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THE ROLE OF FEDERAL FOOD ASSISTANCE PROGRAMS IN FAMILY ECONOMIC SECURITY AND NUTRITION

HEARING

BEFORE THE

COMMITTEE ON AGRICULTURE, NUTRITION, AND FORESTRY UNITED STATES SENATE

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THE ROLE OF FEDERAL FOOD ASSISTANCE PROGRAMS IN FAMILY ECONOMIC SECURITY AND NUTRITION

Wednesday, January 31, 2007

U.S. SENATE,
COMMITTEE ON AGRICULTURE,
NUTRITION, AND FORESTRY,
Washington, DC

The Committee met, pursuant to notice, at 10 a.m., in room SR–328A, Russell Senate Office Building, Hon. Tom Harkin (Chairman of the Committee) presiding.

Present: Senators Harkin, Lincoln, Nelson, Salazar, Brown, Casey, Chambliss, Cochran, McConnell, Thune, and Grassley.

STATEMENT OF HON. TOM HARKIN, A U.S. SENATOR FROM IOWA, CHAIRMAN, COMMITTEE ON AGRICULTURE, NUTRITION AND FORESTRY

Chairman HARKIN. The Senate Committee on Agriculture, Nutrition and Forestry will come to order.

Our hearing today is on nutrition. We begin gathering information and data for the upcoming writing of the farm bill.

In recent decades, our country has made remarkable progress in addressing hunger and malnutrition, but the problem is that we still see some gaps. Food assistance often operates under the radar screen. Like the working families they serve, the nutrition programs operate out of sight and out of mind.

However, some things bring to light the importance of these programs. We must mention Hurricane Katrina when food assistance brought relief, critical relief, to millions of Americans. As a result of the Gulf hurricanes of 2005, 1.8 million households turned to the Food Stamp Program to meet their household needs.

Every day, Federal nutrition programs support Americans who live on the margins of our economy, persons with disabilities, children, the elderly, working families not making enough to get by. Fifty percent of food stamp recipients are children; 89 percent of food stamp households contain an elderly person, a person with a disability, or a child.

There are twice as many food stamp households with earnings than there are households that receive just the TANF benefits.

In the early nineties, we shifted to Electronic Benefit Transfer (EBT) cards because of all the trafficking and benefit trading in the Food Stamp Program. Since then, the rate of trafficking has been

cut from 4 cents of every dollar of benefits in 1990 to just one cent per dollar today.

Rates of erroneous payments were high in the 1990's, almost 11 percent. We brought that down to a record low of under 6 percent in 2005. Clearly, additional things can be done, and that is why we seek some information on how we can even make it better.

One last thing I would just mention for the record, and that is the committee must also grapple with the apparent paradox of food insecurity and obesity. How is it that many of the same families who struggle to get by also seem at greatest risk of becoming overweight and developing diet-related chronic diseases like diabetes?

This hearing is an important reminder of just how broad the jurisdiction of our committee is. It is the Agriculture, Nutrition and Forestry Committee, and we intend to fulfill our obligations to make sure that we meet the nutritional needs of our country.

With that, I will turn to my colleague, Senator Saxby Chambliss.

STATEMENT OF HON. SAXBY CHAMBLISS, A U.S. SENATOR FROM GEORGIA

Senator CHAMBLISS. Thank you, Mr. Chairman, for holding this hearing today.

Nutrition is an important and often overlooked component of the farm bill and I appreciate the bipartisan approach we have taken on nutrition issues in the past, and I hope that we will continue to work together as we put together this year's farm bill.

I also want to say that I am pleased that my good friend Bill Bolling will testify today on behalf of the Atlanta Community Food Bank and America's Second Harvest. Bill is the Executive Director of the Atlanta Community Food Bank. Bill is a good friend and I recently visited his facility, which is an amazing operation, Mr. Chairman.

You and I have agreed that we are going to do a nutrition hearing in Atlanta. He has a great facility at which we can do it, and it will give you a chance to see an unbelievable operation that provides nutritional food to literally thousands of households in a way that is truly unbelievable.

Our nutrition assistance programs play a key role in ensuring that needy Americans have access to the food they need to lead healthy, productive lives. I know from the teachers in my family the importance of nutrition, especially for our children's development.

Moreover, the food for nutrition programs comes from U.S. farmers, which helps agriculture.

Finally, food assistance programs are an important part of this country's safety net. Not long ago, the Nation witnessed the Food Stamp Program's effective emergency response to evacuees from Hurricanes Katrina and Rita. The U.S. Food Assistance Programs are good for families, good for farmers, and good for America.

The Food Stamp Program not only helps by providing food and emergency aid, it helps America's needy families on the path to independence and self-sufficiency.

The goals of the 1996 Welfare Reform were spelled out in the title, to increase personal responsibility and work opportunity. In essence, Congress asked our Nation's families on welfare to take

personal responsibility for themselves and join the workforce. And many of those families did.

In the 10 years since Welfare Reform was passed by Congress and signed by President Clinton, fewer families receive cash welfare and more families are working. According to the Congressional Research Service from 1996 to 2005 the number of food stamp households with children who received cash welfare payments decreased by 57 percent, and the number who reported earned income increased by 41 percent.

Many families have transitioned from welfare to work and the Food Stamp Program should do more to encourage this continuing transition.

States have done a great job of addressing food stamps error rates. From fiscal year 2000 to fiscal year 2005, while average monthly participation increased to a near historical high of almost 26 million people, the combined error rates of overpayments and underpayments fell by 34 percent, to a historical low of 5.84 percent.

Mr. Chairman, in the 2002 farm bill, Congress legislated many options states can choose from to make the administration of the Food Stamp Program easier. Most States have taken advantage of at least some of these options and the program serves both taxpayers and recipients better today than it ever has.

However, we do have room to improve. Although I realize we may not be able to achieve every suggested improvement due to budget constraints, there are a few ideas worthy of consideration.

First, we should take a look at extending the special allowance for privatized managed housing provided for our Nation's military families. Senator Roberts introduced a bill on this issue in the 109th Congress, and we should explore what can be done administratively without the need for legislation.

Next, while many former welfare families are now working, there are some aspects of the Food Stamp Program that may reduce working families' ability to escape the cycle of poverty. The law encourages welfare families to enter the workforce and begin to save money.

However, food stamp asset rules conflict with families' ability to save for their future. The asset limit of $2,000 for most food stamp recipients was set more than 20 years ago. When indexed for inflation, the asset limit would be almost $4,000 today. A higher asset limit may help families buildup savings in order to achieve financial independence and prepare for a rainy day or give an education, and eventually end their need to receive food stamps.

Finally, food stamp rules discourage working families from utilizing all of the financial investment tools encouraged by the tax code for other working Americans. We should take a look at permitting investment in modern savings programs, for retirement and for higher education.

Mr. Chairman, as I mentioned before, I understand we will likely be facing budgetary pressures in crafting the farm bill. However, I hope we can work together to address these issues, especially the asset limits, reforming food stamp asset limits has the potential to help needy families break the cycle of poverty and achieve long-term financial independence.

Thank you, Mr. Chairman. I look forward to our witnesses' testimony.

Chairman HARKIN. Thank you, Senator Chambliss.

We have nine members. We need a quorum. We need to report out our committee rules and our funding resolution that Senator Chambliss' staff and our staff have worked out. But I cannot do it, we need a quorum.

So we will go ahead with the hearing. As soon as we get—we need two more, 11. If we get a quorum, I will interrupt the hearing. We will pass those out. But I know Senators have busy schedules, other hearings and things like that. So I really appreciate your being here at this point.

We also have two votes at 11:30, so we are going to have to proceed efficiently, so I am going to ask people to limit their questions. I am going to ask our witnesses to limit their testimony to five minutes and we will also hold to these restraints.

I will introduce our first panel. Sigurd Nilsen is the Director of Education, Workforce, and Income Security at the Government Accountability Office. I want to thank you and the GAO for all of the great work you have done on this program. You have identified both the strengths and weaknesses of our nations nutrition programs.

Bob Greenstein, Executive Director at the Center on Budget and Policy Priorities. I think all of us here have known Bob for many years. I first met Bob when I got on the Ag Committee in 1975. He was working on these issues then, and of course, was the Administrator of the Food and Nutrition Service during the Carter Administration. He is a renowned expert on all areas dealing with food and food assistance programs.

Robert Dostis is the Executive Director of the Vermont Campaign to End Childhood Hunger.

I am especially pleased to be able to introduce Ms. Rhonda Stewart, who comes to us from Hamilton, Ohio. Ms. Stewart works with the Outreach for Community, a non profit organization helping lower income residents in Hamilton, Ohio.

She is also a food stamp recipient, and she is here with her 9–year-old son, Wyatt who, before many of you got here, actually chaired this committee for a while, and did it in fine fashion.

I also want to say that, again, accompanying Robert Dostis is Jim Weill with the Food Research and Action Center.

With that——

Senator BROWN. Mr. Chairman, if I could introduce Ms. Stewart. You have done very well.

Chairman HARKIN. Go ahead. I will recognize Senator Brown right now.

Senator BROWN. Thank you.

I just want to recognize Ms. Stewart. Thank you very much for coming, and Wyatt, thank you again for being here and accompanying your mother on this trip to Washington, DC

Ms. Stewart does everything right that we ask her to. She works, she is the president of the PTA, she teaches Sunday school class, she is involved in Cub Scouts. Yet in this society where wages too often are so low, too often she runs out of food stamps and money by the end of the week.

Martin Luther King once said that equality means getting a paycheck that last through the week. With minimum wage coming up this week, with Ms. Stewart telling her story which is compelling, I suggest all my colleagues read her statement and listen to her, I think you will learn something.

So thank you for coming. And Wyatt, thank you very much.

Wyatt is also a committee photographer.

Thank you, Mr. Chairman.

Chairman HARKIN. Thank you, Senator Brown.

Mr. Nilsen, welcome to the committee. All of your written statements will be made a part of the record in their entirety, without objection.

Mr. Nilsen, if you could go ahead and just give us an overview of your written testimony, I would appreciate it. You are recognized for 5 minutes.

STATEMENT OF SIGURD NILSEN, DIRECTOR, EDUCATION, WORKFORCE, AND INCOME SECURITY ISSUES, GOVERNMENT ACCOUNTABILITY OFFICE

Mr. NILSEN. Thank you.

Chairman Harkin and members of the committee. I am pleased to be here today to discuss findings from our work related to the integrity of the Food Stamp Program.

First, improper payments; and second, trafficking of food stamp benefits. As this chart over here illustrates, the national payment error rate has declined by about 40 percent between 1999 and 2005, from roughly 10 percent, as the Chairman noted, to a record low of just under 6 percent. In 2005, payment errors totaled about $1.7 billion. However, if the error rate had not declined and the 1999 error rate was still the norm, program payment errors would have been over $1.1 billion higher.

I would like to highlight what the chart also illustrates, and that is that the total error rate is the sum of the two lower lines. The upper line——

Chairman HARKIN. We cannot see it. Do you have anybody over there to hold it up? I cannot see that.

Mr. NILSEN. The upper line is the overpayments and the lower line are underpayments. Typically overpayments are about three-quarters of the total error rate.

The reduction in State payment error rates has been widespread with error rates falling in 41 States and the District of Columbia, and 18 States reduced their error rates by one-third or more. For example, Illinois' error rate dropped by two-thirds, from nearly 15 percent in 1999 to under 5 percent in 2003.

Payment errors have many causes, but two-thirds of errors are due to caseworkers making mistakes when applying complex program rules or failing to act on new information. The other one-third of errors are due to participants failing to report needed information or providing incomplete or incorrect information. However, it is important to note that just 5 percent of payment errors were due to participant fraud in 2003.

FNS has long focused its attention on States' accountability for errors rates through its Quality Control, or QC, system by assessing penalties and providing financial incentives. For their part,

States have adopted a combination of practices to address payment accuracy problems. For example, California officials reported expanding State oversight, hiring a contractor to perform assessments and provide training, preparing detailed error analyses, and implementing a quality assurance case review system in Los Angeles County, which accounted for 40 percent of the State's caseload. California State officials credit this multifaceted approach for the State's dramatic error rate reduction from over 17 percent in 2001 to 6.4 percent in 2005.

In addition, 47 States have adopted some form of simplified reporting that allows food stamp recipients to update their financial data less frequently. This has been shown to have contributed to the reduction in the payment error rate by simplifying the process for both caseworkers and participants.

Now I would like to talk about the progress that has been made in reducing the trafficking of food stamps, that is, exchanging food stamp benefits for cash, where participants usually receive 50 cents on the dollar for their food stamp benefits.

As this table illustrates, since the 1990's the rate of food stamp trafficking declined by three-quarters, from about 3.8 cents per dollar, as the Chairman noted, in the 1990's to about 1 cent today, reducing the amount trafficked from over $800 million a year to about $240 million a year today. Trafficking is more likely to occur in smaller stores, however. Even though they redeem less than 14 percent of food stamp benefits, they have a trafficking rate of about 7.6 cents per dollar. In contrast, large stores, which redeem the lion's share of benefits, have a trafficking rate of only 0.2 cents per dollar.

FNS has taken advantage of electronic benefit transfer, or EBT, cards and other new technology to improve its ability to detect trafficking and disqualify retailers who traffic. However, law enforcement agencies have investigated and referred for prosecution a decreasing number of traffickers. Instead, they focus on fewer high-impact investigations.

Despite the progress FNS has made in combating retailer trafficking, the Food Stamp Program remains vulnerable because retailers can enter the program intending to traffic, do so, often without fear of severe criminal penalties, as the declining number of investigations suggests.

In conclusion, both payment errors and trafficking of benefits have declined at a time of rising participation in the program. While program complexity is a fundamental contributor to errors, ensuring program integrity remains a fundamental challenge facing the Food Stamp Program. In particular, FNS needs to develop a more focused effort to target and disqualify stores that traffic, thus helping FNS meet its continuing challenge of ensuring that stores are available in areas of high need, while still maintaining program integrity.

Mr. Chairman, this concludes my prepared statement, and I would be happy to answer any questions you or members of the Committee have at this time.

[The prepared statement of Mr. Nilsen can be found on page 101 in the appendix.]

Chairman HARKIN. Thank you.

I am informed that our clock is not working. That was less than 5 minutes? OK. Great example.

Mr. Greenstein, welcome back to this Committee. You are no stranger here. Again, your testimony will be made part of the record in its entirety. Please proceed.

STATEMENT OF ROBERT GREENSTEIN, EXECUTIVE DIRECTOR, CENTER ON BUDGET AND POLICY PRIORITIES

Mr. GREENSTEIN. Thank you, Mr. Chairman. I am Bob Greenstein, Director of the Center on Budget and Policy Priorities. As administrator of the Food and Nutrition Service in the late 1970's, I was fortunate to work with Congress on the Food Stamp Act of 1977, which grew out of bipartisan legislation designed by Senators Dole and McGovern, and something on which you, Mr. Chairman, Senator Cochran, and other members of this Committee were very actively involved. This year marks the 30th anniversary of that historic legislation, and you will be reauthorizing that as part of the farm bill. Experts regard the Food Stamp Program as the single most important anti-hunger program in our Nation.

Back in the 1960's, hunger and malnutrition were pretty severe problems in a number of very poor parts of this country. The problems are much less severe today, and research has shown that the Food Stamp Program is a primary, probably the primary reason for the difference. In the 1980's, Senator Dole described the Food Stamp Program as "the most important advance in the Nation's social programs since the creation of Social Security."

Today, the program continues to be one of the Government's soundest investments. By taking advantage of modern technology and business practices, the program in recent years has become substantially more efficient, more accurate, and more effective. Earlier this month, National Journal rated it as one of the Government's leading successes, calling it "a case study in effective government aid," and citing, among other things, the big reduction in error and fraud rates that Mr. Nilsen just talked about.

Food stamps also lessen the severity of poverty. Census data show that in 2004, the latest year for which these data are available, food stamps lifted 2.2 million Americans above the poverty line, half of them children, and lifted more children out of extreme poverty than any other Federal program. They also helped families bridge temporary periods of unemployment. Studies have found that half of all entrants to the Food Stamp Program participate for 8 months or less, and then leave as the need goes away. Food stamps also support work. Twice as many food stamp households today work as rely solely on public assistance benefits. But there are some larger issues in this society we need to look at that have implications for the food stamp reauthorization. Three key points are worth noting.

First, poverty remains high. In 2005, the most recent year for which these data are available from Census, 37 million Americans were poor, a 17–percent increase over 2000.

Second, the census data also show that the incomes of low-wage working families have been stagnant in recent years, while families' expenses have continued to rise. Roughly 60 percent of poor households now pay more than half of their income for housing.

Health care and child care costs have been rising faster than the incomes of low-income families. The result is that expenses are absorbing an increased share of families' limited budgets, leaving less for food.

And, third, Census and USDA data show that 35 million Americans live in households that sometimes have difficulty affording food, suffering from what is termed "food insecurity."

The Food Stamp Program is our first line of defense against these problems, but it can do more to address them, and that will require new investments in three broad areas.

First, despite recent progress, only about 50 percent of eligible working poor households and fewer than 30 percent of eligible seniors participate in the program. The Committee should look for opportunities to streamline and simplify program rules, both so that more of those who are eligible can participate and so that administrative costs are held down.

Second, food stamp benefits I believe are too small, and of particular concern, they are eroding in food purchasing power each year due to a flaw in the structure of the program's standard deduction and, to a lesser degree, in its minimum benefit. A key to reducing hunger is to ensure that food stamp households have the resources to secure an adequate diet. The average benefit in the program, now about $1 per person per meal, is not sufficient for that task.

And, third, but certainly not least, many poor households that have accumulated modest savings, as well as many unemployed workers without children who are looking for work but cannot find it, and many legal immigrants, including legal immigrant parents working hard for low wages, are excluded from the program even though they face food insecurity, too. Addressing these eligibility barriers is, in my view, the single most important change the Committee can make. And on the issue of assets, I would like to associate myself strongly with Senator Chambliss' remarks on those issues at the beginning of this hearing.

In conclusion, the Food Stamp Program plays a vital role. I urge the Committee to build upon its strong track record in addressing hunger and making appropriate investments in the program so that it will do even better in the years ahead.

Thank you.

[The prepared statement of Mr. Greenstein can be found on page 70 in the appendix.]

Chairman HARKIN. Thank you, Mr. Greenstein.

Next we go to Robert Dostis, Executive Directors of the Vermont Campaign to End Childhood Hunger. Mr. Dostis?

STATEMENT OF ROBERT DOSTIS, EXECUTIVE DIRECTOR, VERMONT CAMPAIGN TO END CHILDHOOD HUNGER

Mr. DOSTIS. Thank you, Chairman Harkin and Senator Chambliss and members of the Committee, for this opportunity to address the Food Stamp Program's fundamental role in serving our Nation's nutritional health. I commend your past diligence in maintaining the program's entitlement structure, and I especially want to thank Vermont's senior Senator Patrick Leahy for all his support on Federal nutrition programs.

I want to share with you, first, how the Food Stamp Program, as the single most effective assistance program in the country, is making a difference in our communities; and, second, that by strengthening and improving the program, you can address the disturbing trend of increasing rates of hunger in America.

I am here as the Executive Director of the Vermont Campaign to End Childhood Hunger and as one among hundreds of anti-hunger organizations affiliated with our national counterpart, the Food Research and Action Center. And, Mr. Chairman, on their behalf I have a letter I would like to introduce into the record.

Chairman HARKIN. Without objection.

[The following information can be found on page 164 in the appendix.]

I am here also as a registered dietitian who knows that hunger and poor diet result in obesity, compromised health, and chronic disease. The devastating effect of hunger is indisputable. Nutrient deficiencies in children compromise their physical, cognitive, and emotional development. In my role as a State legislator, I see the burden hunger puts on our State by increasing health care and education costs.

Hunger and food insecurity exist in every corner of the Nation. My written testimony, which I have submitted, includes extensive data on the extent of hunger and food insecurity and studies on health impact of poor nutrition. With rising housing, transportation, and health care costs, it is increasingly difficult for families to make ends meet, especially when wages are not keeping pace with inflation. To feed families, they borrow, they scrimp, and then they do without. Food is one of the most flexible items in the household budget, so they cope by foregoing the more costly but wholesome foods, like fruits, vegetables, and whole grains, and instead purchase cheap but filling foods that are high in fat, sugar, sodium, and calories but low in nutritional value—foods that contribute to America's health problems.

The Food Stamp Program is a vital resource. It is a program that works and it works well. It feeds people. It also promotes good diets, prevents obesity and chronic disease, and provides families a consistent and reliable and, importantly, a dignified way of obtaining food, especially during those tough economic family times. It is America's first line of defense against hunger.

I want to highlight that this Committee has consistently protected the program's entitlement structure, making food stamps immediately available to those hit by economic disaster, such as the two manufacturing plant closings in Middlebury, Vermont. And I know Senator Brown has experienced some issues in his State as well about manufacturing plant closings.

Food stamps help so many people. Some of their stories I have written in my statement, like the family at risk of being evicted who gets signed up for food stamps, freeing up enough money to pay their rent and still eat; the dad working as a milker on a dairy farm who faced financial crisis when his premature twins required special medical care; the intern in my office, as I was preparing this testimony, who confided in me that she and her mom received food stamps and, when they did, their diets were healthier and they got along a lot better because there was less stress.

The Food Stamp Program provides these families and over 26 million other Americans with heightened food security. Despite the program's success, there is still hunger, and people who need help are not getting it. There are obstacles to participation and stories of the underserved. There are gaps, namely, benefit allotments are not adequate and asset limits are too low.

I think of the senior I learned of who gets food stamps but cannot afford the foods required for his medical condition; the homeless family who is losing food stamp benefits because they exceeded the program's asset limits as they try to save money for their first month's rent and security deposit; or the elementary school principal who shared with me the story of a young girl who was holding her stomach on a Monday morning because there was no food in her home, and the last meal she had eaten was lunch at school on Friday.

I know personally the limitations of the program. Growing up, my father made too much money for us to qualify for food stamps, but too little money to cover rent, heat, and food. Personally, I know the painful nature of the gaps I just spoke about.

In conclusion, a strengthened food stamp program will have a far-reaching effect, helping reduce obesity and nutrition-related illnesses, helping curb rising health care costs, improving the cognitive development and education of children, and bolstering local economies and agriculture as families consume more fruits, vegetables, proteins, and whole grain. A strengthened Food Stamp Program is a sound investment in our future and will help steer the course for the health and well-being of America's children, families, and elderly.

I thank you for your time.

[The prepared statement of Mr. Dostis can be found on page 59 in the appendix.]

Chairman HARKIN. Thank you, Mr. Dostis.

And now we turn to Rhonda Stewart from Hamilton, Ohio. Ms. Stewart?

STATEMENT OF RHONDA STEWART, HAMILTON, OHIO

Ms. STEWART. Chairman Harkin, distinguished ladies and gentlemen of the Senate, I would like to thank you for this opportunity to speak with you today. And, Senator Brown, thank you for introducing me.

I am also a food stamp recipient. The first time I participated in the program was in 2003. I received food stamp benefits for about a year and a half, and then in mid–2005, I started receiving my child support again so my son and I were able to make it on our own.

Unfortunately, after a year of steady child support payments, my ex-husband lost his job due to a plant closing at Sara Lee. The child support, if it came, was not regular, and my income just did not go far enough to pay for our basic needs, especially food.

The cheapest food I could afford to buy was not the healthiest for my son. I can buy a can of Spaghetti-O's for less than $1, but a gallon of milk is almost $3. A pack of Kool-Aid costs a dime, but a can of juice is $3.50 to $4. I contacted the outreach worker, Glo-

ria Bateman, at Shared Harvest Food Bank and asked her to meet with me to help me fill out an application for food stamps.

I currently earn $900 a month at my job. My rent is $440. I pay my utilities, including gas and electric. After paying rent, utilities, car insurance, and gasoline, there is not much left to meet the needs of my son.

Before I started to get food stamps, I paid bills every other month—my phone bill this month, my electric bill next. I learned how long I could go before I lost my heat. Eventually, I did lose my phone. I was scraping by to buy what groceries I could. In the months when I do receive child support, I must use these funds to pay my utility bill to avoid it getting shut off.

The child support I receive is never spent on food. Sometimes I could buy real milk for us. Sometimes it was powdered milk. I always made sure my son had something to eat. I say this because on some nights he would ask me if I was feeling OK because I was not eating. I would just reply, "Yeah. I'm just not hungry tonight, buddy."

Once again I am receiving food stamps and have been for the last 7 months. I decided to apply for food stamps again because I couldn't do it on my own anymore and we needed help, and I don't want my son to suffer. Unfortunately, the amount food stamps I receive varies from month to month due to my sporadic child support payments. This month, I received $103 in food stamps. Last month, it was $174. it is so hard to budget when my food stamps drop so significantly from month to month. I am very grateful for the months when my son is able to eat the healthier and more nutritious foods he needs. However, some days he has dinner. I have a grilled cheese sandwich, or I am just not hungry.

I am very careful how I spend my food stamp benefits. I shop at an off-brand store some of you may have heard called Aldi's for most of my groceries. The first 2 weeks of the month are OK. The last few get a little weird. My son says, "Momma gets creative with dinner."

In some months when my food stamp benefits are lower, I run out of food stamps before the end of the month. I am always watching the calendar for the first of the month to come so I have access to my benefits and we can eat again. I would love to have fresh veggies in the refrigerator and fruit on the counter. Wyatt loves these things. He knows at the beginning of the month we have a more traditional family dinner, with a meat, one or two veggies, and some corn muffins—his favorite. He has also come to learn that toward the end of the month we seem to have a generic Hamburger Helper with processed ground turkey because it is cheaper than beef.

At the beginning of the month, he knows it is OK to ask me to fix his favorite foods again because I have the ability to get these for him. And by his favorite foods, I mean pork chops, a box of instant stuffing maybe. Nothing extravagant.

Many of the things I am saying to you here today, distinguish members of this panel, my son has been unaware of until today. I am not in the habit of telling my 9–year-old the status of our finances. Wyatt is on the free breakfast and lunch program at school so this helps during the school year. But during the summer

months and days when school is not in session it is a different story. I am sure that any of you that have children or grandchildren know that feeding them three times a day is a lot more expensive than feeding them once. And if you are a parent such as myself and you cannot afford what you need, you go without.

I ask you to think about something for a moment. Is it in the best interest of my child to skip a meal and take the chance on me getting ill? And what will happen to him if I do?

I am grateful for the food stamp benefits I receive, but at the end of the month it is not enough. Have you ever seen a child get excited when you tell them you have enough to get a bag of apples or some grapes or even a kiwi? Wyatt does.

I am very proud of my son. He is on the honor roll, and I want him to have a normal life. There are times when my son wants a friend to come over to spend the night, but unfortunately I have to make an excuse because I do not have enough food to feed them both. It is not my son's fault that he lives in a single-parent home in a trailer park. I am very good at keeping things hidden from him and even those outside our front door.

Times are hard, and I am grateful for the program, and it makes life truly better for me and my son and the tens of millions of people like us who participate. And on behalf of all of us who receive the food stamps each month, I want to thank you for your support. I urge your leadership to make it a better program by increasing the amount of food stamp benefits people receive each month so that we can purchase the nutritious foods that are so important to good health and well-being. This will allow us to eat every day and not go hungry when our limited benefits run out.

In closing, in addition to my personal experience with the program, I would like to tell you about my job duties as a counselor using the Benefit Bank, a Web-based program that allows people in similar situations to complete applications for public benefits such as food stamps. The people that I help are usually parents like myself who have fallen on hard times. They tell me they are forced to make the difficult choice between buying food or paying their rent. It gives me great pride to be able to help people who cannot ask for help because they do not think they understand. I tell them I know and that it is OK to ask for help.

Thank you for taking this time from your busy schedule to listen to my story, and I would be pleased to answer any questions at this time.

[The prepared statement of Ms. Stewart can be found on page 128 in the appendix.]

Chairman HARKIN. Ms. Stewart, thank you very much for a very powerful, powerful statement. Thanks for putting a human face on all these statistics we see all the time and reminding us that the policies we are discussing affect real people and not just numbers on a piece of paper. So we really appreciate your being here.

We will have a quick round of questions. I wanted to start with Mr. Nilsen. On the subject of trafficking—we have had great reductions in the amount of Food Stamp trafficking, as you testified to, as we know, again, from the numbers and statistics. However, trafficking in small grocery stores remains at 7.6 cents per dollar as compared to just 0.2 cents per dollar in large stores. What caused

this difference? What is it about the small stores that needs more attention and improvement to combat food stamp trafficking?

Mr. NILSEN. A couple things, Mr. Chairman. First of all, I think trafficking is higher because there is less oversight in a small store. These small stores tend to be stand-alone stores without a lot of oversight, no checking, few audits. They are not like a grocery store that has systems in place, automated cashiers, cash registers that track everything. So it is a lot easier to traffic in a small operation.

Our view is that FNS needs to be more proactive in screening stores and when they let stores into the system, particularly in the first year or so, use the EBT system to look at the volume of transactions and have the resources to go in and see what is really going on.

We saw one instance where a store had estimated that it was going to redeem about $180,000 in food stamps in a year, and within 3 months it was trafficking over $200,000 in food stamp benefits in a month. This store then was shut down, lost its license, but it took a number of months. I think it was about $690,000 in food stamp benefits it redeemed in a matter of 6 months. That store only lost its license. The person's ability to redeem food stamps was taken away. Very often, in cases like that the store is then transferred to other ownership. Sometimes trafficking then starts all over again.

So FNS, we feel, needs to use the data that it has more proactively to monitor particularly these small operations.

Chairman HARKIN. Thank you very much, Mr. Nilsen.

Mr. Greenstein, why this rapid rise in food stamp receipts by working families? Why do we have this rise by working families? Do you have any ideas on what you would attribute that to?

Mr. GREENSTEIN. Well, two things. First off, we have had an increase in the number of working families with low incomes below the poverty line, so more have been eligible. If you look at the percentage of eligible working poor families getting food stamps, it has gone from about 46 percent in 2000 to about 51 percent in the most recent data. That is a significant increase, but I would submit that 51 percent—these are people who are working for low wages, playing by the rules, raising their children in poverty. We ought to be able to do better than that. And I think there are some things you could do, the Committee could do, that could really address that.

There is the issue of simplification, which we talked about, but there is also this issue of benefit costs. The USDA studies show that families, to get on food stamps, when they apply, have an average of two and a half visits in the food stamp office and an average of 5 hours of time. Now, if you are a family working for low wages and the employer does not give you time off to go to the welfare office to apply, this is a real barrier to participation, particularly if the benefits you get in return for what may be lost wages are quite modest.

So I think you need to make further progress. I would urge looking at both sides of the equation. We need more simplification, but we also need to deal with the benefit side. And as I noted earlier, the key issue that really concerns me here is that the benefits are continuing to decline in food purchasing power.

