elderly. It is potentially very dehumanizing, not taking into consideration lifestyle, culture, ethnicity, health, and religious heritage. Our primary goal should be to reduce the pain of poverty and the fear which have led many aged people to withdraw from society into a life of loneliness, characterized by malnutrition and leading to physical and emotional disturbances. Surely a food stamp coupon allotment that will provide for the basic physical, psychological, and social well being of the elderly is in line with this goal. The moderate cost plan, in conjunction with a vital nutrition education program, giving people real choices between "rip off" food and foods for health and social well being would allow sufficient flexibility to compensate for the inadequacies of the thrifty food plan. The moderate cost food plan seems far more in keeping with the desires of a civilized society.

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