Years ago, in the 1977 Food Stamp Act, a number of deductions that were designed to reflect the impact of certain expenses of families' disposable incomes and ability to buy food were replaced with a standard deduction which was indexed for inflation because the costs that they are reflecting rise with inflation.

The indexation was taken away in 1996 and restored in a partial way in 2002. So where we are now is that deduction is indexed for families of four or more. For families of three, I think it will be until 2014 until indexation resumes. For families of two, it will be 2025 under current law until indexation resumes. For the 80 percent of food stamp households that are households of three or fewer, the benefits are eroding in food purchasing power each year, and the tradeoff between the time you have got to take off from work and put in to apply and what you get in return is going in an unfavorable direction with each passing year.

So I think if you both simplified the program and dealt with this problem in the standard deduction, we could make further progress and do better than having 49 percent of eligible working poor families left out of the program.

Chairman HARKIN. Well, as I said, there is a rapid rise in working families, but as you correctly point out, it is still way below the national average.

Mr. GREENSTEIN. It is way below the national average, and part of the rise again is because more families are eligible because wages have been eroding at the bottom of the wage scale, pushing more people into the food stamp eligibility category.

Chairman HARKIN. Ms. Stewart, I want to pick up on what Bob just said about the complexity of the food stamp program and the length of time it takes to file and receive benefits. How much paperwork do you have to bring to the local food stamp office? You have to go there, you say, regularly because your income varies from month to month because of child support payments. Give us some idea of what you go through each time you visit. And you are working all the time. How do you find the time to go to the food stamp office and go through all the paperwork? Could you describe that?

Ms. STEWART. Well, fortunately, my employer does allow me to take the time off. I know some people cannot get the time off to go. Their employer will not let them. However, I do not get paid when I go. It can take me sometimes up to 2 hours. And I know that does not seem like a lot, but when I miss 2 hours of work, that is $20 out of my pocket. And for me, you know, that is filling up my gas tank for the week. That could be a new pair of shoes for my son. Or that could be what I need to keep my utilities from getting turned off. So for me to have to go back—and I usually have to go back like every 3 months because of my child support varying. And getting everything together, I have to have check stubs for all that time, current electric bill, current rent. Even though my rent stays the same and has for the past 8 years, I have to take that every time I go, and it has to be current.

Chairman HARKIN. Thank you very much, Ms. Stewart, I will now turn to Senator Chambliss.

Senator CHAMBLISS. Thank you, Mr. Chairman.

Ms. Stewart, with respect to having to return to the food stamp office to update your income reports, I realize that most food stamp recipients do not have the ability to go online to make those reports, but maybe folks who are working in offices would have that capability.

In your case, would you be able to do that? Could you go online to do something like that if we were able to work out some mechanism for online reporting?

Ms. STEWART. Yes, sir, I could. Most public libraries also have Internet access with computers there that you could go at your own schedule. Most of them are open until 9 o'clock at night, so when you get off work, I just take what I need to input into the online system, and I can go to the public library and do that. And some schools even offer access to parents after school hours.

Senator CHAMBLISS. So going online would be pretty feasible for you personally.

Ms. STEWART. Yes, sir, that would be excellent because then I would not have to take the time off work to do that.

Senator CHAMBLISS. OK. Mr. Dostis, as a nutritionist, in your capacity as a nutritionist, let me ask you: One complaint I constantly hear from folks who are standing in line in the grocery store behind food stamp beneficiaries is that that the types of things that they are buying are obviously not the most nutritional. They are buying candy, they are buying popcorn, instead of buying cereal or meat or whatever.

Are there any statistics on this to show whether or not folks who are really buying what they ought to be buying to provide nutritional means? Or is this something that there is no way to track?

Mr. DOSTIS. I think the major issue that families face—and we heard that from Mrs. Stewart—is the benefit level that food stamps offers. If you have $1 and you go into a supermarket, you know you have to feed your family, and you have a choice between buying one piece of fruit, or maybe two if you are lucky, or three boxes of macaroni and cheese or five or six packages of those soups that come in packages that are really inexpensive but that are filling, you are going to buy the more filling stuff. Because when you are hungry, when there is not enough food in the house, you try to stretch those dollars as much as you can. And the foods that you are buying are the less nutritious foods, but they are doing the job and filling you up.

If we really want to address improving the quality of the meals that people are eating who are on tight budgets, then we have to provide more resources. So that is the answer.

Now, every so often, you will see—and I have heard those same stories, too. You know, it is hard to know exactly what stage a family is in when they are buying something. If you see a family with some soda and cake in there, who am I to judge? Maybe they are having a birthday party. I do not know.

What I hear from the front lines, from the people who are on food stamps, is that they make the best choices they can make. They know how to stretch those dollars very well, but they are limited in their capacity in terms of what they can do in terms of buying those good foods, because the top-line foods, the foods that many

of us take for granted, you know, protein foods, vegetables, whole grains, they are out of reach.

Senator CHAMBLISS. Mr. Nilsen, in your testimony regarding the trafficking of food stamps, you mentioned that there are some stores that traffic food stamps repeatedly under different owners. Is there evidence of any collusion between the buyers and the sellers on this issue?

Mr. NILSEN. To traffic, there has to be. Basically, you have two willing parties. You have the vendor, who is willing to trade cash for the benefits, and you have the person with the food stamp EBT card willing to trade in order to get cash so they can spend it on things that food stamps are not eligible for.

So, to that extent, yes, there is collusion. What usually happens is FNS turns over a list of the names of participants who have been using that particular store to the State, and it is up to the State to follow up, talking to the participants. Some States follow up; others do not.

Senator CHAMBLISS. You mentioned in your testimony that the food stamp payment error rates have reached an all-time low, but there are also some remaining causes of payment error in the program. Would you expand on the source of the remaining errors?

Mr. NILSEN. The complexity of the program continues to create errors. If you look at the total number of errors, again, two-thirds of them are the result of caseworkers either inputting data wrong, not inputting data that they have gotten—for example, when somebody reports an income change in a timely way—which then creates an error. Or they just do not understand the rules and do not input that data correctly.

Also, on the participant side, if people cannot get into the office, about 30 percent of the errors is a result of participants not reporting information in a timely way.

But, together, 43 percent is failure to act on information, or a caseworker is using information incorrectly. So complexity is still an issue with the Food Stamp Program, even since the changes to simplify from the 2002 farm bill.

Senator CHAMBLISS. Mr. Greenstein, I appreciate your comments about the asset limit issue, and this is obviously going to be a budget issue for us, in addition to just a practical issue. The asset limits are so out of date. If we are going to do a good job of serving the people in the best way, we have got to try to figure out some way to do this.

I would just ask you—and you may have something off the top of your head, or you may need to get back with us. But do you have any thoughts about how we can be more cost-effective in raising the asset limits?

Mr. GREENSTEIN. As you say, this is a tough issue. There are costs involved. Had the current asset limits, which I think were last set in 1985 or 1986, kept pace with inflation, the $2,000 limit would be close to $4,000 today. I doubt you are going to have room in your allocation to make that up. I would hope you could do better than what I am about to suggest, but at a bare minimum, at least indexing what we have now so it does not erode for another 20 years as it has eroded now.

I also think the proposal the President made last year was quite important to exempt retirement accounts from the asset test. We have a complicated, irrational system now. If your employer has a defined benefit plan, it is exempt. If it is a defined contribution plan, most are exempt, but not all. If you have a 401(k), maybe you have $4,500 in it, a tiny amount, and you are laid off in a recession, planners are going to recommend, not that you liquidate that account and have nothing for old age, but that you roll it over into an IRA. The minute you roll it over, it starts counting in food stamps, and you have to completely wipe out your retirement account. The recession is over, you are starting at zero.

So I think this is why the administration has recommended changing that. It is something that is supported across the political spectrum. I know the Heritage Foundation is supportive of making that change as well.

At retirement analysts—the White House had a summit on retirement security last year, and as you can imagine, with issues from Social Security to others, there were many areas of disagreement. An area of unanimity, everyone there, regardless of where they were on the political spectrum, every retirement analyst thought the current treatment of retirement accounts in the asset test made no sense and should be reformed.

Senator CHAMBLISS. Thank you very much.

Thank you, Mr. Chairman.

Chairman HARKIN. Thank you, Senator Chambliss.

Senator Cochran?

Senator COCHRAN. Mr. Chairman, thank you.

Mr. Greenstein, I can remember when you first came to this Committee and talked about this program and helped us analyze it and develop the provisions in it, and we appreciate over the years your continued assistance and advice and counsel. It has been very helpful to the Committee.

I also just want to thank all of the members of the panel for being here today and helping us take a look at this program and determine ways to make it more efficient, to make it more beneficial to the people who need the food assistance that this program provides.

I think my State probably has a higher percentage of population participating in this program than any State in the Union, so I feel it is an important obligation that I have to try to make sure we are getting the most out of the program and it is delivering the most benefits that we can deliver to the people entitled to participate.

A couple things came to mind as I was listening to your testimony, and I will direct this first question to Mr. Greenstein. What changes do you think would be important for the Committee to consider as we prepare to reauthorize the Food Stamp Program? You have already answered that now since I wrote that down. But is there anything else that comes to mind that you could recommend to us?

Mr. GREENSTEIN. Well, I think in each of the three broad areas I mentioned, there are specific proposals, and I know you have time constraints so I will not go into every one. But there are a variety of things. We have just talked about the asset test. We have men-

tioned the issue of the standard deduction. Without trying to get too technical, if one simply for all household sizes set the standard deduction at 10 percent of the poverty line—and the poverty line varies by family size, and it is adjusted for inflation—that would really address that particular issue.

Another part of the program that has eroded due to inflation is the minimum benefit, which is important for the elderly and disabled poor.

Two other things I alluded to quickly in the testimony that I will maybe just take a tiny bit more time on.

The Senate and the House have been in different places from 1996 through the present, through 2002, and sadly, the House has prevailed until now in each of those differences, on how restrictive to be for low-income workers who are not raising minor children and are below the poverty line or working hard. You know, the current rules limit the benefits to 3 months out of every 3 years while they are out of work. That goes well beyond what the Senate passed. Each time you have done food stamps, that had been the House position. It really needs to be revisited. It really is too severe.

And, finally, we are increasingly concerned about both the complexity and the effect of where we are now with the immigrant rules. We made a change, and we have made a series of patches. We have a very complicated set of rules. I think there ought to be one set of rules for legal permanent residents who are poor enough to qualify. Anyone who is undocumented or is here temporarily, you should not get food stamps. If you are here legally and you otherwise qualify, let's have one simple set of rules rather than these complicated ones, different parts of families are dealt with differently.

I think all of those would be changes that would be helpful, along with the simplifications that we have been talking about. And I think Senator Chambliss' point about promoting more online—enabling people to do more in a modern technological age where you do not have to take time off from your job and lose $20 to stand in line at the food stamp office to provide new information, that would be an important set of issues to address, as well.

Senator COCHRAN. I am not aware of the exact amount that is spent on the administration of the program, but it has to be a considerable sum. I may ask this question to Mr. Nilsen. Have you thought about or has anybody undertaken a review of how we could improve the efficiency of the program in terms of reducing the costs of administration so we can make more of the funds that are appropriated for this program actually available to the beneficiaries in the form of food nutrition assistance?

Mr. NILSEN. We have not specifically been asked to look at the administration of the program. I think the Federal share of administration is about $2.6 billion currently. But we are currently looking at what States are doing to facilitate access to the program. As Mr. Greenstein said and Ms. Stewart said, there are numerous things that can be done to use technology to make it simpler for people to apply and to update. And so we will get some information out of the current study which we are doing for the Committee at this time. But I think there is more that can be looked at in terms

of applying technology to simplify the administration of the program because, again, as I said, many of the errors are caused by the complexity itself, by caseworkers misapplying information. If there is better software to handle that information, if instead of being inputted and read a couple times and re-inputted, if it could be directly input by the participant, it would be a lot more efficient.

Senator COCHRAN. Mr. Greenstein and Mr. Dostis and Ms. Stewart, do you have any other comments on that question, if you do have suggestions? Or if you think of something later, you can submit them in writing for the record.

Mr. DOSTIS. In Vermont, we have had a 28–percent increase in food stamp participation since 2001, and that is a concerted effort on behalf of my organization and many of our partners to do outreach.

One of the things we implemented, and that was thanks to a food stamp outreach grant that we received, was creating a website where people can go to learn about the Food Stamp Program. They can plug in their numbers, their financial numbers, and find out if they may qualify. And it gives them some sense of whether they should even go down the road. And then they are able to communicate with us directly with any of their questions, and there is a 1–800 number so we can respond to any immediate questions. But it cuts a lot of the time, and it encourages people to use technologies to find out if they are eligible. And the access points are—like Mrs. Stewart pointed out, you know, if they do not have a computer at home, then it is libraries.

So I think it is the wave of the future. Investments in technology need to happen. We are seeing some of that in Vermont, and I think there are many more opportunities that exist in that realm.

Senator COCHRAN. Thank you, Mr. Chairman.

Chairman HARKIN. Thank you very much, Senator Salazar?

Senator SALAZAR. Thank you very much, Chairman Harkin. I appreciate your holding this hearing on this very important title of the farm bill. I have a question for Mr. Nilsen concerning the payment errors and trafficking.

I know that in the findings of the GAO, what you found is that there has been a significant decline, I think from 9.86 percent in 1999 to 5.84 percent in 2005. And I don't remember this exact figure, but I think from some of the conversations we had on this Committee last year, we were looking at spending about 51 percent on nutrition programs out of the entire budget for the farm bill. So I look at a $100 billion program, some $50 billion of that being spent on nutrition. And I think that if you look at a 5.84 percent error rate, you are probably talking—it is at least a several billion dollar amount that is still being expended via error or some kind of trafficking.

My question to you—we are going to think about a lot of priorities, I am sure, in this Committee as we go through the farm bill and try to figure out what we want to do on renewable energy and biofuels and a whole host of other things. But if we were to look at how we could bring that number down from 5.84 percent to, say, half of that, what would be your top three recommendations that we as a Committee ought to look at as we try to halve the error rate?

Mr. NILSEN. A couple things. First of all, the current estimated error rate translates to about $1.7 billion, so that is still a lot of money. Had it not been reduced, it would have been over a billion dollars higher, so a significant amount of progress has been made.

But I think because two-thirds of the errors are caused by caseworkers and by the difficulty, particularly for working families, of reporting information in a timely way, I think continuing to simplify the program could continue to bring the error rate down; the introduction of additional technology to help people report that information quickly, easily; and also for caseworkers to handle the information. If you have good technology software that puts the information in the right context and analyzes it correctly, then it reduces the error rate.

Part of the problem is there is a lot of turnover in caseworkers, and it is a very complex program, so it is hard to learn the rules and exactly how to administer the program. So that is where the substitution of technology can help bring the error rate down, I believe.

Senator SALAZAR. Let me push you on the caseworker enhancement concept that you were just talking about. Describe to us how a caseworker is part of, if you will, the error that occurs at the front end when somebody is entering into the system food stamps and what it is that you would do with respect to that caseworker to try to upgrade the skills so that you do not have those problems.

Mr. NILSEN. Well, as Mr. Greenstein was saying, how do you handle certain assets? If you are a particular kind of person, you will handle it one way. If you are somebody else, it is a different way. If the asset, for example, changes from a 401(k) and you roll it over into a regular mutual fund, all of a sudden it is no longer an excluded asset. So there is a lot of delving in that interview to find out exactly how to handle people's income, their deductions, their assets. And that is where the complexity comes in.

Senator SALAZAR. For both you, Mr. Nilsen, and Mr. Greenstein, if you look at the concept of simplification so that you can avoid errors by having caseworkers being able to go through the process in a more simple way and applicants also to understand more what it is that they are—the information that they are providing, what recommendations would you make to the Committee in terms of simplification, Mr. Greenstein?

Mr. GREENSTEIN. Simplification I think is very important. You know, I am remembering the first error rate report we issued when I went into the Department, and it was like March or April 1977. And the combination of the payments to ineligible households and overpayments to eligible households was 17 percent of benefits issue. Today it is 4.5 percent. The 5.8 also includes the underpayments.

What has changed since then? Probably the single biggest factor is simplification in technology, so one wants to keep pushing there.

There are more things you can do. We have talked about simplifying the asset rules, simplifying the immigrant rules. In 2002, you simplified the reporting rules for working families. We can go farther and look at simplifying the reporting rules more for elderly households as well.

But I want to make a caveat. In a program this large, it is going to be harder to drive the error rate much below 4.5 percent—we can get it some with more simplification—unless another issue is dealt with that, to a large degree, is outside your control, and that is, States administer the program, the Federal Government pays half the administrative costs. In a number of States, they have cut back significantly in recent years as a budget matter on the number of caseworkers and have not fully invested in all the new information technology that is available because of the costs.

So some of the technology that is there today is not being fully used, and in a number of States, the number of clients per caseworker is too high, and that contributes to caseworkers making the errors that Mr. Nilsen talked about.

Now, I do not have a magic-bullet answer for what to do about that. It is probably worth our all thinking more about that as you go into reauthorization. But inadequate State staffing and investment in IT is one of the contributing factors here.

Senator SALAZAR. Just one more question, if I may. Are there some States that you could hold out, Mr. Nilsen, as stellar States that are great examples of having cut down the error rate below this 4.65 percent? Because it depends a lot on the budget issue that Mr. Greenstein was talking about.

Mr. NILSEN. What we found in our study is that a lot of the States sort of did a number of things, and some things that worked in some States like California maybe were not the things that brought the error rate down in Illinois. Very often it was State by State.

Looking at some of the dramatic changes, Illinois, Michigan, I believe, and California had dramatic declines in their error rates. But they had to do a range of things. A lot of it was targeting on those areas where the error rate was the highest in the sub-State, and then to go in—as I said, in California there was a lot of training of caseworkers that was done. There was a lot of targeting of resources, education, and really focusing on processing more quickly the information they got and making it a priority. That was something else that changed: making bringing down the error rate a priority. For a long time, I think it came down from probably 17 percent early on to around 10 percent, but then it was hard to budge from that level for many years. But they have made a lot of progress since the 2002 farm bill.

Senator SALAZAR. Thank you very much.

Chairman HARKIN. Thank you, Senator Lincoln?

Senator LINCOLN. Thank you, Mr. Chairman, and thank you so much for bringing us here today to discuss what is, I think, one of the most critical issues before our country. And it is certainly the issue of hunger among working families and any of our citizens. The important role that our Federal Food Assistance Program plays in the lives of America's working families is critical, and I think we often underestimate oftentimes because we do take for granted the wonderful, wonderful country that we live in, that it has an impact on so many things, whether it is certainly the health of our children, the cost of health care in general and long term, the ability of our children to learn, to pay attention, to be able to reach their potential. It is very important.

It is a timely discussion we are having here in the Committee. It prepares us for the always difficult task of crafting a new farm bill, and I certainly look forward to working more on this title and looking at how we can make improvements.

We are enormously grateful to our panel that is here today for sharing with us. I would like to take one point of personal privilege here and just quickly address something that I have been very involved with.

Many may know that Senator Gordon Smith and I, along with Senator Durbin and Senator Elizabeth Dole, started the Hunger Caucus, the Senate Hunger Caucus, in 2004 to really highlight the importance of these issues that we are discussing this morning and really to provide a more organized voice for the anti-hunger community here on Capitol Hill and to speak out.

We currently have over one-third of the Senate represented in the caucus, including our Chairman, which we are grateful to you for your involvement. And I wanted to take this opportunity particularly to encourage our new members who have joined us in the Senate this session to join our Hunger Caucus because we have done some incredible things, and we are going to continue to do those things. So we appreciate that.

I want to especially thank our panel, but, Ms. Stewart, I want to thank you so much for bringing, as the Chairman mentioned, a real face to what we are talking about here. Oftentimes we try to express that as well, and I want to say thank you for being here. Thank you for bringing your son, Wyatt. I know that was not an easy decision. It is difficult. I have 10–year-old twins, both of which were sick last week and both of which came to work with me last week. It is a tough choice that we make, and it is . hat I appreciate and certainly respect you for.

The other thing I just wanted to point out that I do not know has been pointed out in the Committee was from Ms. Stewart's testimony. Ms. Stewart is not only working diligently to provide for her son and to do so in a way that is remarkable in terms of his health and well-being and his education. But if you look at the opening of her statement, her written testimony, she is also president of the PTA, she is a Sunday school teacher, a chartered chairperson for the local Cub Scout pack, a band booster for the school. She assists with the cheerleading competition, and she is a food stamp recipient. She is not only taking care of her son, but she is contributing enormously to the community and the village that raises everyone's children in her community. And I just think that is so important, Mr. Chairman, that we note the tremendous gift that Ms. Stewart is giving to her community and to the other children and the families that exist there.

When we look at the fact that the nutrition title in the farm bill takes up 60 percent of all the spending in the farm bill, roughly 60 percent, and yet we recognize those that are eligible for food stamps that are not even accessing them, it should be overwhelming to us that this is an issue that exists in this country that has to be dealt with for the future of our country and its well-being and the children who are our future and our future leaders.

So I want to commend you because I have got to tell you, I work with the PTA and several of these others, between the Cub Scouts

and other things, and it is not an easy task. And my hat is off to you for the incredible contribution that you give to your country from that respect.

Ms. STEWART. Thank you.

Senator LINCOLN. I would like to touch on what I just mentioned there in terms of eligibility. Some 50 percent of eligible working families and 30 percent of eligible low-income seniors do not participate. Those figures do vary among different States, and that has been discussed a little bit. My own State beats the national average by serving 68 percent of all eligible and 60 percent of working families. But, unfortunately, a number of States do considerably worse than the national average. And I guess may you could answer, any of you all. Mr. Dostis, you mentioned some of the things you all have done in Vermont to really increase the participation and make sure that that availability is out there for individuals. But the disparity between States and how it exists, is there a better way that perhaps we could—and maybe we already are and I am unaware of it—providing collocation for access to food stamps, particularly for our elderly? We have a disproportionate number of elderly in Arkansas. They are disproportionately low-income and in need of assistance. I do not know if collocation of being able to access those benefits through the area agency on aging and others things is as easy and as appropriate as it should be.

But anything that we have learned from high-performing States or anything else that you all could recommend? I know Mr. Dostis has shared with us some of what Vermont does.

Mr. DOSTIS. I would say that the key is outreach. There is a lot of misconceptions about the Food Stamp Program. I think of seniors who do not understand its entitlement nature, and they assume if they take, then they are taking from someone else. So just to reach out to them, let them know they can have it and they are not taking it from someone else.

Families who are working and increasingly, as you have heard, more families are struggling, working families are struggling, and that is where we are seeing an increase in participation in food shelves as well as requests for the Food Stamp Program.

But it is very difficult for working families to take off, as you heard from Mrs. Stewart, to apply for and sustain themselves on that program.

There are misconceptions about the benefit levels, so doing outreach will help people understand to what extent the program can be beneficial to them, but we have to do it in a way that makes it as easy for them as possible to find out that information.

Senator LINCOLN. Is there something that we can provide the States? I noticed you, Mr. Greenstein—I think it was Mr. Greenstein—mentioned that the States have cut back on their caseworkers, their technology, or the investment in technology. Is there something there that we could provide them as an incentive perhaps?

Mr. GREENSTEIN. I think that is certainly something we can look at. I do not have a specific recommendation there, but I think that is worth looking at.

Following up on Mr. Dostis' comment and your question, where we have a real problem, whether it is for working families or the

elderly, or whoever, is that you go to one office and you apply for Medicaid. Two months later, you are called in for food stamps. You have to go over here for child care.

Senator LINCOLN. Right.

Mr. GREENSTEIN. And to the degree that there are conflicting rules in the program, it is hard to align. To the degree that States can align the rules, it makes it possible to do more of the one-stop shopping, which can really help.

Some of the changes you made in 2002 really enabled States to more closely align the programs, but we need to look for additional opportunities in that regard.

And with regard to the elderly—and maybe this is something you can talk with the Finance Committee about—we ought to be more systematic about if seniors are signing up for the low-income drug benefit in Part D of Medicare, let's refer them and hook them into food stamps if they are eligible and vice versa. We have seniors that need the drug benefit that are not signed up, that have misconceptions about the problems with the drug benefit as well, a number of which have now been resolved. But we ought to look for opportunities like that rather than having these individual silos where you sign up for one program, you go through the hoops, and you are not hooked up with another. And for people who are older and frail and it is hard to get around, that could really help.

I think there are particular opportunities to look at in the interface between the low-income subsidies for the prescription drug benefit and food stamps.

Senator LINCOLN. That is a great suggestion, Mr. Chairman, and I hope we will reach out to other committees and other programs that exist. I know that we tried to do that with Social Security and veterans' benefits, and it was like pulling teeth to get the two agencies to talk and figure out how we could make sure that as veterans came for certain programs in Social Security, they could still see what was available to them through the Veterans Administration. But it certainly makes a lot of sense, and I know that for us in Arkansas, once we did make it one-stop shopping, particularly for children, whether it was vaccinations or other things that they could sign up for, we saw a real difference in terms of what was actually getting out to children through programs. So I really appreciate that.

Mr. GREENSTEIN. And, of course, you are on both Committees—Finance and——

Senator LINCOLN. Exactly.

[Laughter.]

Chairman HARKIN. I was going to say, your comments were well placed.

Senator LINCOLN. Well, I have been noting your tax comments as well in terms of what we can do there.

I believe my time has expired, Mr. Chairman, but I do thank you so much for bringing this issue up, and you have brought a great panel.

Chairman HARKIN. Thank you, Senator Lincoln.

Your comments were well placed there, Mr. Greenstein.

[Laughter.]

Chairman HARKIN. Thank you very much to panel one. As I said, we have a couple of votes at 11:30, so we are going to have to move ahead. Thank you. You are excused. We appreciate your input and look forward to further contact with you as we develop this title of the farm bill.

Chairman HARKIN. Now we will ask our second panel to come to the table: Bill Bolling, Luanne Francis, Melinda Newport, and Frank Kubik.

For the benefit of the Senators who are diligent in remaining here, hopefully we will try to get off the Senate floor, maybe, Saxby, sometime after a vote and try to get a quorum to report out our funding resolution and stuff. So we will try to do that.

I will recognize Senator Chambliss for the purpose of an introduction here.

Senator CHAMBLISS. Well, I mentioned my friend Bill Bolling in my opening comments, but since he is here on this panel, let me just say again, Bill, welcome to the panel.

Bill is the Executive Director of the Atlanta Food Bank, and he truly is an amazing American with what he has done, not just in the Atlanta area but the whole metro area surrounding Atlanta. Today, Bill runs 18–wheelers in and out of his facility, both bringing food in that comes straight off the grocery store shelves. He has developed a relationship with major manufacturers as well as retailers for the contribution of food products to his facility. He then returns those 18–wheelers out delivering food products around the metro area in Atlanta.

In addition to that, Mr. Chairman, he now has moved into providing school supplies for school children by allowing teachers to come in and literally take school supplies that are, again, 100 percent donated and gives kids who do not have pencils and paper and crayons, the opportunity to have not only nutritious meals but also school supplies.

It is an unbelievable operation that Bill has put together, and I am very pleased that he is here today to share some thoughts with us on this critical issue. So welcome, Bill.

Mr. BOLLING. Thank you.

Chairman HARKIN. Thank you for that great introduction. In fact, Senator Chambliss has talked to me about you, and I look forward to visiting your enterprise down there sometime soon, I hope.

Mr. BOLLING. Thank you.

Chairman HARKIN. Mr. Bolling, please proceed. Again, we are going to try to keep it to 5 minutes or so. I would sure appreciate it. We have, as I said, two votes at 11:30.

STATEMENT OF BILL BOLLING, EXECUTIVE DIRECTOR, ATLANTA COMMUNITY FOOD BANK, ATLANTA, GEORGIA

Mr. BOLLING. I understand. Thank you, Senator Chambliss, for the introduction and taking time to come to visit us. Thank you, Mr. Chairman. I want to thank you for the opportunity to be here. I am the Executive Director of the Atlanta Community Food Bank, and I am not only representing my food bank and the eight food banks in Georgia, but the Nation's Food Bank Network, America's Second Harvest, that serves over 50,000 community-based organizations.

I have been a food bank director for 27 years and have been feeding the hungry for 32 years. I was one of the first directors to actually help start the Second Harvest Food Bank. I have seen a dramatic increase in the problem of hunger and the complexity of hunger and poverty, not only in Georgia but throughout the country. As the problem has grown, the profiles of the people affected by the threat of hunger have changed. Today, most people are off of welfare. A large percentage have a job, sometimes two jobs, but they are challenged to find affordable housing, adequate health care, and enough to eat.

As we look back over the past few years, something interesting has happened. Food bank partner agencies that used to provide emergency food relief are now opening their doors to the same families over and over again. Agencies that used to focus only on providing meals and groceries are providing a range of services today. For many low-income working families, food banks and their partner agencies are the last defense against hunger. It is because the network of food banks and relief agencies in their communities exist that people are able to face the heart-wrenching decision to forego a trip to the grocery store in order to pay rent or utilities, and we just heard that in the last briefing.

The people we serve are struggling every day to make ends meet. The local agency system in North Georgia and around the country is largely composed of faith-based entities, with three-fourths of our agencies made up of community support from churches, synagogues, temples and mosques. These local relief agencies reflect the very best of America, the broad array of America's social fabric and religious life. And they are a reflection of the public and private sector successfully working together to address a major public health challenge. In fact, they are in my mind a strong part of our national security system, neighbors knowing and helping neighbors.

We rely heavily on volunteers in our network of food banks. Volunteer labor in our network in any typical week is estimated at $8.2 million. These volunteers do not just ladle soup and pack food boxes. They provide additional support to needy families. Oftentimes, food and hunger is just the presenting problem. Partner agencies provide school tutoring, community support to seniors, counseling and training for jobs, nutritional counseling which is so important, housing support, mental health services, and an array of other support services that transform lives.

Using a commodity that our country has in abundance—food—we are able to engage, educate, and empower people. This is the essential role that food programs provide every day—to transform lives to those most in need.

I understand in the upcoming farm bill the choices are going to be tough and the competing interests many. But in TEFAP and other commodity donation programs, we clearly find mutual and compound interests. They are to serve as a nutritional safety net for millions of our Nation's hungry. TEFAP commodities offer some of the healthiest and most nutritious food distributed to our agencies. TEFAP commodities stabilize our distribution when private donations are lagging or can help extend private donations enabling food to mix and be more complete.

I know my colleagues on this panel have spoken quite eloquently about the needs to improve and sustain the Food Stamp Program. I only want to add to that testimony and say that we stand ready to work with this Committee and welfare and food stamp offices around the country.

If I were sitting in your shoes with more requests than resources, my main concern would be whether money committed to feeding hungry people can leverage private money, food, and support. I am here to tell you that it does and it can be continued with your support. This is a place where resources committed multiply many, many times over, a place where people come together and strengthen and nurture community. This is a place where money and food make a tremendous difference. It is a network of public and private agencies that work at so many different levels to transform the lives of both the giver and the receiver. It is a system that works on many different levels, and it deserves our full support.

Thank you.

[The prepared statement of Mr. Bolling can be found on page 53 in the appendix.]

Chairman HARKIN. Thank you very much, Mr. Bolling, for, again, a very powerful statement.

Now we turn to Luanne Francis, the Program Manager at Kingsley House, which is a social service agency in New Orleans that provides help to families throughout Southeast Louisiana. Ms. Francis will be sharing some of her experiences working for Kingsley House during Hurricanes Katrina and Rita.

Ms. Francis, welcome to the Committee. Please proceed.

STATEMENT OF LUANNE FRANCIS, PROGRAM MANAGER, HEALTH CARE FOR ALL, KINGSLEY HOUSE, NEW ORLEANS, LOUISIANA

Ms. FRANCIS. Thank you, and thank you for the opportunity to speak before you today. I welcome the opportunity to appear before you not only on behalf of Kingsley House but on behalf of New Orleans and Louisiana families, in particular to speak about the Food Stamp Program and the Disaster Food Stamp Program and the role they played in the lives of families in Louisiana and continue to play today.

It is my hope that after this hearing you will understand even more why the 2007 farm bill is an opportunity for you to allow many more families across America to be lifted out of hunger and to have the resources they need to recover when disaster strikes.

We have all heard and seen the pictures of devastation suffered by Gulf Coast families in the aftermath of Hurricanes Katrina and Rita. I have lived it and continue to live it today.

On August 29, 2005, 2 days before payday and 2 weeks after school began for us, many of our families did not have the resources to prepare for a disaster, and they were down to the last of their food stamp dollars for that month.

In the months after the storm, the Disaster Food Stamp Program was there for us when others were not. During a time of loss and uncertainty, we did have access to food, and it did not matter where we were, whether we were in Baton Rouge, Texas, or Geor-

gia. For many of us, though, the rebuilding was only just beginning when the Disaster Food Stamp Program ended.

Today, Mr. Chairman, members of the Committee, 17 months after Hurricane Katrina hit the Gulf Coast, families like the Thompsons are still struggling with the resettlement and recovery process, but it is not as easy to access the Food Stamp Program as it was in the months following the storm. The Thompsons had lost the home they were renting before the storm and everything in it. Currently, they are staying with friends while they are trying to find a place to live.

The New Orleans that we live in today and the Thompsons live in is a place where the fair market rent has increased by 45 percent since before the hurricane, and child care costs are increasing. Both Mr. and Mrs. Thompson work because one salary will not help them pay moving costs for a new place, food, child care, and all their household costs. Between work, trying to find a place to live, and taking care of the children, the Thompsons have not had time to do much else.

My staff and I met the Thompsons while we were out in the community assessing families' needs, trying to connect them to resources that were available to them. They had not applied for food stamps because they thought that they would be ineligible because they were working and because they did not live in their own home.

Members of the Committee, Mr. Chairman, since June 2006 my staff and I have enrolled over 500 individuals like the Thompsons in the Food Stamp Program, and we have been able to do this primarily because we were also able to assist families in securing the documents they need to complete the application process and because we can assist them in their home at a time that is convenient to them, and they do not have to spend a day at the Food Stamp Program and lose work, lose wages.

Food stamp benefits to a family of four that has a monthly rent of $1,000 and child care costs between $300 and $400 a month help a family stay healthy and probably escape homelessness. Food stamps help to ensure families that their basic need for food can be met while attending to the other basics of our needs. If the same relaxed verification and resources rules that operated in the months after the storm could be extended beyond the 3 months, then many more families would have the resources to rebuild and probably regain some economic security. And the Thompson family is one of success because we were able to help them enroll in the program.

There are many more families that cannot provide documents—families, immigrant families who are legal, who have lost naturalization certificates, and the time it takes to regain that does not allow them to participate in the Food Stamp Program. And the stories are endless.

Mr. Chairman, Committee members, I urge you to invest resources in the 2007 farm bill that would allow families like ours that are suffering now and others who suffer from unemployment and other forms of economic hardship to access those benefits without exhausting their resources, and giving them an opportunity to build and regain some sense of self-sufficiency.

Thank you for your time.

[The prepared statement of Ms. Francis can be found on page 67 in the appendix.]

Chairman HARKIN. Thank you very much, Ms. Francis, not only for your testimony but for being here and for all your great work through the devastation in Louisiana.

Now we turn to Melinda Newport, Director of the Nutrition Services for the Chickasaw Nation Health System. Ms. Newport will be talking to us today about some of the unique food insecurity and diet-related health challenges facing our Native American population, particularly with respect to the Food Distribution Program on Indian Reservations.

Ms. Newport, welcome to the Committee and please proceed.

STATEMENT OF MELINDA NEWPORT, DIRECTOR, NUTRITION SERVICES, CHICKASAW NATION, ADA, OKLAHOMA

Ms. NEWPORT. Thank you. Mr. Chairman and members of the Committee, thank you for inviting me to testify today. My name is Melinda Newport, and I am the Director of Nutrition Services for the Chickasaw Nation. In this capacity, I administer eight USDA Food and Nutrition Service programs for over 10,000 monthly participants. As a registered dietitian who has worked at the local and national level on many challenging nutrition issues for over 25 years, I have served as the president of the National WIC Association and most recently president of the National Association of Farmers Market Nutrition Programs. I bring you greetings from Governor Bill Anoatubby of the Chickasaw Nation, and I am accompanied today by Mr. Bill Lance, administrator of our health system.

Chairman Harkin, I particularly appreciate your career-long commitment to ensuring the viability, strength, and quality of Federal nutrition programs, many of which benefit American Indian Tribal Governments and their citizens. To provide the Committee with additional perspective, there are 59 tribes, most, if not all, reservation based, in 12 different States represented by the Senators on this Committee today. The cumulative tribal population is approximately half a million. Senator Conrad, for instance, represents a State with large land-based tribes and has five food distribution programs in his State. Likewise, Senator Thune serves over 10,000 American Indian citizens served by seven tribal programs in South Dakota.

I cannot speak on behalf of every tribe's individual requirements, but there is certainly an overarching need that calls for continued support and innovation in the Nutrition and Food Assistance Programs for Indian country.

With poverty being the principal factor causing food insecurity, the Native American community suffers rates twice as high as those of the normal U.S. population. Nearly one in four Native American households is hungry or on the edge of hunger. The fear of running out of food causes people to reduce the quality of their diets or reduce the quantity of foods they consume. Some families, as we have heard earlier, are forced to rely on less expensive, often high-fat foods, and very few fruits and vegetables.

As the Chairman mentioned, paradoxically at the same time we experience hunger and food insecurity, obesity has been declared an epidemic. Both obesity and hunger require solutions that include regular access to nutritionally adequate food. Additionally, guidance on proper selection and preparation of foods is just as important.

Consequently, I urge the Committee to provide enhancements that enable tribes to directly access programs through government-to-government agreements and to allow flexibility to implement programs in an innovative and culturally appropriate manner. A specific example of a barrier that we need to address is to provide a method in the Food Stamp Act for Tribal Governments to directly access the Food Stamp Nutrition Education Program through the Food Distribution Program.

Briefly, for those who may be less familiar, the Food Distribution Program on Indian Reservations is an alternative to food stamps, targeted to those living in more remote areas. Just under 100 tribes administer the Food Distribution Program for over 250 reservations or tribal jurisdictions. The program has been enhanced in recent years through the addition of fresh fruits and vegetables and frozen chicken and ground beef. We need to continue to improve the nutritional quality of the food package by offering foods that are lower in fat, higher in whole grains, and lower in sugar and sodium content. Foods that are convenient to serve and culturally appropriate are key with the families that we serve today.

Many Food Distribution Programs continue to deliver benefits from a truck 1 day per month at each site and do not have adequate equipment to handle fresh produce or frozen meats. Infrastructure funding for one-time expenses such as these—to renovate a warehouse or to purchase equipment—would help this program tremendously. I also urge the Committee to expand funding for WIC and senior farmers market nutrition programs to allow more tribes to participate and to provide opportunities to include nutrition professionals in the Native American nutrition programs, just as there is in the WIC program, for example.

Given the improved state of health enjoyed by most Americans, the lingering health disparity among American Indians is most troubling. Investment by Federal nutrition programs in foods of high nutritional quality and the educational support to assist families in using those optimally is far less costly than funding care for chronic diseases many develop in the absence of sound nutritional status. Improving the health and security of Native American families must be ever present in the minds and hearts of Congress as they establish policy.

I encourage you to do all you can to give voice to all tribes to share with you the challenges they have in feeding themselves and their families.

Thank you, Mr. Chairman and members of the Committee, and I remain ready to answer questions or provide information as needed.

[The prepared statement of Ms. Newport can be found on page 93 in the appendix.]

Chairman HARKIN. Thank you, Ms. Newport.

Now we will turn to Frank Kubik, and I was just notified that our 11:30 vote was moved, so we are not quite as rushed as we were. That is what happens around this place.

Frank Kubik is the Commodity Supplemental Food Program Manager at Focus: HOPE, a civil and human rights nonprofit organization in Detroit, Michigan. Mr. Kubik, will be talking to us today about his work at Focus: HOPE and the particular challenge that senior Americans face in maintaining an adequate diet.

Mr. Kubik, welcome to the Committee.

STATEMENT OF FRANK KUBIK, MANAGER, COMMODITY SUPPLEMENTAL FOOD PROGRAM, FOCUS: HOPE, DETROIT, MICHIGAN

Mr. KUBIK. Mr. Chairman and members of the Committee, thank you for the opportunity to present testimony today. I work with the Commodity Supplemental Food Program. We provide food to 41,000 monthly Detroit metropolitan area residents, and CSFP serves nearly 500,000 monthly participants in 32 States, the District of Columbia, and two Indian Tribal Organizations.

Today, 91 percent of CSFP participants are seniors who face an increasingly difficult time making their limited resources stretch to take care of all their daily needs, particularly their food needs. The average income for a senior in our program is under $600 a month. At Focus: HOPE, we work with over 300 volunteer agencies and thousands of volunteers to distribute the commodities to individuals who are unable to visit our sites, and these are their stories.

Leonard and Theresa are both in their 80's. Leonard worked in a small machine shop for 38 years. Unfortunately, his pension was discontinued because his former employer went out of business. Now Leonard and his wife are living off their monthly Social Security check of $822. Because of health problems, neither can drive a car. Leonard told me that he is unable to fill out the registration forms for public assistance because his vision is not that good, and the meager amount of assistance they would receive is not worth the cost of paying someone to drive them to the office and then paying someone else to take them shopping. There are only small corner stores, liquor stores, and gas stations that sell some food products within walking distance of Leonard's house, providing few choices given the money that Leonard and his wife have for food each month. Leonard depends on the kindness of neighbors to take him on some errands without charge and the food supplement that they receive each month from Focus: HOPE. Leonard and his wife do not have much, and they do not ask for much. His eyes tear up when he talks about the circumstances that he and his wife endure. Leonard worked all his life and did everything the right way. How did things go so wrong?

Mike toured Focus: HOPE as part of a Ford management employee group who carried out a one-time community service delivery to homebound seniors. Mike delivered food to Mary Ann, a woman in her 70's. After spending a few minutes with Mary Ann, he found out something shocking. He discovered that she was hungry. Four hundred and fifty dollars a month does not cover much. Moreover, Mary Ann is afraid to leave her house because of crime in her neighborhood. Her husband died years ago and she is alone.

A native of England, Mike was shaken by what he had just seen and certainly did not expect to find it here in America. Mike made a promise to himself that as long as he was on assignment in this region, he would take Mary Ann her monthly CSFP food box, add to it what he could, and he would bring his wife to spend time with her. I often wonder what will happen to Mary Ann when Mike gets reassigned elsewhere.

University of Michigan graduate students run a volunteer community service assignment at Focus: HOPE. They were delivering food packages to a five-story apartment building with a non-working elevator. When they arrived at Mrs. Jones' apartment, everyone immediately noticed the smell of gas. The gas burners on the stove were turned on high with the window open a bit. Mrs. Jones used the stove for heat because the landlord would not allow the heat to be turned on until November 1st. This happened to be the last week of October, so Mrs. Jones kept the stove on and the window open slightly so that the gas fumes did not make her sick, or worse.

Mrs. Jones lived with her husband for 28 years before he died. They had children who rarely came by. Mrs. Jones had worked low-paying, under-the-table jobs. The only Social Security benefits that she was receiving were based on their modest income. Mrs. Jones could not confront the landlord about the heat because he evicted anyone who disagreed with him. She did not move somewhere else because she could not afford anything better. She considered her neighbors in the building to be her family, and she did not want to leave them. She was not receiving any additional assistance because she had no way of getting to one of the offices to apply for help. Public transportation in Detroit is woefully inadequate and needs much improvement.

When the students returned to their campus, they started making phone calls and things began to happen. A day or so later, but still in October, the heat in that apartment building got turned on. The elevator was miraculously fixed. Those students spent a day out of their lives to deliver food to seniors. What would have happened if they had not gone? And what happens to others in Mrs. Jones' situation?

The conditions are all too typical for many seniors in this country. The lack of access to high-quality food, public transportation, inadequate affordable medical care, and too often unsafe neighborhoods collude to tarnish the golden years. This is unconscionable for the most prosperous Nation in the world. People who have worked all of their lives and have contributed so much to this Nation are being neglected and left on their own at a time when they could most use a helping hand. While we are doing much, there is still much left to be done.

We deeply appreciate the Committee's continued support of vital programs such as CSFP, which provide a critical lifeline to so many who are not here to thank you today.

On behalf of the Nation's Commodity Supplemental Food Program participants and volunteers nationwide, I thank you for your continued support and this opportunity to present testimony today.

Thank you.

[The prepared statement of Mr. Kubik can be found on page 88 in the appendix.]

Chairman HARKIN. Mr. Kubik, thank you very much for your testimony, and thank you all again, for putting a human face on the challenges we are confronted with here.

I will start at the end. Mr. Kubik, again, with regard to the elderly, we have heard testimony and seen data indicating that less than a third of seniors eligible for food stamps actually receive food stamps. Do you have suggestions as to how we might take steps to increase seniors' participation in the Food Stamp Program?

Mr. KUBIK. As many have said before me today, the enrollment process is very complicated for many seniors. In Michigan, there is a group called My Caf that is trying to bring food stamp registration closer to seniors, as opposed to the State offices they would have to travel to. They are setting up operations in apartment buildings and areas where seniors congregate, and they have an enrollment process that makes it easier for seniors to access them.

The problem is, as they have approached me to work with my agency, I wanted to learn more about what they were doing, so I asked to sit through a process, a normal enrollment process so I would have an idea of what I am going to try to sell to folks who visit our sites. With the prepared staff member, with the prepared volunteer who had every answer to every question in front of them so that there was no delay in terms of what was the question, what exactly do I need, it still took about 45 minutes for that one person to complete the process. And the questions that I was hearing, they were pretty difficult for me, and I am sure that a lot of seniors who may not have a clear understanding of the process are going to be very confused. They may not have the proper information and documentation. They may not know what type of information they should be keeping. They might not have a detailed spending record. So the process itself has to be streamlined and become more accessible.

The problem that springs from that also is how do we reach seniors who are homebound or have issues like we have in Detroit and in many major cities, and I am sure in urban and rural areas all over the country, of access to the sites and access to shopping—and competitive shopping and not the corner stores, gas stations, and liquor stores that offer the limited supply of food at high prices. That is a major issue in Detroit. And I know that providing someone with the Bridge card, as we call it in Michigan, the electronic benefit card, in lieu of a food stamp per se, if you do not have a place to take it or a place you can get good value for what may be a small amount of benefits, it is not worth it for the senior to enroll in the program. We have got to look at that benefit——

Chairman HARKIN. How much coordination is there among churches and other public service agencies in Detroit? If and individual in need of assistance is identified at one agency is there coordination between agencies to ensure that individual is enrolled in other assistance programs, such as food stamps? I am still bothered by what was said earlier about, the need to go one place for one thing, and somewhere else for another thing, and public transportation does not work well. I have heard so many stories. You wait for a bus. You finally get down there. You walk someplace, you get there, and you find out you did not bring all the necessary documents you needed or something like that. Well, then you have got

to go back and come back again. It is very hard for people to do that.

So I worry about the coordination. Again, I have heard stories in the past where someone had been visited by, say, a health agency and maybe they were in a community health center, and they were getting their medical attention through a community health center. But they also needed food, but no one seemed to be coordinating with them to get that information.

How much coordination do you feel there is among all these various entities?

Mr. KUBIK. Not as much as there needs to be. As providers of the USDA program, we have to have food stamp information available to our participants when they come in. There is a varied amount of posters and handouts and brochures that make the program—that we can provide to our participants. The problem is in a city like Detroit that is so—transportation and communication among seniors is so difficult. We have a hard time even getting our program to the seniors who need it. We have to work with 150 agencies in Detroit itself to give food out. When I mentioned the 300, we cover four counties, and I always assumed the bulk of those 300 were in the other counties, not in Detroit. Well, half of those agencies are in Detroit, which means the issue of transportation, the issue of access is just a larger issue than we all imagined.

I think another issue is just the message of what are food stamps, what do you qualify for, are you eligible. Many seniors do not believe they are eligible. In a city like Detroit, they have such a varied background of diversity and many languages spoken, the information is sometimes hard to translate. I know there is information available in varied languages because we get it off the USDA website. But it still is going to be an issue of getting that message across.

There is a reluctance among some folks from immigrant backgrounds to apply for the program because they are afraid of giving up their personal information. They are afraid of what that may do.

We have got to dispel all those myths and all those misconceptions about the program, strengthen it to seniors, and make seniors know that it is there for them. It is a supplemental program, like CSFP. These programs work hand in hand together. But if they do not know about it, they do not know if they qualify or they think they are taking benefits from someone else. It is just a hard sell. And, quite honestly, many seniors see it as welfare and do not want to participate in it.

Chairman HARKIN. We must examine and work to improve coordination between agencies. It just spills over into so many different jurisdictions that are beyond this committee, too.

Regarding the Food Distribution Program on Indian Reservations, you have talked about how a recipient may get food from a truck approximately once a month when it comes to the Indian reservation, and, therefore, to get fresh fruits and vegetables is pretty tough.

Ms. NEWPORT. Yes, sir.

Chairman HARKIN. Is this widespread? Is this a widespread problem, or is this just in certain areas?

Ms. NEWPORT. I would say that the problem is widespread, especially in the large land-based tribes where there is actually only perhaps a 4–hour window of opportunity per month for people in that community to come and pick up their food. They travel a long distance, and they have a very short opportunity to be sure they are there at the right time and the right place. And so it is of a great deal of concern. Certainly that is not the case everywhere, but it happens way too often, yes, sir.

Chairman HARKIN. Are you able to estimate how many of the programs have the capacity to regularly receive and stock fresh fruit and frozen produce?

Ms. NEWPORT. I believe that we have finally reached the point, after 5 or so years, that almost every program in the country is tapping into the fresh produce if they have the coolers to handle the produce properly. And I think there is some final installation going on in a very large tribe in the Southwest to accommodate frozen meats, and they are just now receiving those, while some of us have had those for years, just because of equipment and infrastructure challenges. But taking those out on the road is a different challenge than having them in your main warehouse.

Chairman HARKIN. Are you providing any kind of nutrition information at your sites?

Ms. NEWPORT. Absolutely. We have a very coordinated effort at Chickasaw Nation. I mentioned that I administer many FNS programs, and we do deliver those services in nutrition centers and are able to coordinate our WIC nutrition education and Food Distribution Program, a lot of the farmers market activity, all of those sorts of things our participants in any program are the beneficiary of.

Unfortunately, the Food Distribution Program does not have any specific nutrition education money and needs to be able to tap into that food stamp/nutrition education money just like the State does through their Food Stamp Program.

Chairman HARKIN. Ms. Francis, again, we were both somewhat pleased, I think, as a Committee and those of us that serve on it, with the rapidity with which the Department of Agriculture, the Food Service people, got food stamps and got food out after Hurricane Katrina. Generally speaking, I think it was pretty good. Obviously, there were gaps, but I have heard that it worked pretty well.

Ms. FRANCIS. It did.

Chairman HARKIN. But I am just wondering, again, it seemed to me that initially we heard that emergency relief was going well and it remained okay for a certain period of time, and then what happened, that was OK for a certain period of time.

Ms. FRANCIS. It was.

Chairman HARKIN. And then it sort of fell off after that.

Ms. FRANCIS. Yes, sir.

Chairman HARKIN. Can you tell me a little bit more about that and what recommendations you might have for any changes to deal with emergencies—well, I hope we do not have another emergency of that nature, but we will have emergencies. What can we do to

kind of get over that where when you come in, you have got a big bubble right afterward and then it sort of falls off after that?

Ms. FRANCIS. I think one of the things that we can do is there needs to be more outreach so that folks transition from the Disaster Program to the regular Food Stamp Program. There was a lot of confusion in the beginning once we were eligible for the Disaster Food Stamp Program. There was a point we were only told it was going to be for a month. Then they said, OK, we can extend it for another month. And then some of us were under the impression that we needed to spend the money before the end of the third month; otherwise, we were going to lose it. So there was that.

So there needs to be some more consistent messaging and outreach to and educating families about what the process is and how they are going to transition. For some of us, it was the first time we were using the program, so we did not understand clearly. All we knew was that we had something that we could get food for families.

The relaxed rules, verification requirements for us after 3 months would have helped some more because the devastation that we had, our infrastructure was not there to support replacing the documents that we lost, to prove residency, to get bank statements, to get leases. Things like that are difficult for families to provide that, and you also have to remember that, again, the food stamp offices themselves, they were devastated, too. And so on their end, they did not have the resources as well to handle the overwhelming need.

An organization like ours can step in and meet some of that, you know, because we are out there working with families and helping to alleviate some of that. But for us it would have made a difference if the time had been extended and if there were more consistent, clear messages about how we go from one to the other and what actually our benefits were and how long we had them for.

Chairman HARKIN. Thank you, Just one last thing. Mr. Bolling, in visiting some of the food banks, food pantries in Iowa over the last few years, again, I have heard what you have just testified to, and that is that some of the donations have gone down, food prices have gone up obviously in the last couple, 3 years, but the demand has also gone up. And I could not figure that out. I tried to think. More and more people are working, but at the same time more and more people are going to food pantries. The more I delved into it, what became, I think, somewhat clear is that the food stamp benefits were running out, and that is when they would go to the food pantries. And it just seemed to me like the food stamp benefits were not keeping up.

So I am just curious as to your experience in that area in the last—oh, I don't know if I would have a delineation of the timeline; the last few years, let me just put it that way—of more and more people who get food stamps coming in to get food from your food bank.

Mr. BOLLING. Well, I have got 30 years to draw from, but if we would look in the last few years, I think what we see—and we have never really named this—we are seeing emergency programs become supplemental feeding programs, programs that were never meant to function in that way, it used to be a rule we would feed

you three times in a year in a certain emergency. The same folks are coming back in month and month out.

So my point of those community-based organizations, 50,000 strong, are the point of entry. I think this is where we can really gain ground in doing nutritional counseling and helping people fill out their food stamp forms, EITC forms. We are leaving money on the table. We are leaving food on the table. And I think these are organizations that the Federal Government does not have to pay, who are motivated, usually from religious persuasion, to work in partnership with the food stamp offices.

I cannot say enough about how important commodities are here. I with The Atlanta Community Food Bank has the contract for all eight food banks in Georgia, and that is the way it works in a lot of States. I have got to do the same work no matter how many commodities you send me. I have got to set up the systems, set aside the warehouse space, contract with the truckers. In our food bank, commodities are down 50 percent. I think they are down 40 percent across the board.

Chairman HARKIN. From what point in time, down from——

Mr. BOLLING. Well, that is in the last year.

Chairman HARKIN. Oh, just in the last year.

Mr. BOLLING. In the last year. So those commodities, as we talk about how important nutrition is, are the nutritious food. They are the best food. And they are the food that we can get directly to families through community-based organizations. We have an outlet to do that.

So this is where I think we get the leverage, and I think as food banks and our community-based partner agencies become more sophisticated, they can be the point of entry for people to—if the library is not open, go to your local church. There is a computer there and counselors who have been trained.

Again, in Atlanta—and I think this is throughout the country—we have a relationship with Georgia State Public Health School, with Emory, Rollins School of Public Health. We have nutritionists and interns that work with us, and they are very motivated to do internships at the community level. Again, not anybody that the Federal or State government has to pay to do this, but working in partnership using the commodities that you can make available, it multiplies, leverages many times over.

Chairman HARKIN. Well, I look forward to visiting your place and getting more information. I think you can be very helpful in our deliberations this year on what we need to do.

Mr. BOLLING. Well, certainly call on me, and we look forward to hosting a field hearing at the Atlanta Food Bank.

Chairman HARKIN. Mr. Bolling, thank you.

Senator Chambliss?

Senator CHAMBLISS. Thank you, Mr. Chairman.

Following on what you said there, Ms. Francis, with respect to educating folks about this program and, Bill, knowing that you have said that one-third of the people you serve are on food stamps, but two-thirds are eligible. I assume that others have similar experiences. What are you hearing from the folks out there in the field who are eligible that is the biggest impediment to applying for food stamps?

Ms. FRANCIS. For us, the biggest impediment is the time that it takes. Our application is 16 pages long, and the documents that they need to provide for that, and then some folks are hesitant to share any savings that they may have because they know it will count against them in receiving. And so the time that it takes to complete the application, the way that they are treated when they go to the food stamp office, and the hesitancy to share all that personal information to receive food benefits stops many families from doing it, from participating.

A program like ours, where they do not have to go to the food stamp office to receive it and somebody is actually there helping them complete the application and spending the time to help them get the documents together, and we are not just providing access to the Food Stamp Program, but in more—90 percent of the times providing access for other programs that require the same documentation helps some families get in.

Mr. BOLLING. I would certainly echo that. It is time, complexity, access. Again, I think this is a place where we can use the private sector to help facilitate people getting access.

Senator CHAMBLISS. Anybody else have a comment?

[No response.]

Senator CHAMBLISS. OK. The issue of nutrition continues to be of concern to me. Bill, for example, in your operation at your level in your distribution system, do you get into the nutrition issue to make sure that a family that receives the benefits of your facility has the right kind of balance? Is that an achievable goal from your perspective?

Mr. BOLLING. Well, I certainly think it is achievable. I think there is a lot more work to do in this area. Again, I would emphasize the role of commodities here because it balances out. Food banks depend on donations from the food industry, and it is fresh food, it is frozen, it is canned food, it is food drives, all the ways that we get it. We will handle over 25 million pounds out of my food bank. But there are times when we do not have the nutrition we need and we need to rely on commodities.

This is a place where we need to use those folks who really care about nutrition—the nutritionists, the public health nurses and doctors and so forth—and we can work in partnership with them. What we have got to do is push it down to community-based organizations. We are doing that. As you saw, we were doing it at the Atlanta Food Bank, and I think increasingly if we can offer the incentives and have the placement for interns and nutritionists to work directly with these community-based organizations, we can make great progress in this area.

Senator CHAMBLISS. So, again, it is a matter of educating the folks out there, not only to participate in the system but how to participate in the system.

Mr. BOLLING. Well, I think it is not only education, but as in the testimony in the panel before, if you have limited income and popcorn costs $1 and fresh fruit costs $4, and you need to fill up that evening, you buy the popcorn. You may know that is not nutritional, but you need to fill up. So I think it is a combination of both education and access

We are, for instance, working both with immigrant communities and with families with limited incomes to show them how not buying prepared food would save them money, that you can put—not even using meat, but with beans and rice, you can make complete protein. So there are ways of stretching the food dollar, and it is a matter of education. And I think you know that does not happen in the welfare office. That happens at your local church or mosque or synagogue where people feel comfortable, they can stay there as long as they like; there are counselors there that they learn to trust. And over time, even as we do at the food bank, we prepare some of those meals, you know, and send them out, and over time people make progress in this area.

Senator CHAMBLISS. Ms. Francis, was there food generally available after Rita and Katrina?

Ms. FRANCIS. In the months after? Yes.

Senator CHAMBLISS. No, I mean immediately after. In other words was there a system in place that was able to deliver food to folks who needed it?

Ms. FRANCIS. No, sir, there was not, but we did have maybe then, 2 to 3 weeks, folks like my colleague to the left who would actually get commodities and food stores, and that is what we had afterwards until the Disaster Food Stamp Program got up and running.

Senator CHAMBLISS. OK. So it was primarily a private sector operation that delivered the food.

Ms. FRANCIS. Yes, sir.

Senator CHAMBLISS. Bill, by chance, did you send food down there?

Mr. BOLLING. We not only sent food, but we also received 150,000 people from the Gulf Coast, into Atlanta. We were second to Houston. So we did both.

It is interesting. It is not only food, but it is paper supplies, it is cleaning supplies. It is all the things that you need to get back up on your feet.

This is another area, I think, where community-based food banks and the aid organizations know their community. You have always got to triage in with the Red Cross and the Federal Government, but after that first week or so, you need to work with folks who know their community. When people come in and say, "I live here," if you go to your local church, they will know if you live in that neighborhood or not.

So that is where we really rely on community-based organizations to make that connection and do a better job.

Senator CHAMBLISS. I guess from a pure food stamp distribution standpoint, we do not do a very good job of that, probably do not do anything at all relative to incorporating other agencies, Mr. Chairman, within our DFACS or whatever the distribution point may be, to provide other services. If you need health care, you go to the Health Department. If you need food, you got to the Department of Family and Children's Services. And what you are saying makes sense. If you have got all of these agencies working together, you can do a much better job. I don't know how we would do that in the farm bill, but——

[Laughter.]

Mr. BOLLING. I would say there is a very interesting project in northern Illinois now where we are using community-based organizations actually to fill, e-mail them in, and expedite the services. We can do that anywhere in the country.

Senator CHAMBLISS. Do the private agencies that you work with do any counseling of potential food stamp recipients?

Mr. BOLLING. Many, many of them do. Many of them are not that sophisticated. You know, it really is up to them how they want to run their ministry. But, increasingly, the food banks are able to offer incentives to do that kind of counseling. We will give you a discount on food. We will come out and do the training. And we are doing much more of that around the country.

I really think that is the best connection for folks, in their local community, in their neighborhood, with people they trust. And the more we can be in partnership with our food stamp office and our welfare office, the more we are able to use the technology that is now available, the more we learn to trust each other and the more we leverage our resources.

Senator CHAMBLISS. Again, just to the panel, Tom and I were both part of the welfare reform package that we passed back in 1996, and our idea obviously was to incentivize people to get off of welfare and onto payrolls. At the same time, we tried to have the compassion that would allow these folks to participate in programs like food stamps.

Generally have you seen that accomplished? We have seen numbers about folks coming off welfare rolls, but obviously a lot of this is due to folks not wanting to fill out the paperwork for food stamps, as you have alluded to. But, overall, are you seeing the incentives work to get people off food stamps, off welfare, and back into the mainstream community and back on payrolls?

Mr. KUBIK. One of the things we have seen, our organization offers job training in addition to food. We want to get some of the young people who are in the program—even though our numbers are a majority senior citizen, we want to get some of the young people self-sufficient. We offer degrees in engineering and other skills there so that the young moms can get off our program, get off food stamps, and get a job.

So we have seen some impact that way, but, again, it is a small impact on a larger problem; especially our unemployment rate in Detroit is very high. So we have seen some movement that way, and yet we see—the people that we are dealing with are those who are not likely to get another job, the seniors, who are not going to enter the workforce. That is what we see in our program. I cannot speak for the others, but our program is seeing more and more seniors. We have seen our demographics go from, in 1990, where we were 90 percent moms and kids and 10 percent seniors, to 2007 now where we are 91 percent seniors and 9 percent moms and kids.

So we do what we can on the local level with what we do at Focus: HOPE with job training, but nationwide, my counterparts and CSFP in States across the country will say they are seeing more and more seniors who are not likely to benefit from that.

We mentioned some of the seniors in my examples that have families and children who do not support them and who have distanced themselves from their families. So maybe a child is doing

better now, but that does not impact the senior. And so we have actually seen an increased need among seniors at a time when we have seen less moms and kids come in.

Senator CHAMBLISS. OK. Well, thank you all very much for some very insightful testimony, and we appreciate very much you taking the time to be here today.

Chairman HARKIN. Thank you, Senator Chambliss. Thank you all.

Let's see. Just a couple of things here. For those of you who are here, and staff, we have talked about how we get people who are food stamp recipients getting more fresh fruits and vegetables. We know what is happening. We know that, you know, things that are fat-laden or starch-laden fill you up. And we also know those are the cheapest, and fresh fruits and vegetables are the highest priced. So when you are trying to figure out how much you can spend, obviously you gravitate toward those things that fill you up and that are cheapest.

But if we want people to buy more nutritious foods, then I think we have got to figure out some way maybe, Saxby, of having some added benefit, if you go with your EBT card and you go into a store and you buy food, if you buy fresh fruits and vegetables, that somehow when that is added you get some kind of added benefit to your food stamps.

Mr. KUBIK. Good idea.

Ms. NEWPORT. An incentive.

Chairman HARKIN. So help us figure out how you do that. I am not certain how you do it, but some way we have got to figure that out and get some added benefit in to do that. So I am looking for ideas and suggestions on how that might be done.

I have a statement here from Senator Ben Nelson that I want to include in the record at the beginning of our hearing.

[The prepared statement of Hon. E. Benjamin Nelson can be found on page 46 in the appendix.]

Chairman HARKIN. Also, we have to try to get a quorum at some time to get our business resolution through, and we will do that off the floor of the Senate at some time, maybe during a vote.

With that, I thank you all for being here, and the Committee will stand adjourned subject to the call of the Chair, I guess.

[Whereupon, at 12 p.m., the Committee was adjourned.]

APPENDIX

JANUARY 31, 2007

Statement of Senator Casey
Senate Agriculture Committee
Hearing on Federal Nutrition Programs
January 31, 2007

Mr. Chairman, thank you for holding this morning's hearing on nutrition programs under the Farm Bill. I am a strong supporter of federal nutrition programs because they provide healthy foods to people who would otherwise not get proper nutrition and at the same time provide a market to our farmers. It's a win-win scenario.

In Pennsylvania, there are 1.4 million people living in poverty. Nearly half of those (about 500,000) are children. In fact, 17 percent of children in my home state live in poverty. For these children and their families, federal nutrition programs like Food Stamps, the Commodity Food Supplemental Program, and the Fruit and Vegetable Snack Program are the primary source of wholesome foods and regular meals.

Mr. Chairman, I know that you have been a strong supporter of nutrition programs throughout your tenure on this committee. I look forward to working with you to create a strong nutrition title as part of the 2007 Farm Bill.

Statement of Senator Patrick Leahy
Senate Committee on Agriculture, Nutrition, and Forestry
Hearing On Federal Food Assistance Programs
January 31, 2007

Thank you, Mr. Chairman. I appreciate you holding this hearing on the role of federal food assistance programs in family economic security and nutrition. I welcome our witnesses and thank you all for your testimony.

I am very pleased that Mr. Robert Dostis, the Executive Director of the Vermont Campaign to End Childhood Hunger is here to provide this committee with his views on the Food Stamp Program, and the critical role it has played in feeding families in Vermont and across the nation. The Vermont Campaign to End Childhood Hunger has been a leader in developing innovative programs that educate food stamp participants about nutrition. The Cooking for Life program is one such example, and it has made a difference in the lives of hundreds of Vermonters by teaching them the basics of preparing healthy meals while maintaining financial discipline.

The Food Stamp Program is an essential part of our social safety net, and keeps millions of Americans from going hungry each year. Mr. Dostis has provided numerous examples in his prepared testimony about how this program is the first line of defense against hunger. As we work on the nutrition title of the Farm Bill, I believe it is critical that we maintain a commitment to combating hunger in this country. Despite efforts by some to minimize the impact of hunger on millions of Americans, I will continue to call hunger by its name, and expect that many others who have long worked on this problem will too. Calling it something else is not going to bring us closer to solving it.

I am proud that, in the 2002 Farm Bill, the Congress strengthened the Food Stamp Program, and that in subsequent years we have resisted making cuts that would jeopardize access to this crucial assistance. In discussing making changes to the Farm Bill, we have a real opportunity to ensure that this program remains strong and is expanded so that fewer families in America go hungry.

Thank you, Mr. Chairman. I look forward to reviewing the recommendations of our distinguished panel and look forward to working with you and the rest of the Committee on this program.

SENATOR BEN NELSON

Statement for the Record
Senate Committee on Agriculture, Nutrition and Forestry
January 31, 2007 Hearing on the Federal Food Assistance Programs

I want to thank Chairman Harkin for holding this hearing to explore the very important role the federal food assistance programs play in matters of family economic security and improving nutrition.

As I've said before, I think we should rename the farm bill the "Food and Fuel Security Act" and I think that this hearing will help highlight the fact that "food security" not only means securing our ability to provide our food needs domestically, but also continuing the important programs that help bring food security to low-income families and individuals.

And, of course, food security on the individual level also requires improving nutrition and I hope that as we draft the Food and Fuel Security Act that we keep in mind this important component of "food security" – so that we can help ensure that individuals, families and our nation's school children are able to obtain and maintain a sufficient and nutritious diet.

In Nebraska, advocacy and assistance for this "food security" comes from such able groups as Nebraska Appleseed and Voices for Children in Nebraska. I've appreciated meeting with them and hearing about the efforts being undertaken in Nebraska to help families and individuals. And I thank them for their work on behalf of low-income Nebraska families and individuals.

They insist that the Food Stamp Program is a success story for the nation and for Nebraska because it has reduced hunger in our country and has helped thousands of Nebraskans buy food every month.

They tell me that last year the program helped an average of 116,000 Nebraskans each month and that it served over 60,000 eligible children and brought more than $118 million into the state.

These programs help support farmers, grocers, and small businesses throughout the state, as well as helping vulnerable families in their efforts to obtain "food security."

Finally, they have stressed to me that the Food Stamp Program is one of the most efficient and effective programs with payment accuracy at an all time high and a recent GAO finding that more than 98% of all benefits are paid to eligible households with all benefits now being issued on Electronic Benefit Transfer (EBT) debit cards.

I thank the Chairman for holding this important hearing and for his strong advocacy for nutrition and the federal food assistance programs and I thank our witnesses for coming here today to discuss these important programs and issues.

Comments by Senator Pat Roberts
U.S. Senate Agriculture Committee Hearing
The Role of Federal Food Assistance Programs in Family Economic Security and Nutrition
Washington, D.C.
January 31, 2007

Mr. Chairman and Mr. Chambliss, thank you for holding this hearing.

I am extremely proud of Kansas' legacy as a leader in the fight to end hunger at home and abroad. Among his many achievements, Senator Bob Dole was a framer of the Food Stamp Act, and the McGovern-Dole International School Lunch Program. I have endeavored to continue his efforts to fight hunger in my capacities as a former Chairman of the House Agriculture Committee and a current of this committee.

America has long been the overwhelming leader in foreign food assistance, and our steadfast commitment to fighting hunger within our own borders has been just as impressive. I have often remarked that the efforts of the United States to combat hunger here and overseas do more to promote peace and stability than any other form of assistance we provide.

The Food Stamp Program will celebrate it's 30th anniversary this year- and we have learned a lot over the years. I am pleased to see the dramatic reductions in the national payment error rate and in the incidents of food stamp trafficking. Even more important is the increase in participation by eligible households.

We achieved these results through changes in policy that simplified the program's rules and gave the states more administrative flexibility. But policy changes are nothing without successful implementation. I would like to take this time to express my thanks to all of those employees at the federal, state and local levels who work hard to improve the success of all of our domestic food and nutrition assistance programs. Because of you, there are less hungry children distracted at school, less mothers and fathers skipping meals, and less senior citizens sacrificing air conditioning or heat in order to eat.

Despite our successes, we continue to face real challenges. In order to maintain the integrity of our food and nutrition assistance programs, we must be vigilant in the fight against waste, fraud and abuse. I appreciate the leadership of the FNS and the states in this regard, and I welcome suggestions for improvement.

Last year over $28 billion was spent on the food stamp program alone. We need to continue to increase participation in our food and nutrition assistance programs. In Kansas in 2005, we had over 184,000 people receiving food stamps. Over 6,000 Kansans participated in the Commodity Supplemental Food Program, and we received almost 3 million pounds of commodities for our Emergency Food Assistance Program.

While these numbers are impressive, they still fall short of the estimated 300,000 people in Kansas living below the poverty line- a sizeable portion of whom are under the age of 18 or

aged 65 or above. We must continue our efforts on outreach, education and access to ensure that eligible people don't slip through the cracks.

Finally, we need to make certain that our safety net adequately addresses the needs of our people. Preserving purchasing power and choice in the food stamp program and expanding the capacity of our commodity programs will ensure that program participants are served consistently and with dignity, and that their benefits are recycled into their communities.

In closing Mr. Chairman, I'm pleased our food and nutrition assistance programs have made a real difference in the lives of so many of our most vulnerable citizens. I am looking forward to discussing ways in which we can further strengthen this important safety net in the 110th Congress. Thank you.

Statement of Senator Ken Salazar
The Role of Federal Food Assistance Programs in Family Economic Security and Nutrition
Senate Agriculture Committee
January 31, 2007

Chairman Harkin, thanks so much for holding today's hearing on nutrition programs in the Farm Bill.

As we begin the 110th Congress, we are on our way to increasing the federal minimum wage for the first time in ten years. The debate over the last week has certainly shined a spotlight on dire circumstances that low-income Americans are confronting.

Today, it is only fitting that the Senate Agriculture Committee focuses attention on the needs of the most vulnerable Americans – the poor and the hungry.

Growing up in Colorado's San Luis Valley – one of the poorest regions in the country – my family did not have electricity or running water in our home. But our family farm ensured that my brothers and sisters and I never went to bed hungry or arrived at school on an empty stomach.

Unfortunately, my classmates and neighbors were not always as fortunate. My family did their part to feed those in need and live out Jesus' teachings found in Matthew 25:35, which states: "For I was hungry and you gave me food."

I know that all members of the Colorado Anti-Hunger Network are also doing their part to be good Samaritans. They work to feed as many vulnerable people as they can.

Several CAN members attended a series of listening sessions I held across Colorado to gather feedback from my constituents on ways we can strengthen the Farm Bill.

Traveling around Colorado, I was very proud to hear how much Coloradans are doing to eliminate hunger:

- Today, the Food Stamp program serves over 250,000 Coloradans.
- Through the Commodity Supplemental Food Program, approximately 22,000 Coloradans are distributed OR are delivered baskets of essential commodities that are grown in and around Colorado.
- Countless others families and individuals who experience crisis or emergencies can pick up enough food to get by at our network of food banks and pantries.

But I was also saddened to hear that while progress has been made, there are still many Coloradans who go without food. In fact, nearly one in ten Coloradans faces hunger every day.

During my listening sessions, people in every corner of the state – farmers, educators, regional and local food banks managers, and Seniors – all underscored the role the Farm Bill's nutrition programs play in lifting people out of poverty.

And hunger advocates expressed their sense of frustration when they are forced to turn families away and the number of people they cannot help continues to grow.

For example, the Marian House, which is operated by Catholic Charities of Colorado Springs, serves approximately 600 meals. Over the past several years, they have seen the daily number of people coming into Food Bank nearly double.

Today, we will hear from several experts, managers of nutrition program, and people who benefited from the Farm Bill's nutrition programs. I am very interested in learning about what works and what doesn't.

Likewise, I hope we come up with ideas to improve these programs so that they are more efficiently and effectively serving the needs of Colorado and all of America.

Again, thank you Chairman Harkin for holding this hearing.

Agriculture Committee Hearing: The Role of Federal Food Assistance Programs in Family Economic Security and Nutrition
9:45 a.m. on January 31, 2007
SR328 Russell Senate Office Building

OPENING STATEMENT: THANK YOU MR. CHAIRMAN. This Committee is tasked with writing a comprehensive agriculture policy that will direct our nation's agriculture industry for the next five years and beyond. This legislation is commonly called the Farm Bill. However, as the panel before us can attest, only a portion of the Farm Bill directly relates to farming activities. Farm income and price support payments have averaged about $17.1 billion under the 2002 Farm Bill and spending on natural resources conservation totaled a little over $8 billion in 2006. In comparison, food and nutrition programs constitute approximately 55 percent of Farm Bill spending. In 2006, these programs totaled $53.6 billion with the Food Stamp Program accounting for $34.8 billion of that total.

As many on this Committee are aware, the current Farm Bill was written during a time of a budget surplus. The result was a very robust farm bill that provided an effective safety net for our producers, a reliable food supply for our consumers, and much-need food assistance for low-income families and individuals. Today, as we begin to shape a new farm and nutrition policy, we are faced with a budget situation that is improving in the short-term, but is still in the red. All Farm Bill programs from conservation to commodity to food and nutrition programs will receive increased scrutiny over the coming weeks and months as this Committee writes and Congress debates the future of our farm and nutrition programs. This debate will hopefully address many of the on-going issues related to the Food Stamp Program, such as determining how to loosen or tighten the eligibility rules for noncitizens; the consideration of which assets should be used to determine food stamp eligibility; the use of benefits and food choice among food stamp recipients; and responsible ways to reduce payment errors and food stamp trafficking.

Many of these problems are not new, and few have easy answers. I look forward to working with the members of this Committee as we proceed in a bipartisan manner to strengthen food and nutrition programs. Efficient allocation of taxpayer dollars and effective assistance for those families and individuals who are truly in need of assistance will be underlying tenets of the Nutrition Title of 2007 Farm Bill

I appreciate the testimony from today's witnesses, and I thank the panel for joining us today. Your statements have provided this Committee with valuable information on allocating federal resources effectively and describing the real life impacts of our food and nutrition programs.

-- Proceed to Questions --

Testimony of Bill Bolling
Executive Director
Atlanta Community Food Bank, Atlanta, GA

Before the Senate Agriculture, Nutrition and Forestry Committee
Hearing on Federal Food Assistance Programs: Successes and Challenges
9:00 AM
Wednesday, January 31, 2007
328-A Russell Senate Office Building
Washington, DC

Mr. Chairman, and Senator Chambliss, I want to thank you for the opportunity to be here today. I'm Bill Bolling, founder and executive director of the Atlanta Community Food Bank. I'm here representing the Atlanta Community Food Bank, which serves 38 counties in north Georgia, eight food banks of the Georgia Food Bank Association, as well as America's Second Harvest – The Nation's Food Bank Network.

America's Second Harvest – The Nation's Food Bank Network is the largest hunger relief organization in the country. Second Harvest member food banks serve all 50 states, the District of Columbia, and Puerto Rico. Nearly every community in the United States is served by America's Second Harvest food banks through a local network of food pantries, congregant feeding programs, after school programs, and programs that serve the elderly. This work is accomplished through programs operated by congregations of every religious persuasion, civic organizations, and social welfare agencies. More than 50,000 local programs are included in this system of private sector support for the poor and needy in our communities.

Mr. Chairman and Senator Chambliss, I have been a food bank director for over 27 years and have worked to feed the hungry for over 32 years. I was one of the first directors in our food bank network and in fact helped establish America's Second Harvest 26 years ago. In that time, I have seen a dramatic increase in the problem of hunger and the complexities of hunger and poverty in Atlanta, north Georgia, and around the country. And as the problem has grown worse, the profiles of the people affected by the threat of hunger have changed. Long gone is the day when the chronically unemployed and homeless men represented the majority of the people we serve. Today many of the people receiving food assistance from our partner programs are working. They are most likely not receiving welfare, and are often faced with the challenges of finding affordable housing and adequate health care. Today, we see too many kids in soup kitchen lines, too many working parents at congregational food pantries, and too many elderly people having to choose between paying utility bills and eating.

Two months ago, the United States Department of Agriculture released its annual prevalence estimates of food insecurity. These USDA estimates are an objective and authoritative measure of the state of food insecurity in our nation. Setting aside for the moment the unfortunate wording changes in definitions of food insecurity and hunger, these prevalence estimates are generated by a highly reputable agency of the Federal government, under the direction of very bright and talented researchers. In short, Mr. Chairman, the USDA statistics are viewed as the final and authoritative word on the problem of hunger in America.

Unfortunately, the most recent USDA prevalence estimates find that more than one-in-ten American households – including some 35 million people in all – live in food insecure households. Of those 35 million people deemed food insecure – in Georgia, like the rest of the country, we just call them hungry people – more than 12 million are children. In Georgia, we have the 14th worst rate of food insecurity in the nation, with more than 12 percent of Georgia households deemed by USDA as food insecure.

In addition to the USDA estimates of food insecurity, America's Second Harvest also conducts independent research on the hunger problem and measures how well food banks are doing as they work to address this problem. Nationally, an estimated 25 million [unduplicated] people – including nine million children and nearly three million seniors – received emergency food assistance from our network food banks in 2005. That represents an eight percent increase over 2001 and an eighteen percent increase from a decade ago.

On any given week – this week, for example – four and a half million people are lined up for emergency food boxes at pantries or for hot meals at community kitchens. More than a third of the people served by our food programs – 36 percent – are employed. And of our emergency food recipients – 70 percent of the households were deemed food insecure using the USDA standards.

But national statistics can often be too abstract. So let me bring it home – to my home in Georgia. The Atlanta Community Food Bank serves north Georgia, from the city of Atlanta, its suburbs, small towns, and rural areas of 38 counties stretching all the way to the Tennessee and South Carolina border. Last year, the Atlanta Community Food Bank served more than 300,000 different needy people in a community of over four million. Of the 426,000 people estimated by the Census to live in poverty in our community – three-fourths had, at some time, turned to our partner agencies for food and services. This is incredible and shameful in a nation so blessed by a strong economy and agricultural abundance.

On any given week in north Georgia, some 42,000 different people receive food assistance from the Atlanta Community Food Bank through local, volunteer led, community based agencies. These numbers matter because they allow you to see the challenge we face in Georgia and in food banks and hunger relief organizations all across the country. Food banks and their agencies are the last defense against hunger for many low-income and working families. It is a good thing that this network of food banks and

community based agencies exists, because more and more we are seeing people who must give up buying food at the grocery store so they can pay the rent, the power bill, address a health emergency, or just put shoes on their children's feet.

The food bank system was created to meet the hunger need in our communities by securing private donations of food and surplus government commodities, warehousing those donations and then distributing these to partner agencies. Food banks are the lynchpin in a massive network of private, charitable hunger relief that operates in nearly every community throughout the nation.

The local agency system in north Georgia and around the country is largely comprised of faith-based entities, with three-fourths of the pantries in our system being part of the community support of churches, synagogues, temples and mosques. These local hunger relief agencies reflect the very best of America, the broad array of America's social fabric and religious life. And they are a reflection of the public and private sector successfully working together to address a major public health issue.

Our agencies rely heavily on volunteers to provide hunger relief, with two-thirds of our partner programs relying entirely on volunteer support. The volunteers in our system are crucial to our work. An estimated one million different people comprise the volunteer work-force around the country. They provide an average of 53 hours of labor annually, or put another way, they donate a full-time work week plus overtime each year to help their needy neighbors. Using the current minimum wage, the value of volunteer labor in our network in a typical week is estimated at $8.2 million.

The volunteers that keep our system moving don't just ladle soup or pack food boxes. They provide additional support to needy families that come to the pantries for assistance. Often times the lack of food is just the presenting problem and the beginning of a relationship toward self sufficiency. Partner agencies provide after school tutoring, community support to seniors, counseling and training for jobs, housing support, mental health services, and an array of other support services that transform lives. Using a commodity that we have an abundance of – food - we are able to engage, educate, and empower people toward self sufficiency. This is the transformation that food programs provide everyday.

Our charitable food system has changed and become more sophisticated as the face of hunger has changed. The need for much better food stamp referrals is based on the reality that less than one-third (30%) of the people we serve are enrolled in the Food Stamp Program, even though more than two-thirds are income eligible (68% with household incomes below the Federal poverty level). We provide utility assistance and referrals to other public programs because the research shows that 42 percent of those we serve had to choose between buying food or paying their utility bills, 35 percent had to choose between buying food and paying their rent or mortgage, and 32 percent had to choose between buying food and paying for medicine or medical care.

Mr. Chairman, these facts cannot be acceptable in a nation as wealthy as ours. We are the last remaining superpower and yet we allow nine million children a year to rely on private charity to ensure that they don't go to bed hungry. We must do better. This Committee has an opportunity in the upcoming Farm Bill reauthorization to help reduce hunger and support the very effective efforts of the emergency food system to meet the hunger needs in their communities.

The food bank system is a public – private partnership that has evolved to work remarkably well over the last two decades. With the support of farm commodities acquired by the government and donated to food banks, as well as funds for distribution and storage costs, we have created a partnership that has been a remarkable success. In recent years, the USDA has been able to help hundreds of thousands of people devastated by natural disasters by facilitating food stamp emergency benefits and moving thousands of pounds of commodities to disaster affected areas. We have been privileged to work with the dedicated USDA staff and our own network members and volunteers to help relieve the suffering brought by Hurricanes Katrina and Rita. Sadly though, this effort has drained or exhausted many of our resources, and government commodity donations were dwindling even before the devastation of the hurricanes.

We have seen in the last four years a trend where public-sector food donations have not adequately kept up with the challenges we face in our communities. Although most of the food we provide to needy families is sourced from the private sector, we rely heavily on Federal commodity programs, especially the Emergency Food Assistance Program (or TEFAP) to stabilize and leverage those private donations.

Since the enactment of the last Farm Bill, there has been a troubling decrease in commodity donations through TEFAP. Since 2003, steadily rising farm commodity prices have reduced the need for USDA to purchase surplus commodities for market support purposes under the Department's Section 32 authority. Although the TEFAP mandatory purchases set by Congress have remained stable, the surplus or bonus commodities – constituting more than half of all TEFAP donations to food banks – have fallen off. In the past two years bonus commodities have fallen by 50 percent. At the same time requests for food assistance have increased by 8 percent or more. Moreover, inventories held to support the Commodity Supplemental Food Program (CSFP) and support its costs have virtually disappeared, leaving this program under funded when appropriations are not sufficient to offset this shortfall.

It is crucial in the upcoming Farm Bill reauthorization, that Congress increase mandatory food purchases in TEFAP; stabilize the surplus commodities provided to the program through Section 32; and find a way to maintain caseloads in the CSFP when commodity inventories disappear.

I understand that in the upcoming farm bill, the choices may be few and the competing interests many, but in TEFAP and the other commodity donation programs we clearly find mutual and compound interest. Many of the commodities donated to TEFAP, CSFP and other commodity donation programs are acquired to support farm prices and provide

a farm safety net. They also serve as a nutrition safety net for millions or our nation's hungry. Moreover, TEFAP commodities offer some of the healthiest and most nutritious food distributed to our agencies. TEFAP commodities stabilize our distribution when private donations are lagging or can help extend private donations enabling the food mix to be more complete.

TEFAP is critical to the estimated 15 million low-income people that access these commodities through food banks and the agencies we serve. The next farm bill offers the opportunity to strengthen this system of farm-to-table for our nation's poor and hungry.

Farmers and ranchers also benefit enormously from TEFAP. TEFAP commodities are most often less processed food meaning that more of the Federal dollar goes to purchasing and less to processing. The commodities typically include canned or frozen meats, rice, corn meal, wheat flour, dried beans, and canned fruit and vegetables. A 1994 USDA report found that TEFAP surplus commodity purchases can provide up to 85 cents in farm gate income for producers of purchased commodities for each Federal dollar expended in TEFAP. This rate of return when compared to the normal rate of return to farmers is extraordinary.

I know my colleagues on this panel will more specifically testify for the need to enact certain improvements in the Food Stamp Program. I will only add to their testimony that the nation's food banks are committed to continue working with this Committee to improve and strengthen the Food Stamp Program. Food stamps are the cornerstone in the nation's efforts to reduce hunger and help low-income families achieve self-sufficiency.

The Atlanta Community Food Bank and dozens of food banks around the country have participated in Food Stamp Outreach activities with private funding and with the support of USDA. And it is in these public private partnerships that we leverage our resources, build strong networks, and best serve those in need.

In addition to food stamp outreach, the nation's food banks are looking at even more innovative ways to help low-income people apply for the program. In Northern Illinois, for example, an innovative program allows emergency food recipients to apply for food stamps on-line and in real time. If the applicant is approved, they receive their "ebt" card on-site – along with an emergency food box – and can use their food stamp benefits in a matter of days under a modified "expedited" food stamp pilot. This is an example that can be replicated throughout the country and represents another way that through public private collaboration we can save money, cut the error rate, offer better customer service, and effectively fight hunger where it counts.

In conclusion, Mr. Chairman and members of the Committee, I appreciate your allowing me to tell my story, and the story of many who are daily engaged in trying to end hunger in our country, one community at a time. Our hope is that the nutrition title of the next farm bill will demonstrate our sincere and continued commitment to ending hunger in America. Efforts to increase access to food stamps for so many of those who are eligible

but not participating is one of the fastest ways to succeed in our nation's battle against hunger. With the next farm bill, we can also find creative ways to capitalize on the many potential sources of support for TEFAP and CSFP--- government commodities, industry food donations, private charitable donations, infrastructure and administrative grants, increased volunteers, etc. --- so that these programs can operate with dependable and sufficient resources to meet the ever growing need. We must find a way to ensure that our needy families and children, and elderly find a place at our Farm Bill table.

Thank you for this opportunity.

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U.S. Senate Agriculture, Nutrition and Forestry Committee Hearing:
The Role of Federal Food Assistance Programs in
Family Economic Security and Nutrition
Wednesday, January 31, 2007

Testimony from Robert Dostis, MS, RD
Executive Director of the Vermont Campaign to End Childhood Hunger

Introduction

Thank you Chairman Harkin, Senator Chambliss, and members of the Committee for this opportunity to address the fundamental role of the Food Stamp Program as the cornerstone of nutritional health for this country's most vulnerable children, families, and elderly citizens. Thank you for your past diligence in maintaining the integrity of the Food Stamp Program and your continued support for improving access to nutrition resources. As a Vermonter I would like express my deepest gratitude to our senior Senator, Patrick Leahy, for his long-standing commitment to economic equality, and the strengthening of vital federal nutrition programs.

My mission today is two-fold: to share with you how the Food Stamp Program, the single most effective nutrition assistance program, is making a difference in families and communities. I am also here to share that by strengthening the program, the disturbing trend of increased hunger in America can be addressed. On behalf of hundreds of anti-hunger organizations across the country affiliated with our national counterpart, the Food Research and Action Center, I would like to submit, for the record, a letter urging the strongest possible nutrition title for the 2007 Farm Bill. This letter has been signed by over 100 Vermont organizations, as well as hundreds of partners nationwide.

I speak to you today as the executive director of a statewide anti-hunger organization that provides information, training and resources to service providers working on the frontlines to help Vermonters meet their basic needs for housing, heat, transportation, and food.

I also speak to you as a registered dietitian and nutrition educator who sees how hunger and the poor diets that result from the inability to purchase fresh, nutritious foods affect the health and well-being of too many Americans. Limited access to nutritious foods increase rates of obesity, compromise health, and promote chronic disease. As a state legislator, I recognize the burden that this growing epidemic places on our state in the form of increased health care costs, reduced educational efficacy, and the loss of economic capital in the form human potential. Despite being considered one of the healthiest states in the nation, the direct medical costs associated with obesity in Vermont alone exceed $140 million per year, burdening other federal programs – such as Medicaid. Nationally, this figure is $75 billion and continues to grow. [1].

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[1] Journal of Obesity Research, Center for Disease Control. 2004.

Background

Hunger, hidden for most Americans, is real and disturbingly close to home. Despite talk of a robust economy and low unemployment, hunger has been steadily increasing over the past decade in Vermont as evidenced by statistical trends, increases in food shelf caseloads and stories from advocates on the frontline.

Data released by the U.S. Census Bureau's American Community Survey reported that 11.5 percent of Vermonters lived below the federal poverty level, an increase of 2.5 percent between 2004 and 2005 – the third highest percent increase in the nation. During this same year, Vermont experienced the largest percent increase in childhood poverty, rising from 11.7 percent, to 15.4 percent[2]. Most frightening however Vermont experienced the biggest percent increase in the number of children suffering from the most severe form of hunger over the first five years of this decade.

The 2007 federal poverty threshold for a family of four is $20,000. The Joint Fiscal Office of the Vermont Legislature estimates, however, that a family of this size, including two children, needs a minimum annual income of $48,000 simply to meet their basic needs. This is assuming that they have employer assisted health care coverage, no child care costs, are not saving anything for unexpected expenses. [3] At Vermont's new minimum wage of $7.25 per hour, a household with two full-time working adults would expect to earn $31,325 -- only 75% of the state's bare bones basic needs budget. In the past 5 years the average rent for a two bedroom apartment has increased 56%. [4] In 2005, 49% of Vermont renters paid more than 30% of their income for housing [5]

Many families find themselves in a constant struggle to make ends meet because they simply do not earn enough to cover basic necessities. Faced with difficult economic decisions, a family's nutritional needs are often the first to suffer.

How do families cope when their budget fails to cover the cost of shelter, heat, clothing, health care, child care, and transportation --- let alone the unexpected car repair, infected tooth or plumbing problem? Time and time again, we hear from families, that "when money is tights, food is paid for last."

Facing empty cupboards, parents do anything they can to ensure that their children are fed. Common coping strategies include parents and older children reducing their portions, skipping meals, borrowing food from family or neighbors, using credit cards, or purchasing cheap, nutritionally inadequate food that fill bellies but fail to provide nutrients. An increasing number of households are relying on emergency food assistance to feed their families. Vermont's food pantry caseload has increased by 23% in the past

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[2] Sources: US Census Bureau, American Community Survey, 2002-2005

[3] Joint Fiscal Office of the Vermont Legislature, *Basic Needs Budget 2007, Two adults with two children*

[4] Joint Fiscal Office of the Vermont Legislature, *Basic Needs Budget 2007, Historical Information 1999-2007*

[5] US Census Bureau, American Community Survey, 2002 to 2005

two years. Since many food shelves have limited hours, irregular supplies, few volunteers and restrictions on frequency of visits, accessing this emergency assistance often proves quite challenging.

While demand at food pantries is increasing, supplies are down. Last Friday's New York Times reported that Second Harvest, the national network of food banks, experienced a 9% drop in donations nationwide in 2006. The article also featured a Long Island minister who was asking people to donate their unwanted holiday fruitcakes, Whitman's Samplers, and Girl Scout Cookies as a way to replenish the bare shelves of the church's food pantry during January, a month when donations of food are often the lowest.[6] Given the obesity epidemic and the health costs of poor diets, we cannot afford to allow this to be the way that our children and elders are "nourished".

The fact that families are finding it more difficult to feed their children was illustrated during a recent phone call from a public health nutritionist in rural Addison County. She is very worried that in the past year she has seen a tripling in the number of underweight toddlers who failed to gain any weight in the 6 months between visits. This is particularly concerning as children in this age group are at the most critical stage of brain development, where a lack of proper nutrients can have long term affects on their physical, behavioral and cognitive development.

Adverse Consequences of Hunger and Food Insecurity for Children[7]

The devastating effects of hunger on children are indisputable. Where there is hunger, there is under-nutrition. And where there is under-nutrition, there are children who have a compromised ability to develop in physically, cognitively, and emotionally healthy ways. There is a wealth of research from which similar conclusion have been drawn.

According to the Center on Hunger and Poverty at Brandeis University, children living with food insecurity suffer from poorer overall health and a compromised ability to resist illness compared to their food secure counterparts. These children suffer more frequent illnesses and infections. There is evidence that children in food insecure homes are hospitalized at a 30% greater rate than food secure children of the same income.[8]

Not only do children living with food insecurity suffer from compromised health, but they are at an increased risk for developmental delays, and behavioral and emotional problems, such as increased aggression, hyperactivity, anxiety and social withdrawal. Children with empty bellies are not ready to learn. They suffer academically, experiencing impaired cognitive function, lower test scores, poorer overall school achievement and increased school absences, tardiness and suspension. Children

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[6] "Food Pantry Needs Help, Even Holiday Fruitcake" New *York Times*, Friday, January 25th, 2007 A17.

[7] "The Consequences of Hunger and Food Insecurity for Children: Evidence from Recent Scientific Studies". Center on Hunger and Poverty, Heller School for Social Policy and Management Brandeis University, June 2002.

[8] Children's Sentinel Nutrition Assessment Program, Boston University http://dcc2.bumc.bu.edu/csnappublic/

suffering from food insecurity are twelve times more likely to be aggressive and seven time more likely to steal, than children with similar incomes who are food secure[9]. Children with empty bellies are not ready to learn. A wealth of studies have shown that children in homes where food is scare cannot take advantage of educational opportunities.

There is, perhaps, a more insidious side of hunger, which is often neglected from scientific analysis—its emotional cost. It is more difficult to quantify; it is more difficult to explain. But as someone who grew up poor in the housing projects of New York City, I know how painful it is to be hungry and how devastating it is to be a child who doesn't know where their next meal is going to come from. Looking back, what stands out is the shame and the isolation: I can remember spending lunch time at school walking alone along the tall playground fence, so no one would notice that I hadn't brought a lunch from home, and didn't have money for the lunch line.

In a country founded upon freedom, equality and justice, we have the responsibility to ensure that each child has access to safe, fresh, nutritious foods without having to suffer the humiliation and social isolation that has so often resulted from being singled out as "low-income."

Importance of Food Stamps

The Food Stamp Program is the nation's first line of defense against hunger, enabling recipients to provide their families with fresh, nutritious foods despite challenging economic circumstances. It is the largest anti-hunger program in country, increasing food security for over 26 million Americans. The program increases the buying power of over 18,000 families with children in the state of Vermont and more than 13 million nationwide – over 80% of food stamps benefits go to households with children[10]. Recently, much attention has been paid to the Food Stamp Program's ability to provide disaster related food assistance, a topic that will be addressed in the testimony of others. However, I would like to highlight the fact that this Committee has consistently protected the entitlement structure of the Food Stamp Program, allowing food assistance to be immediately available to those families adversely affected by economic disasters, such as the two recent plant closings in the town of Middlebury. Currently, over 48,000 Vermonters use food stamps to buy groceries each month, generating an estimated $80 million in economic activity that can be used to support our local businesses and farmers. As a direct result of the outreach efforts of a statewide coalition, food stamp participation has increased by 28% in Vermont since 2001.

Not only do food stamp benefits increase food security and help stimulate Vermont's economy, but they also improve children's health. While studies have shown that food

[9] Kleinman et al, *Pediatrics*, 1998, 100(1)e3
[10] The Food Research and Action Center, Washington DC

insecure children have twice the risk of poor health, food stamps reduce this risk by 50%[11].

The Food Stamp Program is also a critical component of the fight against obesity. Although obesity affects Americans across the socioeconomic spectrum, families with limited resources are uniquely vulnerable to this threat [12]. At present, poor diet and lack of physical activity is currently the second leading cause of death in the United States though it may soon surpass tobacco as the number one killer. Since studies have demonstrated that 80% of obese teenagers grow into obese adults, it is imperative that we address the threat of obesity early in a child's life. Initiatives like the Food Stamp Program provide children exposure and access to healthy foods while they are young so that they can keep eating healthily in adulthood. A recent study found that school age girls who participated in the Food Stamp Program, School Breakfast, and School Lunch had a 70% reduction in risk of being overweight compared to peers of similar income who did not participate in these programs[13].

Food Security and Performance in School

Food security directly correlates with improved behavior and school performance. Students who are food secure perform better in school, have fewer behavioral problems and are less likely to engage in aggressive or hyperactive behaviors.

The Food Stamp Program is unique because it provides benefits to families that are consistent, reliable and dignified. Families can count on food stamps each month, working them into an often tight monthly budget. Purchasing groceries on an EBT card prevents recipients from being singled out from any other shopper using a debit or credit card. Households also have the power to choose foods that are culturally appropriate and attentive to particular dietary needs. The choice component of food stamps is particularly important in Vermont with our expanding refugee and immigrant populations. Studies show that these communities are twice as likely to be poor as U.S. citizens, making them particularly vulnerable to food insecurity[14]. Food Stamp allotments allow them the autonomy to purchase culturally appropriate foods for their family that they may not otherwise be able to acquire at a food shelf or soup kitchen.

Time and time again, food insecure Vermonters have expressed their desire to provide their children with healthy, nutritious food such as fresh fruits and whole grains – some of the most expensive products sold in supermarkets. This is uniquely challenging in a rural state like Vermont where higher than average transportation costs are passed to consumers through increased food prices. Without food stamps, many families in Vermont could not afford these foods.

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[11] *Compared with children of similar income but living in food secure households* N = 11,539 children, age 3 or younger

[12] "Food Pantry Needs Help, Even Holiday Fruitcake" New *York Times*, Friday, January 25th, 2007 A17.

[13] SJ Jones et al, Arch Pediatr Adolesc Med 2003; 157: 780

[14] USDA

The voices that we hear each day in our work as anti-hunger advocates continue to reinforce the vital role that food stamps play as a nutrition resource for so many families facing difficult economic circumstances. I would like to share with you just a few of these stories.

A homeless shelter advocate remarked that "Families are referred to us when they are at risk of being evicted because they are behind on their rent. The first thing we do is to sit down with them to review their budget. If we find that they are not getting food stamps, we help them to apply for this program. Sometimes, this extra amount of money available for food frees up just enough of their income to give them the little edge they need to keep their apartment."

As I was drafting this testimony, one of our college student interns shared with me her personal experience with the Food Stamp Program. She and her mother were on food stamps for quite some time during her childhood. She remembers that "they ate much better when they were on food stamps. When they were receiving benefits, their meals included fresh vegetables and whole grains; when they were not on the program, they ate macaroni & cheese." She also reflected on her relationship with her mother – "that it was much better when they were on the program, because there was less stress in the house."

A nurse at Addison County Home Health, told us about a family of five that she recently worked with. She says:
"Dad works a 10 hour day as a milker on a dairy farm. He makes a minimal wage, and they live in tenant housing. Money is tight. When their twin babies were born pre-term, they had frequent doctor visits, and there was a lot of financial pressure. The family was reluctant to seek food assistance but as the home health nurse, I convinced them to try food stamps, at least to help them get them through the first year. If not for the Food Stamp Program, I'm sure this family would be eating very meagerly. With food stamps, Mom shops smart; and makes every meal stretch. She cooks chili, big pans of lasagna, and uses her crock-pot; this mom is feeding her family really well. "

From our conversations with direct service providers, we know that food stamp recipients understand the dynamics of a healthy diet, but may have limited opportunity to acquire the skills to cook nutritious foods for their families. We are committed to utilizing food stamp nutrition education dollars to expand our Cooking for Life Program – a six week series of classes, providing hundreds of families with hands-on learning and the skills to shop smarter and cook nutritious meals on a tight budget. Without monthly food stamp benefits, however, many of these families would not be able to afford the necessary ingredients to practice these new skills.

Improvements to the Food Stamp Program:

Despite the enormous success of the Food Stamp Program, this vital part of the nutrition safety net is still dramatically underutilized, capturing only 60% of eligible Vermonters. As anti-hunger advocates we work tirelessly to reduce barriers to participation, correct misconceptions about the program and educate low-income Vermonters about eligibility.

Many obstacles to participation still remain including thousands of households who are unaware of their eligibility. Likewise many Vermonters are reluctant to ask for help, have difficulty finding transportation to the food stamp office, or do not feel that their benefit allotment justifies wages lost or time spent applying.

In order to win the fight against hunger, it is imperative that we explore ways to strengthen the Food Stamp Program so that it is a resource that is in reach for all hungry families.

As a dietitian, I am familiar with the components that make up a healthy diet. However, I also am aware of the precarious balance between stretching your food budget and purchasing the foods with the most health benefits for your family. As I have illustrated already, limited resources require families to purchase inexpensive foods that are sustaining: typically foods high in fat and starch. The USDA recently published new dietary guidelines that promote more fruits, vegetables, lean meats, and whole grains which can be some of the most expensive items in the grocery store. For families struggling to make ends meet and still put food on the table, these dietary guidelines do not translate into economic reality. The average food stamp benefit in Vermont of $.92 per meal, per person, is not sufficient to ensure the health and well-being of families on food stamps. In addition the $10 minimum benefit has less than half the buying power than it did when it was first set 30 years ago.

The USDA has established a set of budgetary guidelines entitled the Thrifty Food Plan. This plan outlines the minimum amount of money a family needs to spend on groceries in order to feed their family a healthy diet – approximately $4.37 per meal. In order to assess the feasibility of these guidelines my staff at The Vermont Campaign to End Childhood Hunger undertook a study of their own to see how well a family on the Thrifty Food Plan would be eating.

Notwithstanding the fact that many rural Vermonters do not live in close proximity to a major grocery store or that many simply cannot get to one at all, we sent nutrition students from the University of Vermont to purchase food for a hypothetical family at a local major grocery store providing them with maximum variety and price comparison. They devised two daily menus: one menu based on the Thrifty Food Plan and one that increased the per meal cost to $9.28 called the Liberal Food Plan. When the two menus were compared, the Thrifty Food Plan menu had 900 more calories than the Liberal Food Plan and twice the amount of sodium recommended by the USDA. The lower cost plan was also deficient in many critical nutrients including Vitamin B, Folate, Iron, and Vitamin D.

An all too familiar illustration of this problem is the story of a local family – the father is a senior and has a common health problem: high blood pressure. To stretch their low food stamp benefit they buy bologna, canned vegetables and soups which are cheap and high in sodium. A healthy diet could help to address his health issues, but these fresh fruits, vegetables, and whole grains are just not affordable.

Many families face a conflict, forced to decide between receiving food stamp benefits and establishing financial security. We hear stories of food insecure families losing their food stamp benefits because, in their efforts to save for a car, an apartment, or simply have an emergency fund, they exceed the $2,000 resource limit.

A caseworker from the Burlington based Committee on Temporary Shelter shared with us that they often work with homeless adults in their 50s who have special dietary needs and health issues, such as heart trouble, Type 2 Diabetes, and high blood pressure. Food stamps allow such individuals to access the foods they need to stabilize their health. Simultaneously, they are struggling to address their housing issues. In an effort to save up enough money for a month's rent and a security deposit, they lose their eligibility for the Food Stamp Program.

Conclusion

As Chair of Vermont's House Natural Resources and Energy Committee, I can appreciate the pressures this Committee faces in balancing resources for commodities, conservation, energy, and other titles of the Farm Bill. A strengthened Food Stamp Program will have a far reaching effect—beyond lowering incidences of obesity and nutrition related illnesses; beyond helping curb the rising cost of health care; beyond improving the cognitive development and education of children; beyond bolstering local economies and agriculture as families increase their consumption of fruits, vegetables, protein, and whole grain. A strengthened Food Stamp Program is a sound investment in our future and will help steer the course for the health and well-being of all Americans.

Educating children, strengthening families, building community

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January 31, 2007

Mr. Chairman and members of the committee, my name is Luanne Francis and I represent Kingsley House, a social service agency that works to educate children, strengthen families and build communities in Southeast Louisiana and has been doing so for over 100 years. Kingsley House opened the first Resettlement and Recovery Center in New Orleans 6 weeks after Hurricane Katrina ravaged the gulf coast. Since then, Kingsley House has served over 6,000 individuals providing child care, case management, respite, mental health services, Medicaid and Food Stamp enrollment among other services.

I welcome the opportunity to appear before you today to speak about the role that Federal Food Assistance Programs play in Family Economic Security and Nutrition. In particular, I will speak about the role that the Food Stamp and Disaster Food Stamp Programs have played and continue to play in the lives of Louisiana Families. It is my hope that after this hearing you will understand even more why the 2007 Farm Bill is an opportunity for many more families across America to be lifted out of hunger and to have the resources they need to recover when disaster strikes.

We have all heard and seen the pictures of devastation suffered by gulf coast families in the aftermath of hurricanes Katrina and Rita. I have lived it and continue to live it today. On August 29, 2005 –two days before pay day- many families did not have disposable income to prepare for a hurricane. For those families that received food stamp benefits at that time, resources were insufficient to purchase extra to have in case of an emergency. In fact many of our families were not only food insecure, but economically insecure- they did not have enough to meet basic needs and enough reserves to be protected against unexpected financial crises.

Today, seventeen months after hurricane Katrina hit the golf coast, families are still struggling with the resettlement and recovery process. Today the fair market rent for a 2 bedroom apartment in New Orleans is $978 per month an increase of 45 percent since before hurricane Katrina. **(1)** The median cost for child care is $85 per week. **(2)** Louisiana families earning median income will spend 13 percent of that on child care for one child compared to the national standard of 7

percent. **(2)** The median income for a New Orleans household in 2000 was approximately $27,000. **(3)** When the cost of transportation, insurance and other household costs are factored into the equation, there is little left to buy food for the family. If you are like the Thompsons- a family of four- who lost their home in the storm including vital documents such as birth certificates, and driver's license, the cost for replacement of these items for a family of four can run upwards of $75. This represents an added financial cost for families trying to resettle. The struggles with insurance companies if you were a home owner or with contractors while renting somewhere else so that you can work and be a part of rebuilding the city is a heavy burden. Emergency food banks fill some of the gaps but these become sources of regular food supply for many families and operate with major food shortages and thus they cannot support the widespread needs of persons affected by disaster.

Since June 2006, the Kingsley House Walkers/Talkers have enrolled over 500 individuals in the food stamp program resulting in over $33,000 in benefits. The Walkers/Talkers have also assisted these individuals with securing replacement vital documents so that they could complete the application process to have access to healthy food. Food Stamp benefits to a family of four that has a rent of $978 and child care costs between $ 300 and $400 per month help a family stay healthy, have some level of security and not faced with the decision of whether to stop working so that they do not have to pay child care costs so that there is money to buy food. Food Stamps help to ensure families that their basic need for food can be met while attending to other basic survival needs.

At the community level, Food stamps contribute to the local economy by contributing to retailers' revenue. In Houma, Louisiana one supermarket chain reported a 35 percent increase in sales due to food stamp usage. **(4)** The Disaster Food Stamp Program made it easy for families to get food in a time when there were no answers and a lot of uncertainty. The broader rules and relaxed verification requirements helped families not normally eligible for benefits able to get food assistance during financially difficult times and helped supplement benefits for those that were already receiving food stamps. Seventeen months after hurricane Katrina, this is still the case. Families still have no answers and providing documents to complete an application when there is limited supporting infrastructure is challenging.

I remain firm in my opinion that not only Louisiana families but families and communities across the country will benefit from a 2007 Farm Bill that has a strong nutrition title.

I urge you to invest significant new resources to make food stamp benefit allotments sufficient to real world needs, to extend eligibility to more vulnerable populations and to connect more eligible people with benefits. I urge you to improve on the progress made in the 2002 Farm Bill by revising resource rules so that families need not forfeit the opportunity to save in order to participate in the Food Stamp Program. Allowing families that suffer unemployment, part time work, illness or other financial emergencies to access food stamp benefits without exhausting their resources will help those families rebound and promote their self sufficiency long-term. The increased dollars would reap benefits in child development and health, school achievement, a more productive work force and greater economic security for all families.

Reference:

(1) Fair Market Rent available at www.gnocdc.org
(2) Family, Friend, Neighbor Care: Strengthening a Critical Resource to Help Young children Succeed available at www.agendaforchildren.org
(3) Orleans Parish Income and Poverty available at www.gnocdc.org
(4) An Advocate's Guide to the Disaster Food Stamp Program available at www.frac.org

TESTIMONY OF ROBERT GREENSTEIN
Executive Director
Center on Budget and Policy Priorities

Before the
Committee on Agriculture, Nutrition and Forestry
U.S. Senate

January 31, 2007

Thank you for providing me with the opportunity to testify today. I am Robert Greenstein, executive director of the Center on Budget and Policy Priorities. The Center is a nonprofit institution here in Washington, D.C. that conducts research and analysis both on fiscal policy matters and on an array of policy issues affecting low- and moderate-income families at both the federal and state levels. We receive no government funding.

Before starting the Center in 1981, I served as the Administrator of the Food and Nutrition Service during the Carter Administration, overseeing the domestic food assistance programs there. I was fortunate during that time to work closely with this Committee and the House Agriculture Committee on the Food Stamp Act of 1977, which grew out of bipartisan legislation designed by Senators Dole and McGovern. This year will mark the 30th anniversary of that historic legislation, which the forthcoming 2007 Farm Bill will reauthorize. We look forward to working with this Committee to extend and strengthen this successful program.

The Food Stamp Program's Mission

The Food Stamp Program was created to provide low-income families and individuals with resources to enable them to purchase an adequate diet. The program, which experts regard as the single most important anti-hunger program in America, does an excellent job of providing poor households with basic nutritional support. In 2006, more than 26 million people benefited from food stamps in an average month, including many working-poor families with children, seniors, and people with disabilities.

When the program was first established, hunger and malnutrition were far more severe problems in this country than they are today. For example, the Senate Select Committee on Nutrition and Human Needs heard testimony from health experts in the late 1960s and early 1970s that substantial numbers of poor children were lagging from six months to two and one-half years behind their peers in physical development. Some of these children were anemic and suffered from a shortage of Vitamin A (of which fortified milk is a primary source) and Vitamin C.

These kinds of problems had diminished greatly by the late 1970s. A team of doctors sponsored by the Field Foundation that examined hunger and malnutrition among poor children in the South, Appalachia, and other poor areas both in 1967 (before the Food Stamp Program was widespread in

these areas) and again in the late 1970s (after the program had been instituted nationwide) found dramatic reductions over this ten-year period in nutrition-related problems among children. The doctors attributed much of this reduction to the Food Stamp Program. The physicians' report explained:

> Our first and overwhelming impression is that there are far fewer grossly malnourished people in this country today than there were ten years ago. Malnutrition has become a subtler problem. In the Mississippi delta, in the coal fields of Appalachia and in coastal South Carolina — where visitors ten years ago could quickly see large numbers of stunted, apathetic children with swollen stomachs and the dull eyes and poorly healing wounds characteristic of malnutrition — such children are not to be seen in such numbers. Even in areas which did not command national attention ten years ago, many poor people now have food and look better off. This change does not appear to be due to an overall improvement in living standards or to a decrease in joblessness in these areas. In fact, the facts of life for Americans living in poverty remain as dark or darker than they were ten years ago. But in the area of food there is a difference. The Food Stamp Program, the nutritional components of Head Start, school lunch and breakfast programs, and .... [WIC] have made the difference ... the food stamp program does more to lengthen and strengthen the lives of disadvantaged Americans than any other noncategorical social program.[1]

Findings such as this led then-Senator Dole in the 1980s to describe the Food Stamp Program as the most important advance in the nation's social programs since the creation of Social Security.

Today, the program continues to be one of government's soundest investments. Earlier this month, *National Journal* called the Food Stamp Program one of government's top successes, citing its effectiveness in helping victims of the 2005 hurricanes and its low rates of fraud and payment errors. The program is a "case study in effective government aid," National Journal concluded.[2]

Consistent with its original purpose, the program continues to provide a basic nutrition benefit to low-income families, the elderly, and people with disabilities who cannot afford an adequate diet. But today's Food Stamp program is stronger than at any previous point in its history. By taking advantage of modern technology and business practices, the program has become substantially more efficient, more accurate, and more effective. While many low-income Americans continue to struggle and often do not know where their next meal will come from, this would be a very different country without the Food Stamp Program, which has largely eliminated severe hunger and malnutrition in the United States.

Nevertheless, despite these successes, Census data indicate that in 2005 there were 35 million people who were food insecure, meaning they "had difficulty providing enough food for all their members due to a lack of resources."[3] Given the Food Stamp Program's proven success, there are a number of ways in which the program should be improved to address this problem. In the latter

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[1] Nick Kotz, Hunger in America: The Federal Response, (New York: Field Foundation, 1979).

[2] Carl M. Cannon and Jerry Hagstrom, "10 Successes, 10 Challenges", *National Journal* (January 20, 2007), pp18-39.

[3] "Household Food Security in the United States", USDA, 2005.

part of this testimony, I will outline several key improvements that could be included in this year's Farm Bill.

Supporting Family Economic Security and Nutrition

As the Committee evaluates the Food Stamp Program with an eye toward reauthorization, I would like to take this opportunity to highlight several components of the program that underlie its success. These aspects of the program should be preserved and, where appropriate, augmented.

- *Entitlement structure* — As an entitlement program, food stamps support low-income families and communities during times of economic downturn by automatically responding to increased need. For example, the program expanded nationally as the economy experienced downturns in the early 1990s and again in the early part of this decade. Similarly, the program was able to target benefits directly to households severely affected by Hurricanes Katrina and Wilma. In short, the program responds quickly and effectively to temporary increases in need.

- *National benefit structure* — The food stamp benefit structure is essentially uniform across all states, which ensures that poor families have adequate nutritional resources regardless of the state in which they live. At the same time, states have considerable flexibility in how they administer the program.

  A family's food stamp benefits depend on its income, and as a result, food stamp benefits tend to be higher in states with below-average wages and cash-assistance benefits. The program narrows disparities between low-income families and communities in poorer states and those in more affluent states. This aspect of the Food Stamp Program is especially important to southern states and rural areas, where wages (as well as cash assistance benefits) tend to be lower.

- *Near universal eligibility for low-income individuals* — Unlike most means-tested benefit programs, which are restricted to particular categories of low-income individuals, the Food Stamp Program is broadly available to low-income households with income below 130 percent of the poverty line ($1,799 in monthly income, or almost $21,600 in annual income for a family of three). The program serves families with children, low-wage workers, the elderly, and people with disabilities. Thus, food stamps essentially provide the basic safety net under poor households. Almost 84 percent of households participating in the Food Stamp Program contain a child, an elderly person, or a person with a disability.

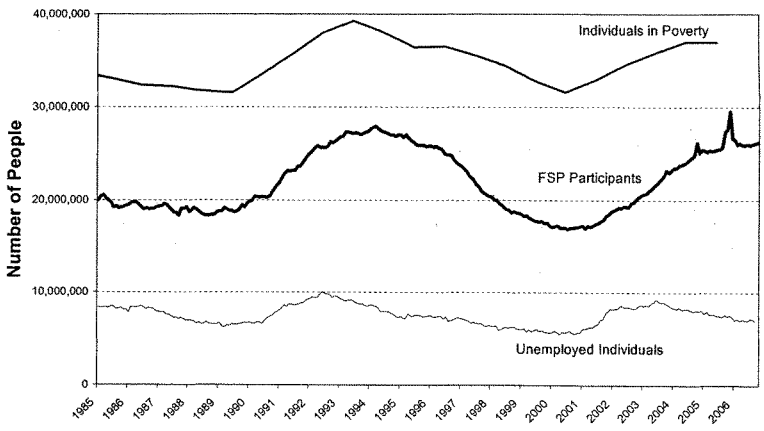
- *Food stamps lessen both the extent and the severity of poverty* — An analysis of Census data on family disposable income (including the value of non-cash benefits like food stamps) finds that food stamps lifted 2.2 million Americans above the poverty line in 2004. This group included 1.1 million children and 93,000 seniors. In 2004, food stamps cut the number of children in *extreme* poverty (those living below half the poverty line) by 1.1 million, or 26 percent — more than any other program. The Food Stamp Program provides the typical low-wage working family of three about $300 a month in help purchasing groceries.

- *Protection against economic risk* — Food stamps protect households and the economy against

economic risk. If a parent loses her job or has a job that pays low wages, food stamps can help her protect her children from the risk of going without sufficient food until she is able to improve her circumstances. Food stamps play a critical role in helping families bridge temporary periods of unemployment or a family crisis. USDA research has found that that half of all new entrants to the Food Stamp Program in the 1990s were people who participated for eight months or less and then left the program when their immediate need had passed.

As can be seen in Figure 1, food stamp caseloads rise and fall with changes in poverty. During periods of declining employment and increased poverty, the program assists a larger number of low-income households. Conversely, when the economy experiences robust growth and the number of people who are poor falls, food stamps caseloads decline as well.

Figure 1

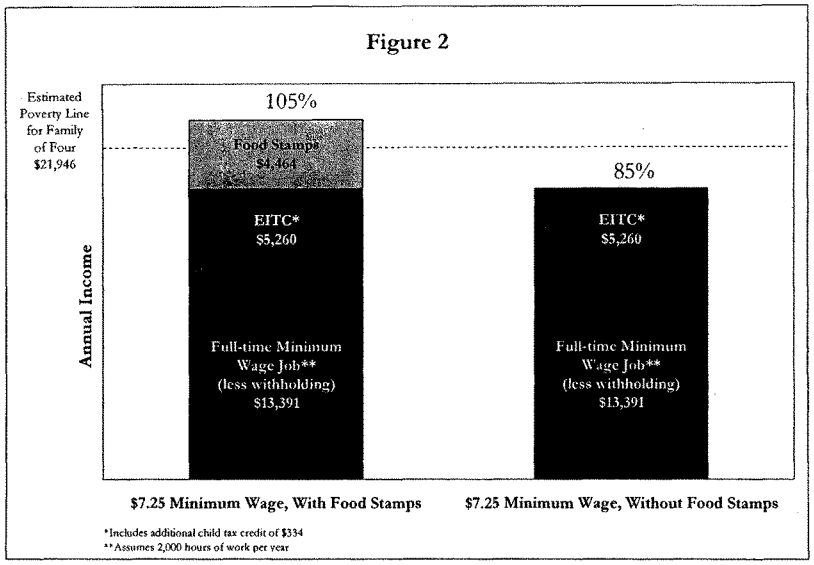


Note: Recent spikes in food stamp participation resulted from USDA and states operating disaster food stamp programs following recent years' hurricanes.

As a result, food stamps provide a measure of countercyclical protection for both the national and local economies. Because of its prompt, automatic response to need, food stamps help maintain overall demand for food during slow economic periods. In fact, USDA has found that every $5 billion of Food Stamp Program expenditures triggers $9.2 billion in total economic activity.[4] The Food Stamp Program is the second most important anti-recessionary program we have; only unemployment insurance has a greater countercyclical impact.

- *Support for work* — Even after the anticipated increase in the minimum wage takes effect, food stamps will be essential to ensuring that a family supported by a full-time, year-round worker does not have to raise its children in poverty. As Figure 2 shows, even after the proposed

[4] "*Effects of Changes in Food Stamp Expenditures Across the U.S. Economy*", Kenneth Hanson and Elise Golan, Economic Research Service at USDA, August 2002



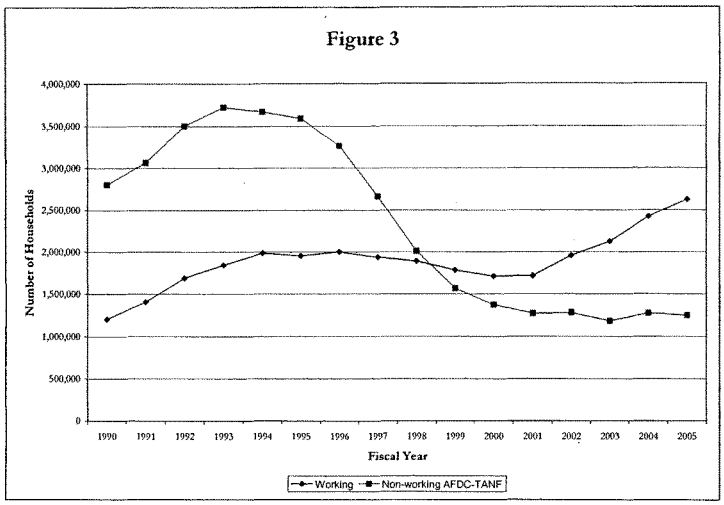
minimum-wage increase would take full effect in 2009, without food stamps a family of four headed by a full-time, minimum-wage worker would fall more than $3,000 short of the poverty line on an annual basis. (This calculation takes the family's EITC and Child Tax Credit into account.) Such a family would fall even farther short on a monthly basis because families typically receive the EITC and Child Tax Credits annually at tax time rather than on a monthly basis.

This is especially important because of the striking growth in recent years in the share of food stamp households that rely primarily on income from work rather than welfare, as shown in Figure 3. Currently, twice as many food stamp households work as rely solely on welfare benefits.

It should also be noted that the food stamp benefit formula contains an important work incentive. For every additional dollar a food stamp recipient earns, her or his food stamp benefits decline by only 24 to 36 cents. Families that receive food stamps thus have a strong incentive to work longer hours or to search for better-paying employment. Most other programs reduce benefits by a larger amount when earnings rise.

Benefits targeted to those most in need — The Food Stamp Program is designed to target benefits on those least able to afford an adequate diet. It not only evaluates a household's income level but also determines the cost of essential household expenses (such as rent and child care) before determining benefits. This is because a family that spends two-thirds of its income on rent and utilities will have less money to buy food than a family that has the same income but lives in public housing. While the targeting of benefits adds some complexity to the program, it focuses assistance more effectively on those in greatest need.

Food stamp benefits may only be used for food — By providing benefits in the form of a food voucher (which is now delivered by debit card or electronic benefit transfer), food stamps respond



directly to families' food needs and support the farm economy. Two research studies published in 1980 found substantial increases both in food sales in low-income counties and in nutrient availability among the low-income population after the Food Stamp Program was established and expanded nationwide.[5] Subsequent studies have consistently found that participation in the program significantly increases household food expenditures and thus the nutrients that are available to low-income households.[6]

How Are Low-Income Families Faring?

As we look ahead to the 2007 Farm Bill, it is important to assess how low-income families and individuals are faring, and how well the Food Stamp Program is responding to the issues they face, in order to determine whether changes are needed to improve its performance.

The Food Stamp Program operates in the context of the overall economy. By a number of measures, the current economic expansion has been disappointing for low-income families. Overall poverty remains relatively high. Real wages for low-wage workers have been largely stagnant, and the expenses that many low-income households face (such as for rent and gasoline) have increased. As a result, low-income households have faced additional strains on their ability to purchase food, and food insecurity has remained high despite low unemployment.

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[5] See Francis J. Cronin, Nutrient Levels and Food Used by Households, 1977 and 1965, (Family Economics Review, spring 1980), and William T. Boehm, Paul E. Nelson, And Kathryn A. Longen, Progress toward Eliminating Hunger in America, Economics, Statistics, and Cooperatives Service, U.S. Department of Agriculture, 1980.

[6] See USDA Literature Review, p. 42. It also may be noted that there is little evidence of any connection between the Food Stamp Program and obesity.

- *Poverty remains high* — During the current economic recovery, the number and percentage of Americans living in poverty has remained high. In 2005, the most recent year for which Census data on income and poverty are available, 37 million people were poor, an increase of 17 percent since 2000. The number of Americans living in deep poverty — with family incomes below *half* of the poverty line — rose even more sharply, by 26 percent from 2000 to 2005. The year 2005 marked the first time since the Census Bureau began collecting poverty data that poverty remained higher in the fourth year of an economic recovery than in the year when the recession hit bottom and the recovery began.

  Census data also show that the amount by which the average poor person fell below the poverty line in 2005 ($3,236) — as well as the share of the poor who fall below *half* of the poverty line (43 percent) — were at the highest such levels recorded since those data started being collected in 1975.

- *Incomes are stagnant for low-wage workers* — Despite the recent growth in overall national income, the recovery that began in 2001 has not increased real earnings at the lower end of the income scale. In 2006, wages at the bottom of the wage scale (measured as the wages earned by workers at the tenth percentile of the wage distribution) were below 2001 levels, after adjusting for inflation. The Census Bureau's annual income and poverty report last year found that in 2005, median income for non-elderly, working-age households declined for the fifth consecutive year and was $2,000 (or 3.7 percent) lower that year than in the recession year of 2001.

- *Families' expenses are continuing to rise* — The food stamp benefits structure assumes that participating households will spend a share of their non-food stamp income on food. However, other necessities can crowd out food purchases, and the costs of some of these necessities have been on the rise in recent years:

  - Shelter. Low-income households face high and increasing costs for housing and utilities. In 2005, 62 percent of poor households paid more than 50 percent of their income for housing. The number of poor households paying more than 50 percent of their income for housing costs increased by 1.6 million (24 percent) between 2001 and 2005.

  - Health care. In most states, children with income low enough to qualify for food stamps are eligible for health coverage from Medicaid or the State Children's Health Insurance Program (SCHIP). Similarly, many elderly and disabled individuals on the Food Stamp Program will receive health insurance through Medicaid or Medicare. However, many families, seniors, and people with disabilities face significant out-of-pocket costs for health care, either because they do not have coverage or because of the cost-sharing imposed by their employer-based health plan. This is a particular problem for working-poor parents. In the typical state, working-poor parents become ineligible for Medicaid once their income reaches *two-thirds* of the poverty line. Since health care costs have risen at a much faster rate than incomes, health care is consuming an increasing share of some low-income households' resources.

  - Child care. Child care is a major expense for many working families. Yet only a minority of low-income working families receive child care assistance, so many parents must fend for themselves when finding and paying for care for their children while they work. Census data

show that child care consumes an average of 25 percent of the income of poor working families that pay for care for a child. The cost of child care and nursery school has grown at twice the rate of inflation over the last decade.

- *Food insecurity remains high* — According to USDA, some 35 million Americans — more than one in ten adults, and one in six children — lived in households that were "food insecure" in 2005, meaning they sometimes had difficulty affording food. The number of individuals facing food insecurity has increased by more than 4 million since 1999. This is likely a result of the eroding value of the food stamp benefit (discussed below) and low-income individuals and families not being able to pay all of their rising non-food bills on a regular basis and still afford an adequate diet.

Food Stamp Program Strengthened in 2002, But Challenges Remain

When Congress was developing the food stamp provisions of the 2002 Farm Bill, Congress heard a strong consensus.from stakeholders across the spectrum — including state officials, USDA, nonprofit advocacy groups, charities, and low-income families — about the types of changes and investments that were needed to strengthen the Food Stamp Program. They identified three broad areas needing improvement:

- *Program participation* — Both Members of Congress across party lines and stakeholders were troubled that the program was serving fewer and fewer eligible families, particularly working-poor families with children. Lack of state flexibility and burdensome paperwork requirements necessitated by the food stamp quality control (QC) system were identified as major causes of the problem.

- *Benefit adequacy* — The purchasing power of food stamp benefits had eroded in the wake of across-the-board benefit cuts enacted as part of the 1996 welfare law.

- *Eligibility restrictions* — Also as a result of the 1996 law, certain groups of needy low-income individuals, including many legal immigrants and very poor adults, were no longer eligible for food stamps and were experiencing hardship as a result.

On a bipartisan basis and under the leadership of Senators Harkin and Lugar and Congressmen Combest and Stenholm, Congress responded to these concerns in the 2002 Farm Bill. As a result, notable progress has been made in all three areas. Significant challenges nonetheless remain in each area.

Program Participation: Making Food Stamps More Accessible to Eligible Families

Food stamp participation by eligible households, especially households with children, declined significantly in the 1990s. According to USDA, participation rates among eligible individuals fell from about 75 percent in 1994 to about 60 percent in 2000; among children, participation fell from some 90 percent of those eligible to 72 percent during that period.

A primary reason for the participation decline, according to policymakers, was the burdensome procedural requirements imposed by states, partly because of various federal requirements and partly as a result of the food stamp quality control (QC) penalty system. Many of these requirements fell disproportionately on working families, which states viewed as more likely to add to the state's error rate because their incomes were more likely to fluctuate than the incomes of non-working families. This posed a particular problem because working-poor families' schedules can make it especially difficult for them to make frequent visits to the welfare office to respond to repeated requests for additional paperwork.

The 2002 Farm Bill gave states numerous options to streamline paperwork requirements and deliver benefits more effectively to eligible households, especially working families and those who have recently worked their way off welfare. States have overwhelmingly embraced the new options as ways to reduce administrative burdens on both food stamp participants and state agencies. For example:

- some 40 states have coordinated their food stamp definitions of income and resources with the definition they use for TANF cash assistance or family Medicaid coverage;
- almost 20 states have opted to provide five months of transitional food stamps to families that leave welfare, making it easier for such families to move from welfare to work successfully;
- more than 45 states have adopted the option to provide food stamp benefits for six-month intervals with reduced paperwork requirements; and
- more than 40 states have simplified their food stamp "standard utility allowance" to reduce the amount of paperwork required from participants.

In addition, Congress included a major reform of the food stamp performance measurement or quality control system. The QC rules were reconfigured to penalize states with persistently high errors rather than every state with an above-average error rate. In addition, performance awards were expanded to reward states with high or improved participation rates and customer service, in addition to high payment accuracy.

The combination of new state flexibility and a reformed QC system has contributed to improved participation. Between 2003 and 2004 (the most recent years for which data are available), USDA estimates that food stamp participation rose from 56 percent to 61 percent. Participation rose both among eligible working families (from 47 percent to 51 percent) and among eligible children (from 74 percent to 82 percent). It is likely that participation rates have continued to increase since 2004.

Even more impressive, payment accuracy has improved dramatically even as participation rates have increased. In 2000, the most recent year for which error rates were available when Congress was considering the 2002 farm bill, the combined food stamp error rate — i.e., the sum of the percentage of benefits issued to ineligible households, the percentage of benefits *over*issued to eligible households, and the percentage *under*issued to eligible households — was almost 9 percent. It has fallen every year since then, to 5.84 percent in 2005. In 2000, 15 states (including some of the largest states) had combined error rates over 10 percent; in 2005, *none* did. Conversely, in 2000, 13 states had error rates below 6 percent (a level that at the time entitled states to enhanced administrative funding); by 2005, fully 32 states did.

Moreover, in 2005, fewer than 2 percent of benefits were issued to households that were not eligible for food stamps, which means that more than 98 percent of the benefits issued went to households that were fully qualified. In addition, the percentage of benefits that either were issued to ineligible households or overissued to eligible households that received too many benefits was 4.5 percent. (This figure is lower than the 5.84 percent total error rate cited above because that figure also includes underpayments — that is, benefits that *should* have been issued but were not.)

However, despite the impressive progress of the last few years in improving program participation among certain populations, the Food Stamp Program still is missing a large share of eligible households. In particular:

- Only about 50 percent of eligible low-income working families participate in the program. This means 9 million people in working families are missing out on food assistance that could help them make ends meet and provide a nutritionally adequate diet for their children.

- Fewer than 30 percent of eligible low-income seniors participates in the program. Some of these individuals and couples would qualify for relatively low benefits because they receive Social Security and/or SSI income. But most eligible food stamp elderly households either have sufficiently low income or qualify for food stamp deductions (based on their medical and shelter expenses), with the result that they would qualify for about $70 or more per person per month in food stamp benefits. That could help them obtain more nutritionally adequate diets.

Benefit Adequacy: Keeping Up With the Rising Cost of Living

Food stamp benefits average only about one dollar per person per meal (to be precise, the figure is $1.05), and each year the purchasing power of most households' food stamp benefits continues to erode. This is a legacy of certain provisions of the 1996 welfare law, which CBO estimated at the time would cut food stamps by $28 billion over the first six years, in part as a result of across-the-board reductions in the maximum food stamp benefit and the standard deduction. In 2008, food stamp benefits for a typical working family will be almost $450 a year lower than they would have been without the cuts in the 1996 law. By 2017 the annual average benefit reduction from those provisions will reach almost $650 for a working family.

The 2002 Farm Bill made a significant investment ($1.5 billion over ten years) in addressing benefit adequacy by improving the standard deduction to adjust it for inflation and respond to the needs of larger households. But due to cost constraints, the enacted version of the 2002 Farm Bill did not go as far as the Administration and the Senate had proposed. For households of three or fewer people — a group that makes up nearly 80 percent of food stamp households — the standard deduction is scheduled to remain frozen at its current level of $134 until 2014 for three-person households, and until 2025 for two-person households. Until then, the real value of these households' food stamp benefit will continue to deteriorate, and even after the increase takes effect, the ground lost since 1996 will not be regained. This means that unless the standard deduction is increased, the Food Stamp Program will always remain less effective in helping low-income families purchase a nutritionally adequate diet than it was in 1996.

As discussed above, in addition to the erosion of benefits in recent years, families' ability to purchase food has been strained by the combination of stagnant wages and rising costs in areas such as housing, medical care, child care, and transportation.

Eligibility Restrictions: Restoring Benefits to Some Ineligible Groups

In the years since the 1996 welfare law initially denied food stamp eligibility to virtually all legal immigrant non-citizens (other than refugees in their first five years in the United States and immigrants with ten years of work history), Congress and the last two administrations have acted to restore eligibility to significant numbers of legal immigrants. Most recently, the 2002 Farm Bill restored eligibility to legal immigrant children as well as to legal-immigrant adults who have been in the country for five years. (Undocumented immigrants have never been eligible for food stamps.)

Adult legal immigrants, including working-poor parents raising their children on low wages, are still barred from the Food Stamp Program during their first five years in the country, and additional restrictions apply to certain immigrants who have been here even longer. While these restrictions are intended to target non-citizens, they have a broader impact: 80 percent of children with immigrant parents are themselves U.S. citizens and constitute an important part of the U.S. workforce of future decades. While these children may receive food stamp benefits, their parents' ineligibility for food stamps reduces the total amount of food assistance available to the family and hence affects the children as well. We estimate that between 250,000 and 300,000 low-income legal immigrants in need of food assistance, many of them working-poor parents, would participate in the Food Stamp Program if the immigrant restrictions were eased.

In addition, because of confusion over eligibility rules, many citizen children of immigrant parents do not participate in the Food Stamp Program despite being eligible. USDA has estimated that only 52 percent of eligible citizen children living with non-citizen adults participated in the program in fiscal year 2004, compared to 82 percent of eligible children overall.

Reconnecting these poor citizen children with the Food Stamp Program should be a priority. One-fourth of the nation's poor children have immigrant parents, and a recent Center analysis of Census data found that children in poor families headed by Latino non-citizens face higher rates of hardship than children in any other ethnic or racial group, with over half reporting overcrowded living conditions, difficulties paying for food, and/or lack of needed medical care. Making meaningful progress in reducing child poverty, and thereby enabling the nation to have a more productive workforce in the future, will require new ways to serve children of immigrants more effectively.

Another group that has experienced hardship as a result of food stamp eligibility restrictions is unemployed childless adults. The 1996 welfare law limited most unemployed people between the ages of 18 and 50 who are not severely disabled or raising minor children to three months of food stamps out of each three-year period. This affected group consists primarily of individuals who are willing to work but have low education and skills, cannot quickly find a job, and have not been offered a workfare slot or training opportunity by their state. The group also includes people who have recently lost their jobs due to a plant closing, company downsizing, overseas outsourcing, or for other reasons and cannot find employment in their area within a few months.

The population affected by the three-month limit is very poor. Many of these individuals have no income, and qualify for no other benefits because they are not raising minor children. The up-to-$155 in monthly food stamps they can receive if they are able to qualify for food stamps is essentially the only safety net they have. The provision limiting these individuals to three months of food stamp benefits in each three-year period marks the first time in the program's history that very poor individuals have been denied food stamps *not* because they have refused to work but because no work is available to them.

In crafting its welfare reform law in 1995 and 1996, the Senate took a less harsh approach to this provision by passing a rule that would have limited food stamps for these households to six months of assistance out of each 12 month period, but the final welfare law took the much harsher House approach. Again in 2002 the Senate, on a bi-partisan basis, tried to soften time-limit, but the Senate's provision was dropped in conference. As a result, no progress has been made in the last 10 years with respect to restoring benefits to this very poor group.

Finally, the Food Stamp Program's outmoded asset rules have restricted program eligibility for many families with very modest savings. The 2002 Farm Bill made a small improvement by increasing the asset limit for households with disabled members to $3,000. But the asset limit for all other non-elderly households — which is set at $2,000 — has not been raised in *more than 20 years*, even though the cost-of-living (as measured by the Consumer Price Index) has increased about 90 percent over this period. The asset limit for elderly households — set at $3,000 — has not been raised in over two decades either. If the asset limits set in 1986 had simply kept pace with inflation, they would be almost $3,900 for the non-elderly and almost $5,700 for the elderly in 2008.

Asset limits as restrictive as those that the Food Stamp Program contains are inconsistent with recent efforts by policymakers of both parties and business leaders to urge Americans to save more. Increasingly, policymakers from both parties are recognizing that the food stamp asset test, as currently designed, discourages saving and blocks a key path to long-term self-sufficiency. Many low-income families rely on food stamps during temporary spells of unemployment or when their earnings are insufficient to make ends meet. If these families have accumulated modest amounts of savings when they are working, the asset limit forces them to choose between liquidating nearly all of their savings to qualify for food stamps or forgoing food stamps at the risk of being unable to put adequate food on the table for themselves and their children during a period of need.

The Food Stamp Program also counts certain retirement savings as assets, which penalizes families that have saved for retirement. In addition, the program's rules are inequitable (and irrational) in this area, in that certain types of retirement accounts such as defined benefit plans are exempt from the asset limits, while other types of retirement accounts such as IRAs (including IRAs set up when an employee with a 401(k) leaves his or her current employer because the worker loses his or her job during a recession or moves to a better job) are *counted* against the asset limit and thus can disqualify needy households from food stamps. In his budget last year, President Bush wisely proposed excluding *all* retirement accounts from the food stamp asset test in order to "allow workers who experience hard times to receive food stamps without having to draw down retirement savings prematurely [and preserve] their stake in America's future."

Food Stamp Improvements Needed

Some improvements in the Food Stamp Program are needed to address continued low participation rates among certain groups (particularly the working poor and the elderly), improve benefit adequacy, and deal with counter-productive eligibility restrictions. The National Anti-Hunger Organizations (NAHO), a group of a dozen major national anti-hunger organizations and charities, recently identified these same three priorities in a joint statement on the 2007 Farm Bill Reauthorization. (I have attached that statement to my testimony.) Below are several proposals to address the problems in these three areas:

- **Improving program participation.** Too many eligible households, especially working-poor families, legal immigrant families, and seniors, are missing out on food stamps. The Committee should look for further opportunities to streamline and simplify program rules in order to ease barriers that are impeding eligible households from participating and to make it easier for state agencies to serve these households.

  For example, the 2002 Farm Bill reduced paperwork and office-visit requirements for working-poor households, but due to an oversight, it failed to extend these improvements to households that include elderly or disabled individuals. This ought to be changed. Similarly, the 2002 Farm Bill granted states the option of allowing households to file applications via the Internet, but we should also give states the option of allowing applications by telephone. In addition, Congress should give states more flexibility to coordinate food stamps with other programs that support low-income individuals, such as Medicaid, TANF, and the new Medicare drug benefit's low-income subsidy. Congress can support state efforts to use technological improvements and business models to leverage improved program access and administrative savings.

  In addition to proposals designed to raise the proportion of eligible households that participate, I would like to raise here an important concern about efforts that could *lessen* participation. In recent years, states have played an increasingly large role in shaping the program. The 2001 Agriculture Appropriations Act and the 2002 Farm Bill gave states a wide range of important policy choices, including options to extend the program to low-income families with modest cars, streamline reporting requirements, and provide stable food benefits to families leaving the welfare rolls. States also shape the program with choices about how they deliver food stamp benefits; many states are using newer technologies such as Internet applications and electronic case files.

  Some states also are working with private-sector partners to improve outreach and enrollment and to upgrade their information technology systems. This is beneficial and desirable. We do need to look carefully, however, at a new issue that has arisen in a few areas — the potential involvement of for-profit companies in the application and eligibility determination process. Each contact between an applicant and the person representing the state affects the applicant's likelihood of securing food assistance. The private sector has done a very commendable job of providing program services such as EBT. But in my view, processing applications — in other words, making the decision regarding whether or not a family or individual will be given food assistance or denied — is fundamentally a *public* responsibility.

  For example, for the last year the state of Texas has been experimenting with contracting out significant portions of the eligibility determination process to a private vendor. To date, the

state's pilot project has been an unqualified failure, representing a significant financial loss to the federal government with respect to administrative costs and serious disruptions in service to low-income households. During the first three months of the pilot (which affects only a small portion of the state), more than 7,000 food stamp applications were seriously delayed, leaving many of these families without any food assistance for a number of months. Furthermore, program integrity has been compromised because of the disruption caused by the pilot. The Committee needs to take a serious look at these projects and USDA's capacity to oversee them in order to assess whether these approaches represent an improvement or a deterioration in service to needy families and individuals.

- **Improving benefit adequacy.** The food stamp benefit of about $1 per person per meal does not provide low-income households with sufficient assistance to purchase an adequate diet, given the other claims on household income. Congress should explore ways to raise overall benefits or improve the way the program takes household expenses into account through income deductions.

  One important step would be to address the problem of benefit erosion. First, Congress could begin indexing the standard deduction, which has been frozen for households of three or fewer people since 1995. In addition, the Committee could fully implement the 2002 Farm Bill's change to the standard deduction by raising it from 8.31 percent of the poverty line to 10 percent of the poverty line for all household sizes. (The standard deduction currently stands at 8.31 percent of the poverty line for a given household size, or $134, the level at which it was frozen in the mid-1990s, whichever is higher. As mentioned earlier, increases for households of 3 or fewer people will not phase-in for some time.) Nearly 60 percent of the gains from this change would go to low-wage working households with children, and more than 99 percent of the gains would go to households that include children, some of which must double up in housing because of high rents, high heating costs, or low wages and benefit levels. In addition to this improvement, Congress should adjust another element of the benefit structure that has been frozen for over a decade — the cap on the amount households may deduct for child care expenses.

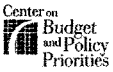
  Congress also should raise the $10 minimum food stamp benefit, which has not been adjusted for inflation or otherwise increased in almost 30 years and now has only about a third of the purchasing power it had in 1979. This change would be of particular benefit to seniors and people with disabilities, who in many cases are eligible only for the food stamp minimum benefit because of other benefits (such as Social Security and SSI) they receive.

- **Making the program available to all poor households.** Many legal immigrants, unemployed childless adults, and poor households that have accumulated modest savings are excluded from the Food Stamp Program even though they can face food insecurity and other hardships to the same degree as other households that are eligible for food stamps. Expanding the program to all low-income households is the most important change the Committee can make to address food insecurity. The Committee should revisit the legal immigrant eligibility restrictions and the restrictions regarding adults who are not raising minor children. I believe the Committee also should raise (or at a minimum, index) the food stamp asset limits and adopt the proposal to exempt all types of retirement saving accounts from the asset limit.

In addition to the opportunities it creates for needed improvements to the Food Stamp Program, the 2007 Farm Bill also will provide Congress an opportunity to assist the nation's food banks, food pantries, and soup kitchens. I would note in this regard that the annual funding level established for the TEFAP program is another program feature that has not been adjusted for inflation, and that as a result, the amount of food provided through the TEFAP program has declined in the past few years.

In conclusion, the Food Stamp Program plays the vital role of providing a nutritional floor under the nation's poor. To enable it to continue fulfilling its mission, and do so more effectively, we need to improve service to the working poor, address the recent declines in participation among certain groups, and restore some of food stamps' lost purchasing power. I urge the Committee to build upon its strong history of addressing hunger in this country by investing in the Food Stamp Program in the 2007 Farm Bill. Again, I thank you for the opportunity to testify before you today.

Attachment



National Anti-Hunger Organization's Statement
On the 2007 Farm Bill Reauthorization

The 110th Congress will reauthorize the "Farm Bill." That important legislation has a breadth and reach far beyond American agricultural policy. The Farm Bill also will reauthorize a number of nutrition assistance programs crucial to the health and well-being of some of America's most vulnerable people. The undersigned organizations comprising the National Anti-Hunger Organizations (NAHO) are a coalition of the nation's leading anti-hunger advocacy, food bank, and emergency feeding organizations working to reduce hunger in the United States. The members of NAHO, representing member organizations in every State and Congressional District in the country numbering in the thousands, are united in the effort to ensure that the Farm Bill reauthorization provides adequate resources and program policy changes that are necessary to reduce the still-serious problem of hunger in our country.

We are deeply concerned about the many people in our communities who, for lack of resources, are not consistently able to put food on their tables for themselves or their families. Indeed, the most recent USDA/Census Bureau survey of food security documents that more than 35 million people in the United States live in households that face a constant struggle against hunger. Thus, it is essential that the 2007 Farm Bill address the pressing problem of hunger amidst plenty by strengthening the nation's food assistance programs.

Our organizations' top priority in the 2007 Farm Bill reauthorization is a strong Nutrition Title that reauthorizes and improves the Food Stamp Program, the nation's first defense against hunger, and bolsters the efforts of the emergency food assistance system. We strongly urge that the 2007 Farm Bill and the Fiscal Year 2008 Budget Resolution reflect those urgent national priorities and ask you to consider the following recommendations.

The Food Stamp Program, the nation's first defense against hunger, is a crucial and effective program that has nearly eliminated malnutrition from the national landscape and helps prevent the problem of hunger from becoming worse in our communities. Food Stamp Program participation closely tracks economic trends, responding quickly to increases in need, whether due to local or national economic circumstances or to disasters, as seen in the aftermath of Hurricane Katrina.

Food stamps help strengthen families and the American communities where those families reside—rural, urban and suburban. More than 80 percent of food stamp benefits go to families with children, allowing their parents to obtain food at grocer stores for meals at home. Much of the remainder goes

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to seniors and persons with disabilities. Through the nationwide use of Electronic Benefit Transfer (EBT) cards, program utilization has been streamlined for transactions for consumers and store clerks, and EBT has quantifiably reduced the chances of program abuse.

Food Stamps pay dividends for consumers, food producers and manufacturers, grocery retailers and communities. As food stamp purchases flow through grocery checkout lines, farmers' markets and other outlets, those benefits generate almost double their value in economic activity, especially for many hard-pressed rural and urban communities desperately in need of stimulus to business and jobs.

The Food Stamp Program's basic entitlement structure must be maintained while greater resources are provided to the program to more effectively fight hunger in our communities. Areas for program investment include:

- Adequacy of Benefits Must Be Improved. The first step to reducing hunger in the U.S. is to ensure that everyone in the Food Stamp Program has the resources to assist them in purchasing and preparing a nutritionally adequate diet. Neither the average food stamp benefit level of $1 per person per meal, nor the $10 monthly minimum benefit is sufficient to help families purchase an adequate diet. This dietary shortfall negatively impacts recipients' health and impedes the ability of children to learn and adults to work. Another key element to securing an adequate diet will be finding ways to improve access to affordable and healthful foods for food stamp households in low-income neighborhoods.
- Access to the Program Must Be Expanded. Too many people in our communities are in need of food stamps but cannot get them. Only 33 percent of the people in food bank lines are enrolled in food stamps. Those people in need of food but excluded from the Food Stamp Program include working poor families with savings slightly above decades old and outdated resource limits, many legal immigrants, and numerous indigent jobless people seeking employment.
- Program Simplification and Streamlining for Caseworkers and Clients Must Continue. While food stamp outreach and nutrition education are making important inroads, these efforts need more resources, and enrollments are hampered by shortfalls in state technology and supports. Too many eligible people—especially working poor and elderly persons—are missing out on benefits.

In addition to the necessary improvements to the Food Stamp Program, the 2007 Farm Bill also will provide Congress with an opportunity to assist the front-line agencies that deal with the problem of hunger every day. The nation's food banks, food pantries, and soup kitchens are stretched to serve more and more people whose food stamps have run out mid-month or whose income and resources put them just above the food stamp eligibility threshold. Currently, more than 25 million unduplicated people are accessing emergency food annually through food banks. In any given week, some 4.5 million people access food through pantries and soup kitchens throughout the United States. Requests for emergency food assistance are outstripping the resources provided through The Emergency Food Assistance Program (TEFAP) and the Commodity Supplemental Food Program (CSFP). In TEFAP alone, surplus commodity deliveries have declined more than 50 percent in the past year, at the same time that requests for emergency food have increased.

Therefore, we urge the 2007 Farm Bill and FY 2008 Budget to invest significant new resources to make food stamp benefit allotments sufficient to real world needs, to open eligibility to more vulnerable populations, to connect more eligible people with benefits, and to adequately support emergency feeding programs.

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We are fortunate to live in a nation with an abundant and varied food supply. In the upcoming Farm Bill reauthorization, we strongly urge the Congress to help connect more vulnerable people with that food supply and move our nation closer to a hunger-free America.

Sincerely,

Max Finberg, Director
Alliance to End Hunger

Vicki Escarra, President & CEO
America's Second Harvest—The Nation's Food Bank Network

David Beckmann, President
Bread for the World Institute

Robert Greenstein, Founder & Executive Director
Center on Budget and Policy Priorities

Andy Fisher, Executive Director
Community Food Security Coalition

Edward Cooney, Executive Director
Congressional Hunger Center

Michael Robitaille, Executive Director
The End Hunger Network

James Weill, President
Food Research and Action Center

H. Eric Schockman, Ph.D., President
MAZON: A Jewish Response to Hunger

Meredith Dodson, Interim-Co-Executive Director
RESULTS

Pat Nicklin, Managing Director
Share Our Strength

Bill Ayers, Co-Founder & Executive Director
World Hunger Year

Written Testimony Before the
Senate Committee on Agriculture, Nutrition, and Forestry
Wednesday, January 31, 2007

"The Role of Federal Food Assistance Programs in Family Economic Security and Nutrition"

Mr. Chairman and Members of the Committee:

I am Frank Kubik, the Commodity Supplemental Food Program (CSFP) Manager at Focus: HOPE, a civil and human rights nonprofit organization in Detroit, Michigan. I am also president of the National Commodity Supplemental Food Program Association. Thank you for the opportunity to speak on behalf of Focus: HOPE and its 41,000 monthly participants in the metropolitan Detroit area, as well nearly 500,000 monthly CSFP participants in 32 states, the District of Columbia, and two Indian Tribal Organizations.

The Commodity Supplemental Food Program began in 1969 to supplement protein, calcium, iron, and vitamins A and C for low-income mothers and children. The U.S. Department of Agriculture (USDA) purchases nutrient-rich foods at wholesale prices to provide a nutritionally balanced monthly food package. Pilot programs in 1983 added seniors as eligible participants. Today fully 91 percent of all CSFP participants are seniors.

I have been involved with Focus: HOPE's Commodity Supplemental Food Program since 1981. We distribute 650 tons of food annually to more than 41,000 pregnant and post partum mothers, children under age 6, as well as senior citizens, who participate each month. In fact, 83 percent of our food recipients are senior citizens. Because so many of our senior citizens are homebound, we enlist the support of caring volunteers to deliver food directly to seniors. We partner with various volunteer agencies and individual volunteers to distribute the commodities to those who are unable to shop for themselves at our four primary distribution centers. This type of community outreach allows seniors to maintain their independence and a healthier lifestyle, thus lowering their need for assisted living and increased medical care.

I have seen firsthand that the dilemma many people, particularly the elderly, find themselves in today. Low-income seniors living on fixed incomes are facing an increasingly difficult time making their limited resources stretch to meet all of their daily needs, particularly with regard to getting enough food to eat. They are making daily choices between whether to eat, buy medication, or pay their utility bills, because their severely limited monthly income does not allow them to adequately provide for themselves. The average income for a senior on our

Focus: HOPE

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program is under $600 a month. Many of these individuals worked long and productive lives as cooks, maids, janitors, and other low wage workers, but did not have employers who paid into the social security system on their behalf. Six hundred dollars does not stretch very far when you consider the ever-rising prices of food, medications, and home heating costs. To compound this, there are only two chain supermarkets located within Detroit, resulting in extremely limited access to affordable and nutritious food options in the inner city. This trend is replicated across the country in other urban and rural areas. As a consequence, the CSFP plays a significant role in the daily lives of its clients.

Leonard and Theresa are both in their 80's and are receiving commodities through Focus: HOPE. Leonard worked in a small machine shop for 38 years. Unfortunately, the pension that he was supposed to receive after he retired was discontinued due to the company going out of business. Leonard and his wife are now living on their monthly social security payment of $822. Leonard's vision is so poor that he can no longer drive a car and Theresa has physical problems that do not allow her to drive. When Leonard is asked why he doesn't apply for public assistance to help him make ends meet when the money from social security runs out, he replies that he is unable to fill out the forms that are needed to register because his vision isn't that good. Moreover, the low amount of assistance that they would receive isn't worth the cost of paying someone to drive them to the office and then finding and paying someone else to take them shopping. There are only small corner stores and gas stations that sell some food products within walking distance of Leonard's house. This isn't much of a choice, given the few dollars that Leonard and his wife have left for food each month. Leonard depends on the kindness of neighbors to take him on some errands without charging him and is grateful for the food that he receives each month from Focus: HOPE. Leonard and Theresa don't have much and they don't ask for much. His eyes tear up when he talks about the condition that he and his wife are in. He worked hard all of his life and did everything the right way. How did things end up so wrong?

At Focus: HOPE, we work with over 300 volunteer agencies and thousands of individual volunteers to distribute the monthly nutritional commodity packages to those who are unable to pick up food from our distribution sites. Further, local courts will often require minor nonviolent offenders to engage in community service hours. Because of its reputation and trust in the community, Focus: HOPE is able to use these individuals to pack and deliver the CSFP commodities to homebound seniors. Many of the participants who receive their commodities this way are unable to leave their homes because of a lack of transportation or fragile health. The food package and the accompanying short visit from a volunteer are critical in assisting them to maintain their independence and maintain a healthier life style. Thus, the program plays an important role in lowering their need for assisted living and increased medical care. Moreover, a number of our community service volunteers continue to serve as volunteers long after they have fulfilled their court ordered community service. Still others become acquainted with Focus: HOPE's training and education programs and begin to make better choices in their lives by enrolling in these career programs.

The opportunity for a volunteer to learn about the devastating effects of poverty and its impact on seniors cannot be underestimated. For many, it's a life altering and perception changing experience. For instance, Mike is an Englishman who works in the metropolitan Detroit area for Ford Motor Company. Mike and his wife are Focus: HOPE volunteers who deliver monthly food packages to a senior citizen who lives in inner city Detroit. Mike became a volunteer after being a member of a group of Ford management employees who toured Focus: HOPE and

participated in a one-time community service delivery to homebound seniors as part of their employment.

Mike delivered food to Mary Ann, a homebound woman in her 70's, who lives alone without any means of transportation. When Mike delivered the food and spent a few minutes with Mary Ann he was stunned to find out that something was going on in this country that he never imagined. He found out that Mary Ann was hungry. She was going without food because her meager social security check of $450 a month did not stretch far enough to provide the food that she needs because her other basic living expenses leave nothing left over. Moreover, Mary Ann is afraid to leave her house because of the crime in her neighborhood. Her husband died years ago and she is alone.

Mike was shaken deeply by this interaction. He can't believe this is happening in America. Mike made a promise to himself that as long as he is on assignment in this area he will take Mary Ann her monthly food box from Focus: HOPE and he will also bring his wife with him so that they can spend time with Mary Ann. He mentions that they are also committed to bringing Mary Ann additional food and other things she needs because they feel they have to do something and make a difference in her life. What will happen to Mary Ann when Ford reassigns Mike somewhere else?

Many national studies indicate that malnourished elderly patients experience more medical complications, have longer hospital stays, and incur higher hospital costs. It should surprise no one that proper nutrition promotes health, treats chronic disease, decreases hospital length of stay, and saves health care dollars.

As noted earlier, volunteers play a critical role in supporting our program. The benefits of these volunteer services range from ophthalmologists providing free eye screenings and follow-up; accountants providing free tax preparation services; nurses administering flu shots donated by local hospitals; and partnerships with organizations that distribute perishable items from chain supermarkets that are added to the CSFP package whenever possible. Many area corporations, such as Comcast and Ford, as well as churches, youth groups, schools and other civic organizations send groups of individuals to pack and deliver food on a regular basis.

Each year Focus: HOPE's volunteer and community outreach department partners with approximately 7,000 volunteers who coordinate the food program's activities. Another vital community outreach is the Holiday Program. The Holiday Program links volunteers and the donor community with families in need of food during the holiday season. It is not just about food for the moment, but about serving the needs of individuals in a way that restores dignity and self-reliance. The Food Program would not be able to operate without the active participation of volunteers who package, deliver, and distribute food. In turn, the volunteers have a hands-on knowledge of the real issues surrounding hunger and poverty.

A group of University of Michigan graduate students recently volunteered to deliver food to homebound seniors in a 5-story apartment building with a nonworking elevator. The 5-story building was a serious challenge for seniors with physical problems that required their use of an elevator to move from floor to floor. When the students arrived at Mrs. Jones' apartment the door was slightly ajar. Mrs. Jones would open her door when she knew visitors or a food delivery were on their way. It simply took a while for her to get to the door once someone knocked. Everyone immediately noticed the smell of gas when they entered the apartment. This was a

small apartment and the students could see Mrs. Jones sitting at her kitchen table next to the stove with the window open just a bit. The gas burners on the stove were turned on high. When the students asked her why all the burners were on, she replied that even though it was very cold outside and she could well use her heat being on in the apartment, the landlord would not allow the heat to be turned on until November 1st. This happened to be the last week of October, so Mrs. Jones kept the stove on for heat and the window opened slightly so that the gas fumes didn't make her sick or worse.

Mrs. Jones lived with her husband for 28 years before he died. They had children who rarely showed up to help their mother. So she was by herself trying to live off her social security check and make ends meet the best way that she could. Mrs. Jones had worked low paying under-the-table jobs. So the only social security benefits that she was receiving were based on her husband's former modest income. When asked why she didn't confront the landlord about the heat, as well as the elevator, she said that anyone who has a disagreement with the landlord finds themselves evicted the next day and she didn't want to end up out on the streets. When asked why she didn't move somewhere else, she said that she couldn't afford anything better, that she considered her neighbors in the building to be her "family," and she didn't want to leave them. She wasn't receiving any additional assistance besides her social security and the monthly CSFP food box we delivered. She said she had no way of getting to one of the offices where she might be able to apply for more help. Public transportation in Detroit is woefully inadequate and needs much improvement. People know that it is not reliable.

The University of Michigan students were very upset by what they had witnessed. When they returned to the main campus in Ann Arbor, they started making phone calls. Amazing things started happening. A day or so later, but still in October, the heat in that inner city apartment building got turned on. The elevator was miraculously fixed. Those students spent a day out of their hectic lives to deliver food to seniors – what would have happened if they hadn't gone and made a difference in the lives of those seniors?

Our holistic approach to anti-hunger related services restores dignity to the individual – this is done, in part through the way in which food is provided to our clients. Clients arrive in our distribution centers and are treated with respect. They are provided shopping carts and make food selections based on their individual needs within USDA guidelines. Although a subtle distinction, this delivery mode is designed to suggest that they are not receiving a "handout" but instead a "hand up." Their children don't see them being handed a pre-packaged box of food, but instead can help participate in the "shopping" selections that are then taken to a "check-out" counter. Clients come away with a stronger sense of community and possibility. They are not left with the feeling that they are impotent to change their life circumstances, no matter how difficult the struggle might be. In an effort to further the anti-hunger advocacy, Focus: HOPE's staff are on site, ready to enroll individuals in training and educational programs, refer individuals for health screenings, and assist in linking clients to childcare and transportation.

The conditions that are described in this testimony are all too typical for many seniors in this country. The lack of access to high quality food, public transportation, inadequate affordable medical care, and too often unsafe neighborhoods collude to make the so-called golden years far less than golden. This is unconscionable for the most prosperous nation in the world. People who have worked all of their lives and have contributed so much to this nation are being neglected and left on their own at a time when they could most use a helping hand. While we are

proud to be a leader in addressing the issues of hunger and poverty locally and nationally, there is much left to be done.

We are deeply appreciative of your support of programs such as the Commodity Supplemental Food Program, which provide a critical lifeline to so many who aren't here to thank you today. We ask for your continued support of these programs and for the seniors and others who rely on them for their most basic human needs. Your commitment to this nation's most vulnerable seniors and the leadership that you have shown in this regard will never be forgotten.

On behalf of the nation's Commodity Supplemental Food Program participants and volunteers nationwide, thank you for your continued support and this opportunity to present testimony for the record.

Statement Presented
Before the
United States Senate
Committee on Agriculture, Nutrition and Forestry
The Honorable Tom Harkin, Chairman

By
Melinda Newport, MS, RD/LD
Director of Nutrition Services
Chickasaw Nation Health System
The Chickasaw Nation
10 AM, Wednesday, January 31, 2007

Mr. Chairman and members of the Committee, thank you for your invitation to present testimony today. My name is Melinda Newport, MS, RD/LD, Director of Nutrition Services for the Chickasaw Nation. In this capacity, I administer eight United States Department Agriculture (USDA) Food & Nutrition Services (FNS) programs for over 10,000 monthly recipients. In the last six years I have served in leadership roles for national associations, which represent USDA programs, including president of the National WIC Association and most recently, president of the National Association of Farmers Market Nutrition Programs. As a Registered Dietitian having worked at the national level on many challenging nutrition program issues over twenty-five years, I am pleased and honored to be invited to testify today. I bring you greetings from Governor Bill Anoatubby of the Chickasaw Nation; I am accompanied today by Mr. Bill Lance, Administrator of the Chickasaw Nation Health System.

Chairman Harkin, I particularly appreciate your commitment to ensuring the viability, strength and quality of federal nutrition programs, most of which have benefited the American Indian tribal governments and their citizens. I further appreciate the attention of the committee to nutrition and food assistance in Native American communities, not only for the Chickasaw Nation, and on reservations all across America.

There are fifty-nine tribes, all reservation based, in fifteen different states that are represented by the Senators on this committee. I cannot speak on behalf of every tribe's individual needs, but I appreciate the opportunity to share with you insights I have gained in my twenty-five years of experience with nutrition programs in collaboration with other tribes throughout the United States. The Chickasaw Nation has administered a number of USDA nutrition programs for many years, including four of those addressed in the Farm Bill. We serve over 10,000 individuals and work with approximately 95 farmers, all benefiting from either the Chickasaw Nation Food Distribution Program on Indian Reservations (FDPIR), the Food Stamp Nutrition Education Program, Senior Farmers' Market Nutrition Program or the Summer Food Program.

Indian Country may be characterized in a number of ways:

- Tribes may have a large land base, as is the case with many of the tribes in states represented by members of this Committee, but then there are also tribes with little or no land base;
- Some tribes are located on reservation settings; others are not; and
- Some tribes have self-sustaining, viable tribal economies.

According to census data, approximately 1.5% of the United States population is Native American. Poverty disproportionately affects the Native American population, with some 25% living with an income at or below poverty level. The median income of Native Americans in the US is just over $30,000, relative to the median income of $41,000 for all Americans. Certainly the rate of poverty can be much higher in some areas, such as South Dakota, where as many as 44% live below the poverty line. In fact, in five of the poorest seven counties in the nation, Native Americans make up the majority of the population. The consequence of these poor economic standards is that 43% of Native American children under the age of 5 are also living in poverty.

Senator Conrad represents a state with large land-based tribes and has five Food Distribution Programs in his state. Likewise, Senator Thune, has over 10,000 American Indian citizens served by seven programs in South Dakota on the reservations in his state.

With poverty being the principal factor causing food insecurity, the Native American community suffers from a much higher incidence of food insecurity and hunger than the general population. In fact, on average rates of food insecurity in Indian Communities are twice as high those of the general US population. Nearly one in four Native American households is hungry or on the edge of hunger. Food insecurity and hunger take a serious toll on the health and well-being of the Native American community. These circumstances, which include the inability to afford nutritionally adequate and safe food or the ability to acquire acceptable foods in socially acceptable ways being limited or uncertain, can profoundly impair physical and mental health status.

Certainly, poverty also imposes barriers on transportation options. Isolation and financial constraints have forced families in some rural areas to rely on less expensive, often high-fat foods, and few fruits and vegetables. This is in stark contrast to the high protein, low-fat diet of previous indigenous generations prior to European contact.

Paradoxically, at the same time that Native Americans experience hunger and food insecurity, obesity has been declared an epidemic. Both obesity and hunger can exist in the same families and the same individuals within that family. A paper called "The Paradox of Hunger and Obesity in America" developed by the Center on Hunger and Poverty and the Food Research and Action Center, discusses this dilemma. Though it sounds contradictory, those with insufficient resources to purchase adequate food can still be overweight, for reasons that researchers are now beginning to understand. It is especially so in many American Indian communities and families. We need to better grasp

this paradox if we are to grapple with these parallel threats to the well-being of so many, and avoid potentially damaging policy development in our food assistance programs.

The fear of running out of food causes people to reduce the quality of their diets and/or reduce the quantity of food they consume. Therefore, the lack of adequate resources for food could result in weight gain in several ways:

- Low income families, in an attempt to stretch their food dollars, consume lower cost foods with typically higher calories to stave off hunger, affecting the overall energy density of the diet;
- Research shows that food insecure households are willing to trade off food quality for food quantity as a coping strategy, after all the stomach registers satiety rather than nutritional value;
- Obesity can be an adaptive response to periods when people are unable to get enough to eat, as people tend to eat more than they normally would when food becomes available, and, over time, this cycle can result in weight gain; and
- Physiological changes may occur to help the body conserve energy when diets are periodically inadequate, basically storing more calories as fat.

Both obesity and hunger/food insecurity require solutions that include regular access to nutritionally adequate food. Suggestions that food allocations in federal nutrition programs should be reduced, on the grounds that they contribute to obesity among the poor, are without scientific merit.

While Native Americans have experienced certain declines in the rates of anemia, growth stunting, underweight and maternal and infant mortality over the last twenty-five (25) years, there is still much work to be done. Chronic diseases now account for 6 of the top 10 leading causes of death of Native Americans, with the epidemic of obesity and diabetes affecting every community. Diabetes is most common among American Indians at alarming rates throughout United States. Diabetes is a major risk factor for cardiovascular disease in all Native American populations, and cardiovascular disease is the leading cause of death in this group. Of equal concern is the prevalence of obesity in Native American children and adolescents, reported at almost 40%. This is attributed to a number of factors, including the paradox described earlier and reduced activity in lifestyles.

Life expectancy has increased by ten years since 1955 for American Indians, leading to a rapid increase in the number of elders. Disappointingly, while senior citizens in the general population are faring better than preceding generations with only 9.9% poverty, Native American seniors are experiencing 23.5% poverty. The incidence of food insecurity and hunger may be even more prevalent among the elders as they are often left to raise their grandchildren, resulting in their doing without as they struggle to make sure the children are fed.

The American Indian population has among the highest rates of obesity, as high as 80% and 67% for women and men, respectively, for example in Arizona. A study in Menominee County, Wisconsin, indicated that 40% of Native American youths age 5-13

years, lack a healthy diet and physical activity, and poverty increases the likelihood that these children will have a five times greater risk of diabetes, along with heart disease, high blood pressure, and adult obesity. It seems that parents are not necessarily making the connection between childhood obesity and the high health risks later in life.

Nutrition and food assistance programs can assist Native American communities in addressing some of these devastating diseases. Health promotion and disease prevention is key—gratefully, many of USDA programs are targeted toward this end.

I would contend, however, that guidance on proper selection and preparation of foods is every bit as important as just making food available. Education and empowering caretakers with the ability to make healthy food choices is critical if Indian youth are to achieve the successes available to non-Indian population. Although Food Stamp benefits have increased the total dollars spent on food in households, the rate of obesity has increased as well – again, an education challenge. If participants purchase higher priced but healthier foods that were previously out of reach, programs could have a positive effect on weight. Data indicates, however, that Food Stamp recipients do not necessarily tend to purchase more fruits, vegetables and grains, quite possibly because they still fear that possible shortfall at some point each month. Nutrition education must accompany food benefits in every food delivery venue.

The Food Distribution Program on Indian Reservations is summarized as follows:

Just fewer than 100 tribes administer the FDPIR for over 250 reservations/tribal jurisdictions. In 2006, $79.5 million was appropriated for the FDPIR to serve approximately 90,000 people per month.

The program has been enhanced in recent years through the addition of fresh fruits and vegetables, as well as, frozen chicken and ground beef. We need to continue to improve the nutritional quality of the food package by offering foods with lower fat content, higher whole grain content and lower sugar and sodium content. Foods that are convenient to serve and culturally appropriate are key with many families we serve today.

In our area, because we have very few reservations, eligible Native American families can access either the Food Stamp Program or the FDPIR at their convenience as long as they are only enrolled in one program at a time. We serve our clients in a friendly and attractive grocery store setting, for which we were recognized with the 2000 USDA Pyramid of Excellence Award. We feel strongly that families should be served with dignity and respect and thus, continue to expand the availability of FDP grocery stores across our 13-county area. We constantly offer education to make customers aware of the enhanced value of participating in the FDPIR, including more total volume of food (80 lbs/person/month) and maximum nutrient benefit of food choices, i.e. fresh produce rather than canned, heart healthy substitutions.

Many FDPIR programs continue to deliver food benefits from a truck one day per month at each site and do not have adequate equipment to handle fresh produce or frozen meats and

therefore, cannot make them available to their clients. Infrastructure funding for one-time renovations to create a grocery store setting, expand a warehouse or purchase equipment would help this program tremendously. I am only aware of one year in the past decade that such funds were available.

Recommendations

Federal policy should encourage rather than discourage tribes from taking their own creative initiatives. A rubber stamp approach will not meet the needs of all tribes in Indian Country. Given the food insecurity, poverty and heath problems disproportionately affecting so many Native Americans, it is only sensible that nutrition and food assistance programs will continue to be a key ingredient in building healthy communities.

We encourage the committee to provide policy changes and adequate funding authorization that enables tribes to:

- Directly access programs, be it government-to-government agreements or resources; and
- Allow flexibility to implement programs in an innovative and culturally appropriate manner.

Barriers to accessing USDA nutrition programs

There are significant barriers for many tribes to access some of the very best nutrition and food assistance programs USDA offers, including a number of those addressed in the Farm Bill: the Farmers' Market Nutrition Programs, the Food Stamp Nutrition Education Program and the Summer Food Service Program. There are simply too many people in Indian Country and on reservations that do not have the opportunity to experience the health and economic benefits these programs offer.

I urge the Committee to consider the following recommendations to eradicate access barriers to nutrition and food assistance programs and to take the following actions:

- Provide a method in the Food Stamp Act for tribal governments to directly access Food Stamp Nutrition Education (FS NE) funds through the FDPIR, just as individual state governments do. This federal partnership has been correctly extended to most of our nutrition programs. The current posture of forcing tribes to negotiate through the state agencies for FS NE is contrary to the basic tenants of tribal sovereignty and also makes it more difficult to help families with special needs due to extensive delays in approval decisions.

- Expand funding for WIC and Senior Farmers Market Nutrition Programs to allow more tribes to participate in these programs. Funding has remained the same for

several years, in spite of the programs' tremendous popularity, thus preventing any new applications to participate. Only a handful of tribes in the entire country currently have FMNP grants. This program helps produce fruits and vegetables and addresses one of the primary objectives of all nutrition education efforts today. The Chickasaw Nation Senior Farmers' Market Nutrition Program (SR FMNP) has brought a considerable infusion of potential funding to growers in the area- over 1.5 million dollars since inception, thus creating opportunity for Native American farmers. Approximately 1,700 Native American seniors have benefited from participation in the FMNP program each year. Native American seniors appreciate and utilize the FMNP benefits as evidenced by the redemption rate of more than 80%.

- Facilitate tribes' direct access to participate in the Summer Food Service Program and At-risk After School Snack Program. Both of these offer terrific opportunities to address hunger for children in a meaningful way. Again, only accessible through the State Education Department and very limited in administrative funds, these programs present an access challenge for tribes. The program encourages partnering and community involvement for administrative in-kind, but the training burden is high for these individuals.

- Allow Native American families living outside of tribal reservations, but close to FDPIR distribution sites, to elect to participate in the FDPIR rather than Food Stamps.

- Provide infrastructure funding to facilitate one-time funding needs for the FDPIR. Many needs of tribes in administration of this program could be met if there was opportunity to compete for infrastructure grants, much like those provided in the WIC Program, to address the periodic equipment need, renovation of space to better meet client needs or expansion of a warehouse. A number of tribes across the country still need expanded cooler/freezer equipment to optimally benefit from the fresh produce the program now offers, as well as, the frozen chicken and ground beef.

- Provide opportunities for nutrition professionals in the Native American nutrition programs to assist in developing culturally appropriate nutrition education materials, shape policy or counsel program participants toward healthier choices.

- The Senior Farmers' Market Nutrition Program (SR FMNP), the final rule for which was just published last month, lacks adequate administrative funding to minimally carry out the program activities, much less, to include a dietitian in the services it offers. Everything possible must be done to provide more fruits and vegetables or the entrepreneurial opportunity for tribes to produce more of these products.

Allow Flexibility to Implement Programs with Innovation and in a Culturally Appropriate Manner

What the Department of Agriculture can do:

- Promote the recruitment and retention of registered dietitians to support programs at the tribal level. We need the ability to enhance education of Native American students to become nutrition professionals and then return to their own tribes to serve their people with incentives such as offering student loan waivers. To assist in this effort, we recommend that Congress revise the National Health Service Corps Program to include registered dietitians and nutritionists in student loan forgiveness programs.

- Allow for healthy tribal food choices in various regions. Examples include bison, blue corn, wild rice, elk, game birds and salmon. These foods are often invested with spiritual significance and tend to be genetically compatible much more than foods high in sugar, salt and flour or diary products.

- Cultivate opportunities for tribes to produce foods for use in food assistance programs. For example, a Chickasaw Nation youth initiative to grow fruits and vegetables has evolved as a result of FMNP demands for produce. This program not only provides Chickasaw youth with job skills, it also serves to educate our youth about healthful living. Ultimately, the entire community benefits as they are able to purchase fresh, organically grown produce and bedding plants.

- Support research to identify factors and solutions in addressing the epidemic of obesity and related chronic diseases.

  Improve the use of Information Technology in nutrition programs to enhance service delivery and program management.

- Federal policy should encourage tribal collaborative efforts directed towards federal food service programs for economic and nutritional purposes. For example, we have 13 tribes coordinating efforts to develop software for administration of the WIC Program, using state-of-the-art technology.

- Provide healthy foods that are lower in fat, salt and bleached flour content and higher in whole grain content.

- Continue promoting breastfeeding as the method of choice for infant feeding.

- Recommend the Department facilitate study of the causes for decline in FDPIR participation over recent years.

- Finalize the establishment of an FDPIR Funding Methodology compatible with the needs of the Native American population. The fact that programs in the southwest

region overall serve- the largest number of FDPIR participants in the country but receive only the third largest regional allocation of funds, presents a tremendous disservice to Native Americans in the under funded area.

- Update Meal Pattern Requirements in the Child and Adult Care Food Program (CACFP) to be more congruent with current nutrition recommendations and allow comparable substitutions for fluid milk, i.e. yogurt or cheese. Cultured milk products are often better tolerated by the Native American population.

- Require Tribal consultations prior to implementing significant changes to programs.

- Encourage partnership interaction with other tribal programs to maximize the effectiveness of research and achieve more meaningful outcomes for tribal citizens. Programs need to be able to work together to maximize the effectiveness of resources on the epidemic of obesity and other nutrition related chronic diseases. Examples of this include an illustrated series of children's books promoting healthy choices and diabetes prevention, developed through a joint initiative between Centers for Disease Control and Prevention Native Diabetes Wellness Program or the Chickasaw Nation's Camp Survivor initiative, a youth camp full of fun, nutritious foods, health facts and fitness activities designed toward diabetes prevention.

Conclusion

Given the improved state of health enjoyed by most Americans, the lingering health disparity among American Indians and Alaskan Natives is troubling. Food insecurity, poverty and health problems continue to disproportionately affect more than 65% of Native Americans. Food assistance programs continue to be a key factor in building healthy and economically strong communities. Strengthening federal nutrition programs requires enhancing and not reducing benefits.

Investment by federal nutrition programs in foods of high nutritional quality and the educational support to assist families in using those optimally is far less costly than funding care for the chronic diseases many develop in the absence of sound nutritional status. Nutrition education and provision of foods high in nutritional value can do much to ward off hunger and food insecurity, as well as, combat increasing rates of obesity and diabetes. Improving the health and security of Native American families must ever be present in the minds and hearts of Congress as they establish policy and fulfill the federal trust responsibility to the native people.

Thank you, Mr. Chairman and members of the Committee, and I remain ready to answer any questions or provide additional information you may require.

United States Government Accountability Office

GAO

Testimony before the Senate Committee on Agriculture, Nutrition, and Forestry

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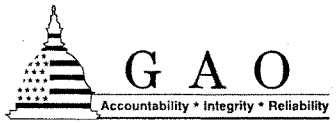
FOOD STAMP PROGRAM

Payment Errors and Trafficking Have Declined despite Increased Program Participation

Statement of Sigurd R. Nilsen, Director
Education, Workforce, and Income Security Issues



GAO-07-422T

January 31, 2007

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Highlights

Highlights of GAO-07-422T, a testimony before the Senate Committee on Agriculture, Nutrition, and Forestry

FOOD STAMP PROGRAM

Payment Errors and Trafficking Have Declined despite Increased Program Participation

Why GAO Did This Study

The U.S. Department of Agriculture's (USDA) Food Stamp Program is intended to help low-income individuals and families obtain a better diet by supplementing their income with benefits to purchase food. USDA's Food and Nutrition Service (FNS) and the states jointly implement the Food Stamp Program, which is to be reauthorized when it expires in fiscal year 2007. This testimony discusses our past work on two issues related to ensuring integrity of the program: (1) improper payments to food stamp participants, and (2) trafficking in food stamp benefits.

This testimony is based on a May 2005 report on payment errors (GAO-05-245) and an October 2006 report on trafficking (GAO-07-53). For the payment error report, GAO analyzed program quality control data and interviewed program stakeholders, including state and local officials. For the trafficking report, GAO interviewed agency officials, visited field offices, conducted case file reviews, and analyzed data from the FNS retailer database.

www.gao.gov/cgi-bin/getrpt?GAO-07-422T.

To view the full product, including the scope and methodology, click on the link above. For more information, contact Sigurd R. Nilsen at (202) 512-7215 or nilsens@gao.gov.

What GAO Found

The national payment error rate for the Food Stamp Program combines states' overpayments and underpayments to program participants and has declined by about 40 percent between 1999 and 2005, from 9.86 percent to a record low of 5.84 percent, due in part to options made available to states that simplified program reporting rules. In 2005, the program made payment errors totaling about $1.7 billion. However, if the 1999 error rate was in effect in 2005, program payment errors would have been $1.1 billion higher. FNS and the states we reviewed have taken several steps to improve food stamp payment accuracy, most of which are consistent with internal control practices known to reduce improper payments. These include practices to improve accountability, perform risk assessments, implement changes based on such assessments, and monitor program performance.

FNS estimates indicate that the national rate of food stamp trafficking declined from about 3.8 cents per dollar of benefits redeemed in 1993 to about 1.0 cent per dollar during the years 2002 to 2005 and that trafficking occurs more frequently in smaller stores. FNS has taken advantage of electronic benefit transfer and other new technology to improve its ability to detect trafficking and disqualify retailers who traffic. Law enforcement agencies have investigated and referred for prosecution a decreasing number of traffickers; they are instead focusing their efforts on fewer high-impact investigations. Despite the progress FNS has made in combating retailer trafficking, the Food Stamp Program remains vulnerable because retailers can enter the program intending to traffic and do so, often without fear of severe criminal penalties, as the declining number of investigations referred for prosecution suggests.

While both payment errors and trafficking of benefits have declined in a time of rising participation, ensuring program integrity remains a fundamental challenge facing the Food Stamp Program. To reduce program vulnerabilities and ensure limited compliance-monitoring resources are used efficiently, GAO recommended in its October 2006 trafficking report that FNS take additional steps to target and provide early oversight of stores most likely to traffic; develop a strategy to increase penalties for trafficking, working with the Inspector General as needed; and promote state efforts to pursue recipients suspected of trafficking. FNS generally agreed with GAO's findings, conclusions, and recommendations. However, FNS believes it does have a strategy for targeting resources through their use of food stamp transaction data to identify suspicious transaction patterns. GAO believes that FNS has made good progress in its use of these transaction data; however, it is now at a point where it can begin to formulate more sophisticated analyses.

Mr. Chairman and Members of the Committee:

Thank you for inviting me here today to discuss our observations on the administration of the Food Stamp Program. As you know, the U.S. Department of Agriculture's (USDA) Food Stamp Program is intended to help low-income individuals and families obtain a better diet by supplementing their income with benefits to purchase food. USDA's Food and Nutrition Service (FNS) and the states jointly implement the Food Stamp Program, which is to be reauthorized after it expires in fiscal year 2007. Participation in the program has been cyclical, with a decrease in the number of recipients for a few years beginning in 1996. Studies suggest that economic growth in the late 1990s played a major role in this decrease. However, in recent years, the Food Stamp Program has grown tremendously. From 2000 to 2005, the program has grown from $15 billion in benefits provided to 17 million individuals to $29 billion in benefits to nearly 26 million individuals. Almost 1 in every 12 Americans participates in the program.

The information I am presenting today is based primarily on findings from our past work on two issues related to ensuring integrity of the program: (1) improper payments to food stamp participants, and (2) trafficking in food stamp benefits.[1] Those findings were based on multiple methodologies, including an analysis of program quality control data for fiscal years 1999 through 2003, case file reviews, data analysis of the FNS retailer database, and interviews and site visits with program stakeholders, including federal agency and state and local officials. These efforts were conducted in accordance with generally accepted government auditing standards.

In summary, both payment errors and trafficking of benefits have declined in a time of rising participation, and although progress has been made, ensuring program integrity remains a fundamental challenge facing the Food Stamp Program. The national payment error rate for the program combines states' overpayments and underpayments to program participants and has declined by about 40 percent between 1999 and 2005, from 9.86 percent to a record low of 5.84 percent. If the 1999 error rate had been in effect in 2005, the program would have made payment errors

[1]GAO, *Food Stamp Program: States Have Made Progress Reducing Payment Errors, and Further Challenges Remain*, GAO-05-245 (Washington, D.C.: May 5, 2005); *Food Stamp Trafficking: FNS Could Enhance Program Integrity by Better Targeting Stores Likely to Traffic and Increasing Penalties*, GAO-07-53 (Washington, D.C.: Oct. 13, 2006).

totaling over $2.8 billion rather than the $1.7 billion it experienced. FNS and the states we reviewed have taken many approaches to improving food stamp payment accuracy, most of which are similar to internal control practices known to reduce improper payments. In addition to declining payment error, FNS estimates suggest that the national rate of food stamp trafficking declined from about 3.8 cents per dollar of benefits redeemed in 1993 to about 1.0 cent per dollar during the years 2002 to 2005 and that trafficking occurs more frequently in smaller stores. FNS has taken advantage of electronic benefit transfer (EBT) and other new technology to improve its ability to detect trafficking and disqualify retailers who traffic, while law enforcement agencies have investigated and referred for prosecution a decreasing number of traffickers, instead focusing their efforts on fewer high-impact investigations. Despite the progress FNS has made in combating retailer trafficking, the Food Stamp Program remains vulnerable because retailers can enter the program intending to traffic and do so, often without fear of severe criminal penalties, as the declining number of investigations referred for prosecution suggests. To reduce program vulnerabilities and ensure limited compliance-monitoring resources are used efficiently, GAO recommended in its October 2006 trafficking report that FNS take additional steps to target and provide early oversight of stores most likely to traffic; develop a strategy to increase penalties for trafficking, working with the Inspector General as needed; and promote state efforts to pursue recipients suspected of trafficking. FNS generally agreed with our findings, conclusions, and recommendations. However, FNS believes it does have a strategy for targeting resources through their use of food stamp transaction data to identify suspicious transaction patterns. We believe that FNS has made good progress in its use of these transaction data; however, it is now at a point where it can begin to formulate more sophisticated analyses.

Background

The federal Food Stamp Program is intended to help low-income individuals and families obtain a more nutritious diet by supplementing their income with benefits to purchase nutritious food such as meat, dairy products, fruits, and vegetables, but not items such as soap, tobacco, or alcohol. The Food and Nutrition Service (FNS) pays the full cost of food stamp benefits and shares the states' administrative costs—with FNS usually paying approximately 50 percent—and is responsible for promulgating program regulations and ensuring that state officials

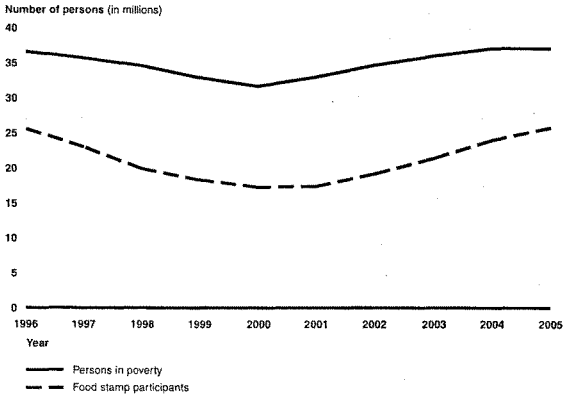
administer the program in compliance with program rules.[2] The states administer the program by determining whether households meet the program's income and asset requirements, calculating monthly benefits for qualified households, and issuing benefits to participants on an electronic benefits transfer card.

Program Participation

In fiscal year 2005, the Food Stamp Program issued almost $28.6 billion in benefits to about 25.7 million individuals participating in the program, and the maximum monthly food stamp benefit for a household of four living in the continental United States was $506. As shown in figure 1, program participation increased sharply from 2000 to 2005 following a substantial decline, and the number of food stamp recipients follows the trend in the number of people living at or below the federal poverty level.

[2]Reimbursements for food stamp administrative costs in 44 states are adjusted each year to subtract certain food stamp administrative costs that have already been factored into these states' Temporary Assistance for Needy Families (TANF) grants. As a result, these states receive less than 50 percent of their administrative costs. See GAO, *Food Stamp Program: States Face Reduced Federal Reimbursement for Administrative Costs*, RCED/AIMD-99-231 (Washington D.C.: July 23, 1999).

Figure 1: Food Stamp Participation and Poverty Trends



Source: GAO analysis of FNS and U.S. Census data.

Note: Poverty data are by calendar year and participation data are by fiscal year.

In addition to the economic growth in the late 1990s, another factor contributing to the decrease in number of participants from 1996 to 2001 was the passage of the Personal Responsibility and Work Opportunity Act of 1996 (PRWORA), which toughened eligibility criteria and had the effect of untethering food stamps from cash assistance. Since 2000, that downward trend has reversed, and stakeholders believe that the downturn in the U.S. economy, coupled with changes in the program's rules and administration, has led to an increase in the number of food stamp participants.

Determination of Eligibility and Benefits

Eligibility for participation in the Food Stamp Program is based on the Department of Health and Human Services' poverty measures for households. The caseworker must first determine the household's gross income, which cannot exceed 130 percent of the poverty level for that year (or about $1,799 per month for a family of three living in the contiguous United States in fiscal year 2007). Then the caseworker must determine the household's net income, which cannot exceed 100 percent of the poverty level (or about $1,384 per month for a family of three living in the

contiguous United States in fiscal year 2007). Net income is determined by deducting from gross income expenses such as dependent care costs, medical expenses, utilities costs, and shelter expenses. In addition, there is a limit of $2,000 in household assets, and basic program rules limit the value of vehicles an applicant can own and still be eligible for the program.[3] If the household owns a vehicle worth more than $4,650, the excess value is included in calculating the household's assets.[4]

FNS's Quality Control System Measures Improper Payments

FNS and the states share responsibility for implementing an extensive quality control (QC) system used to measure the accuracy of Food Stamp payments and from which state and national error rates are determined. Under FNS's quality control system, the states calculate their payment errors by drawing a statistical sample to determine whether participating households received the correct benefit amount.[5] The state's error rate is determined by weighting the dollars paid in error divided by the state's total issuance of food stamp benefits. Once the error rates are final, FNS is required to compare each state's performance with the national error rate and imposes penalties or provides incentives according to specifications in law. The Farm Security and Rural Investment Act of 2002 (the 2002 Farm Bill) changed the Food Stamp Program's quality control system by making only those states with persistently high error rates face liabilities.[6] The 2002 Farm Bill also provided for $48 million in bonuses each year to be

[3]Households with elderly or disabled members are exempt from the gross income limit and may have assets valued at $3,000.

[4]If a household has no other assets, its vehicle can be worth $6,650. States also have the option to replace the federal food stamp vehicle asset rule with the vehicle asset rule from their TANF assistance program or use a categorical eligibility option as a way to exclude all vehicles.

[5]The food stamp error rate is calculated for the entire program, as well as every state, by adding overpayments to those who are eligible for smaller benefits, overpayments to those who are not eligible for any benefit, and underpayments to those who do not get as much as they should. The program also calculates a negative error rate, defined as the rate of improper denials or terminations of benefits.

[6]Before the 2002 Farm Bill, states were penalized if their combined payment error rate was higher than the national average. As a result, about half of states were subject to financial sanctions each year. States are required to either pay the sanction or provide additional state funds—beyond their normal share of administrative costs—to be reinvested in error reduction efforts, such as additional training in calculating benefits for certain households. Under the 2002 Farm Bill, a state will be subject to fiscal sanction if there is a 95 percent statistical probability that the state's payment error rate exceeds 105 percent of the national average for 2 consecutive years.

awarded to states with high or most improved performance, including actions taken to correct errors, reduce error rates, improve eligibility determinations, and other indicators of effective administration as approved by the Secretary of Agriculture.[7]

Trafficking

Every year, food stamp recipients exchange hundreds of millions of dollars in benefits for cash instead of food with authorized retailers across the country, a practice known as trafficking. In a typical trafficking situation, a retailer gives a food stamp recipient a discounted amount of cash—commonly 50 cents on the dollar—in exchange for food stamp benefits and pockets the difference. By trafficking, retailers commit fraud and undermine the primary purpose of the program, which is to help provide food to low-income individuals and families. Recipients who traffic deprive themselves and their families of the intended nutritional benefits.

FNS has the primary responsibility for authorizing retailers to participate in the Food Stamp Program, monitoring their compliance with requirements, and administratively disqualifying those who are found to have trafficked food stamp benefits. At the end of fiscal year 2005, more than 160,000 retailers were authorized to accept food stamp benefits. Supermarkets account for only about 22 percent of the authorized stores but redeem the lion's share (about 86 percent) of food stamp benefits. To become an authorized retailer, a store must offer on a continuing basis a variety of foods in each of the four staple food categories—meats, poultry or fish; breads or cereals; vegetables or fruits; and dairy products—or 50 percent of its sales must be in a staple group such as meat or bakery items. However, the regulations do not specify how many food items retailers should stock. The store owner submits an application and includes forms of identification such as copies of the owner's Social Security card, driver's license, business license, liquor license, and alien resident card. The FNS field office program specialist then checks the applicant's Social Security number against FNS's database of retailers, the Store Tracking and Redemption System, to see if the applicant has previously been sanctioned in the Food Stamp Program. The application also collects information on the type of business, store hours, number of

[7]The 2002 Farm Bill requires the Secretary to issue regulations for fiscal year 2005 and thereafter that will establish criteria related to these improved performances and be used to award performance bonus payments.

employees, number of cash registers, the types of staple foods offered, and the estimated annual amount of gross sales and eligible food stamp sales.

PRWORA required each state agency to implement an EBT system to electronically distribute food stamp benefits, and the last state completed its implementation in fiscal year 2004. Prior to EBT, recipients used highly negotiable food stamp coupons to pay for allowable foods. Under the EBT system, food stamp recipients receive an EBT card imprinted with their name and a personal account number, and food stamp benefits are automatically credited to the recipients' accounts once a month. In a legitimate food stamp transaction, recipients run their EBT card, which works much like a debit card, through an electronic point-of-sale machine at the grocery checkout counter, and enter their secret personal identification number to access their food stamp accounts. This authorizes the transfer of food stamp benefits from a federal account to the retailer's account to pay for the eligible food items. The legitimate transaction contrasts with a trafficking transaction in which recipients swipe their EBT card, but instead of buying groceries, they receive a discounted amount of cash and the retailer pockets the difference.

In addition to approving retailers to participate in the program, FNS has the primary responsibility for monitoring their compliance with requirements and administratively disqualifying those who are found to have trafficked food stamp benefits. FNS headquarters officials collect and monitor EBT transaction data to detect suspicious patterns of transactions by retailers. They then send any leads to FNS program specialists in the field office who either work the cases themselves or refer them to undercover investigators in the Retailer Investigations Branch to pursue by attempting to traffic food stamps for cash.

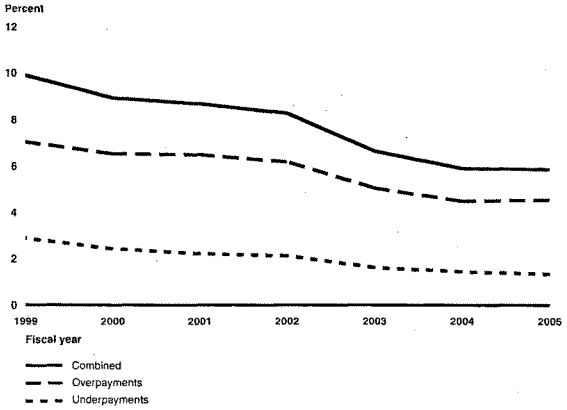
States Have Made Progress Reducing Payment Errors, and Further Challenges Remain

The national payment error rate for the Food Stamp Program combines states' overpayments and underpayments to program participants and has declined by about 40 percent, from 9.86 percent in 1999 to a record low of 5.84 percent in 2005, in a time of increasing participation. FNS and the states we reviewed have taken many approaches to improving food stamp payment accuracy, most of which are parallel with internal control practices known to reduce improper payments. Despite this progress, improper food stamp payments continue to account for a large amount of money—about $1.7 billion in 2005— and similar error rate reductions may prove challenging given that the program remains complex.

The Food Stamp Error Rate, Which Combines Overpayments and Underpayments, Has Declined to a Record Low

The national payment error rate for the Food Stamp Program combines states' overpayments and underpayments to program participants and has declined by about 40 percent over the last 7 years, from 9.86 percent in 1999 to 5.84 percent in 2005 in a time of increasing participation (see figure 2 below). If the 1999 error rate had been in effect in 2005, the program would have made payment errors totaling over $2.8 billion rather than the $1.7 billion it experienced.

Figure 2: Food Stamp Payment Errors Have Dropped over the Last 7 Years



Source: FNS.

Improper payments can be in the form of overpayments or underpayments to food stamp recipients. In fiscal year 2005, food stamp payment errors totaled about $1.7 billion in benefits. This sum represents about 6 percent of the total $28.6 billion in benefits provided that year to a monthly average of 25.7 million low-income program participants. Of the total $1.7 billion in payment error in fiscal year 2005, $1.3 billion, or about 78 percent, were overpayments. Overpayments occur when eligible persons are provided more than they are entitled to receive or when ineligible persons are provided benefits. Underpayments, which occur when eligible persons are paid less than they are entitled to receive,

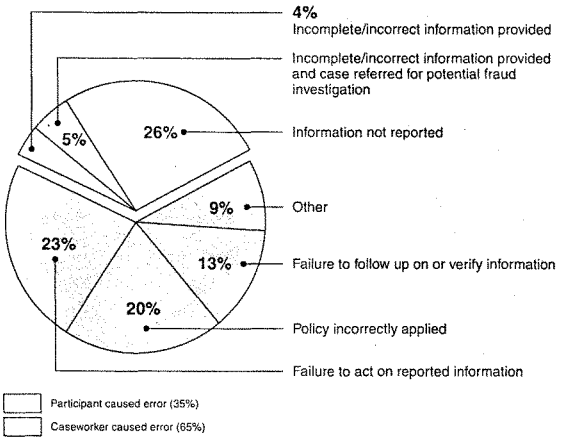
totaled $374 million, or about 22 percent of dollars paid in error, in fiscal year 2005.

Error rates fell in 41 states and the District of Columbia, and 18 states reduced their error rates by one-third or more between fiscal years 1999 and 2003. Further, the 5 states that issue the most food stamp benefits reduced their error rates by an average of 36 percent during this period.[8] For example, Illinois' error rate dropped from 14.79 in 1999 to 4.87 in 2003, and New York's error rate dropped from 10.47 to 5.88 in those same years. In addition, 21 states had error rates below 6 percent in 2003; this is an improvement from 1999, when 7 states had error rates below 6 percent. However, payment error rates vary among states. Despite the decrease in many states' error rates, some states continue to have high payment error rates.

We found that almost two-thirds of the payment errors in the Food Stamp Program are caused by caseworkers, usually when they fail to act on new information or when they make mistakes when applying program rules, and one-third are caused by participants, when they unintentionally or intentionally do not report needed information or provide incomplete or incorrect information (see fig. 3). As shown below, 5 percent of participant-caused errors were referred for potential fraud investigations in fiscal year 2003. Program complexity and other factors, such as the lack of resources and staff turnover, can contribute to caseworker mistakes. Despite the decrease in error rate in recent years, these factors remained the key causes of payment error between 1999 and 2003. We also found that income-related errors account for more than half of all payment errors.

[8]These states are New York, Florida, Illinois, Texas, and California.

Figure 3: Caseworker- and Participant-Caused Errors in Fiscal Year 2003



Source: FNS and GAO analysis.

FNS and States Have Taken Steps to Increase Payment Accuracy

We found that FNS and the states we reviewed have taken many approaches to increasing food stamp payment accuracy, most of which are parallel with internal control practices known to reduce improper payments.[9] These include practices to improve accountability, perform risk assessments, implement changes based on such assessments, and monitor program performance. Often, several practices are tried simultaneously, making it difficult to determine which have been the most effective.

[9]See GAO, *Strategies to Manage Improper Payments: Learning From Public and Private Sector Organizations*, GAO-02-69G (Washington, D.C.: October 2001).

States we reviewed adopted a combination of practices to prevent, minimize, and address payment accuracy problems, such as

- increasing the awareness of, and the accountability for, payment error;
- analyzing quality control data to identify causes of common payment errors and develop corrective actions;
- making automated system changes to prompt workers to obtain complete documentation from clients;
- developing specialized change units that focus on acting upon reported case changes; and
- verifying the accuracy of benefit payments calculated by state food stamp workers through supervisory and other types of case file reviews.

For example, in California, state and local officials employed a combination of practices under each internal control component over the last several years to bring about their improved error rate. State officials reported expanding state oversight, hiring a contractor to perform assessments and provide training to larger counties with higher error rates, preparing detailed error analyses, and implementation of a quality assurance case review system in Los Angeles County, which accounted for 40 percent of the state's caseload. California state officials credit the adoption of a combination of approaches as the reason for the state's dramatic error rate reduction from 17.37 percent in fiscal year 2001 to 6.38 in fiscal year 2005 as the number of cases increased.

In addition, 47 states have adopted some form of simplified reporting, one of the options FNS and Congress made available to states, which has since been shown to have contributed to the reduction in the payment error rate.[16] FNS and Congress made several options available to the states to

[16]If simplified reporting had not been implemented, FNS estimates suggest that the payment error rate would likely be 1.2 to 1.5 points higher. However, differences in policies and the prevalence of errors considerably affect the potential gains from simplified reporting. For example, effects are generally larger in states with policies that cover a large percentage of the caseload and in those states that do not have the waiver to act on all reported changes. FNS estimated that if all states adopted policies to maximize the impact of simplified reporting, the payment error rate reduction could have been larger, dropping by as much as 2.2 points.

simplify the application and reporting process. [11] Under the simplified reporting rule issued in November 2000 and expanded under the 2002 Farm Bill, most households need only report changes between certification periods if their new household income exceeds 130 percent of the federal poverty level. This simplified reporting option can reduce a state's error rate by minimizing the number of income changes that must be reported between certifications and thereby reducing errors associated with caseworker failure to act as well as participant failure to report changes.

FNS has taken several steps to increase payment accuracy, such as using its quality control system to provide sanctions and incentives to encourage states to reduce their payment error rates, tracking the success of state initiatives, and providing information needed to facilitate program improvement. FNS has long focused its attention on states' accountability for error rates through its QC system by assessing penalties and providing financial incentives. The administration of the QC process and its system of performance bonuses and sanctions is credited as being the single largest motivator of program behavior. In fiscal year 2005, 8 states were found to be in jeopardy of being penalized if their fiscal year 2006 error rates do not improve. Some states have expressed concern that they may improve their error rates and yet still be penalized because the national rate continues to drop around them. In addition, under its new performance bonus system, each fiscal year FNS has awarded a total of $48 million to states, including $24 million to states with the lowest and most improved error rates and $6 million to states with the lowest and most improved negative error rate.[12]

[11]The 2002 Farm Bill also gave states the option of adopting provisions that could simplify program administration and possibly reduce error rates. These options include simplifying income and resources, housing costs and deductions, reporting requirements, and utility allowances. See GAO, *Food Stamp Program: Farm Bill Options Ease Administrative Burden, but Opportunities Exist to Streamline Participant Reporting Rules among Programs*, GAO-04-916 (Washington, D.C.: September 2004).

[12]The remaining $18 million was awarded for improvements not related to error rates—the highest and most improved ratio of food stamp participants compared with the number of persons in poverty and the highest percentage of timely completed applications. Also, in addition to monitoring the payment error rate, FNS estimates the rate at which eligible households are improperly denied benefits, which is called the negative error rate. According to a FNS QC official, this rate is not included in the national food stamp payment error rate because it counts the number of cases affected rather than the number of dollars given in error.

FNS has also taken many actions to track the success of improvement initiatives and to provide the information needed to facilitate program improvement. FNS managers and regional office staff use QC data to monitor states' performance over time, conduct annual reviews of state operations, and where applicable, monitor the states' implementation of corrective action plans. FNS, in turn, requires states to perform management evaluations to monitor whether adequate corrective action plans are in place at local offices to address the causes of persistent errors and deficiencies. In addition, in November of 2003, FNS created a Payment Accuracy Branch at the national level to work with FNS regions to suggest policy and program changes and to monitor state performance. The branch facilitates a National Payment Accuracy Workgroup with representatives from each FNS regional office and headquarters who use QC data to review and categorize state performance into one of three tiers.[13] FNS has recommended a specific level of increasing intervention and monitoring approaches for each tier when error rates increase, and the FNS regional offices report to headquarters on both state actions and regional interventions quarterly.

FNS also provides and facilitates the exchange of information gleaned from monitoring by

- publishing a periodic guide to highlight the practices states are using to address specific problems;[14]
- sponsoring national and regional conferences and best practices seminars;
- training state QC staff;
- providing state policy training and policy interpretation and guidance; and
- supporting adoption of program simplification options.

Once promising state practices have been identified, FNS also provides funding to state and local food stamp officials to promote knowledge sharing of good practices.

[13]Tier 1 states have an error rate under 6 percent, and tier 2 states have an error rate of 6 percent or greater but do not fall into tier 3. States are assigned to tier 3 when the lower limit of their error rate estimate at the 90 percent confidence level is higher than 105 percent of the national error rate estimate.

[14]U.S. Department of Agriculture, Food and Nutrition Service, *Payment Accuracy in the Food Stamp Program* (Alexandria, Va.: September 2004).

Despite the progress in reducing payment errors, future similar error rate reductions may prove challenging. The three major causes of errors have remained the same over time and are closely linked to the complexity of program rules and reporting requirements. As long as eligibility requirements remain so detailed and complex, certain caseworker decisions will be at risk of error. Moreover, participant-caused errors, which constitute one-third of the overall national errors, are difficult to prevent and identify.

Estimates Suggest Trafficking Has Declined, but FNS Could Further Enhance Program Integrity

Since the early 1990s, trafficking has declined by about 74 percent. FNS estimates that between 2002 and 2005, about $241 million in food stamp benefits was trafficked annually, or about 1.0 cent per dollar of benefits issued. Trafficking occurs more frequently in small convenience stores, and often, we found, between store owners and food stamp recipients with whom they were familiar. FNS has taken advantage of EBT and other new technology to improve its ability to detect trafficking and disqualify retailers who traffic, while law enforcement agencies have investigated and referred for prosecution a decreasing number of traffickers, instead focusing their efforts on fewer high-impact investigations. Despite the progress FNS has made in combating retailer trafficking, the Food Stamp Program remains vulnerable because retailers can enter the program intending to traffic and do so, often without fear of severe criminal penalties, as the declining number of investigations referred for prosecution suggests.

FNS Estimates Suggest That the Rate of Food Stamp Trafficking Has Declined and That It Occurs More Frequently in Smaller Stores

The national rate of food stamp trafficking declined from about 3.8 cents per dollar of benefits redeemed in 1993 to about 1.0 cent per dollar during the years 2002 to 2005, as shown in table 1. Overall, the estimated rate of trafficking at small stores is much higher than the estimated rate for supermarkets and large groceries, which redeem most food stamp benefits. The rate of trafficking in small stores is an estimated 7.6 cents per dollar and an estimated 0.2 cents per dollar in large stores.

Table 1: FNS Estimates Suggest That the Trafficking Rate Has Declined

Calendar year period	Estimated trafficking rate percentage	Food stamp benefits issued annually (Millions of dollars)	Estimated amount of benefits trafficked annually (Millions of dollars)
1993	3.8	21,100	812
1996-1998	3.5	19,627*	657
1999-2002	2.5	16,139*	393
2002-2005	1.0	23,213*	241

Source: FNS studies and GAO calculation.

*FNS reported that it annualized redemption data over the period of the study but did not provide the annualized figures. We calculated the 3- and 4-year average of benefits redeemed for comparative purposes.

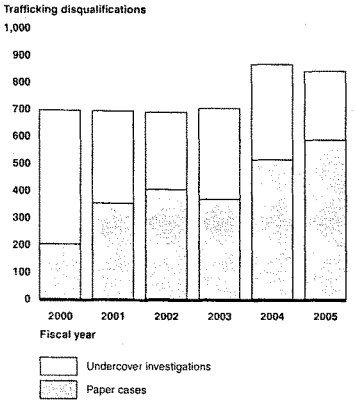
FNS Has Taken Advantage of New EBT Data to Improve Retailer Monitoring, while Other Federal Entities Have Focused on Fewer High-Impact Investigations

With the implementation of EBT, FNS has supplemented its traditional undercover investigations by the Retailer Investigations Branch with cases developed by analyzing EBT transaction data. The nationwide implementation of EBT has given FNS powerful new tools to supplement its traditional undercover investigations of retailers suspected of trafficking food stamp benefits. FNS traditionally sent its investigators into stores numerous times over a period of months to attempt to traffic benefits. However, PRWORA gave FNS the authority to charge retailers with trafficking in cases based solely on EBT transaction evidence, called "paper cases." A major advantage of paper cases is that they can be prepared relatively quickly and without multiple store visits.

These EBT cases now account for more than half of the permanent disqualifications by FNS (see fig. 4). Although the number of trafficking disqualifications based on undercover investigations has declined, these investigations continue to play a key role in combating trafficking. However, as FNS's ability to detect trafficking has improved, the number of suspected traffickers investigated by other federal entities, such as the USDA Inspector General and the U.S. Secret Service, has declined. These entities have focused more on a smaller number of high-impact

investigations. As a result, retailers who traffic are less likely to face severe criminal penalties or prosecution.[15]

Figure 4: As Trafficking Disqualifications Based on EBT Data Have Increased, Those Based on Undercover Investigations Have Decreased



Source: FNS.

Despite the Progress That Has Been Made against Trafficking, Vulnerabilities Still Exist in the Program

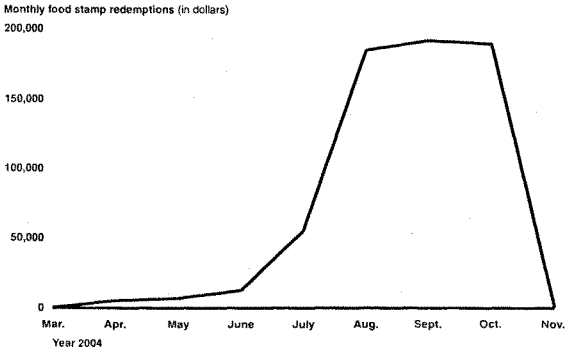
Despite the progress FNS has made in combating retailer trafficking, the Food Stamp Program remains vulnerable because retailers can enter the program intending to traffic and do so, often without fear of severe criminal penalties, as the declining number of investigations referred for prosecution suggests. FNS field office officials told us their first priority is getting stores into the program to ensure needy people have access to food, and therefore they sometimes authorize stores that stock limited

[15]When trafficking is proved, FNS penalizes the store owners, usually by permanent program disqualification. In limited circumstances, traffickers may receive civil penalties. These penalties may be imposed if the retailer had taken proper measures and can prove he was not involved in trafficking. Civil money penalties may also be imposed against disqualified owners who sell their stores before the expiration of the disqualification period, because they have not completed their program suspension penalty.

food supplies but meet the minimum requirements in areas with few larger grocery stores. However, once authorized, some dishonest retailers do not maintain adequate food stock and focus more on trafficking food stamp benefits than on selling groceries, according to FNS officials, and 5 years may pass before FNS checks the stock again unless there is an indication of a problem with the store.

Oversight of retailers' entry into the program and early operations is important because newly authorized retailers can quickly ramp up the amount of food stamps they traffic, and there is no limit on the value of food stamps a retailer can redeem in 1 month. At one field office location where retailers are often innovative in their trafficking schemes, FNS officials noticed that some retailers quickly escalated their trafficking within 2 to 3 months after their initial authorization. As shown in figure 5, one disqualified retailer's case file we reviewed at that field office showed the store went from $500 in monthly food stamp redemptions to almost $200,000 within 6 months. Redemption activity dropped precipitously after the trafficking charge letter was sent to the retailer in late October of 2004. In its application for food stamp authorization, this retailer estimated he would have $180,000 of total annual food sales, yet the retailer was redeeming more than that each month in food stamp benefits before being caught in a Retailer Investigations Branch investigation.

Figure 5: Food Stamp Redemptions of a Newly Authorized Store Disqualified for Trafficking



Source: GAO analysis of FNS case file.

FNS has made good use of EBT transaction data. However, FNS has not conducted the analyses to identify high risk areas and to target their compliance-monitoring resources to the areas of highest risk. For example, our analysis of FNS's database of retailers showed that of the 9,808 stores permanently disqualified from the Food Stamp Program, about 35 percent were in just 4 states: New York, Illinois, Texas, and Florida, yet about 26 percent of food stamp recipients lived in those states. However, FNS headquarters officials did not know the number of program specialists in the field offices in these states who devote a portion of their time to monitoring food stamp transactions and initiating paper cases.

In addition, some retailers and store locations have a history of program violations that lead up to permanent disqualifications, but FNS did not have a system in place to ensure these stores were quickly targeted for heightened attention. Our analysis showed that, of the 9,808 stores that had been permanently disqualified from the program, about 90 percent were disqualified for their first detected offense. However, 9.4 percent of the disqualified retailers had shown early indications of problems before being disqualified. About 4.3 percent of these retailers had received a civil

money penalty, 4.3 percent had received a warning letter for program violations, and 0.8 percent had received a temporary disqualification.[16] Most of these stores were small and may present a higher risk of future trafficking than others, yet FNS does not necessarily target them for speedy attention.

Further, some store locations may be at risk of trafficking because a series of different owners had trafficked there. After an owner was disqualified, field office officials told us the store would reopen under new owners who continued to traffic with the store's clientele. As table 2 shows, our analysis of FNS's database of retailers found that about 174, or 1.8 percent, of the store addresses had a series of different owners over time who had been permanently disqualified for trafficking at that same location, totaling 369 separate disqualifications. In one case, a store in the District of Columbia had 10 different owners who were each disqualified for trafficking, consuming FNS's limited compliance-monitoring resources.

Table 2: Some Store Locations Have Had Multiple Retailers That Engaged in Trafficking

Number of different owners at same address disqualified	Number of disqualified addresses
2	162
3	10
5	1
10	1
Total	**174**

Source: GAO analysis of FNS data.

Our analysis of the data on these stores with multiple disqualified owners indicates that FNS officials found this type of trafficking in a handful of cities and states. Almost 60 percent of repeat store locations were in 6 states, and 44 percent were in 8 cities, often concentrated in small areas. For example, 14 repeat store locations were clustered in downtown areas

[16]Civil money penalties may be imposed against a store in lieu of disqualification. FNS collected almost $1.7 million in civil money penalties in fiscal year 2005. Also, warning letters are sent for lesser violations of program regulations such as charging food stamp recipients higher prices than other customers or when the evidence is too limited to warrant a disqualification. Temporary disqualifications are generally for selling ineligible goods such as paper plates, tobacco, or alcohol or providing credit to food stamp recipients.

of both Brooklyn and Baltimore. However, it is not clear whether these data indicate heightened efforts of compliance staff or whether trafficking is more common in these areas. Regardless, early monitoring of high-risk locations when stores change hands could be an efficient use of resources.

In addition, states' lack of focus can facilitate vendor trafficking. Paper cases often identify recipients suspected to have trafficked their food stamp benefits with a dishonest retailer, and some FNS field offices send a list of those recipients to the appropriate state. In response, some states actively pursue and disqualify these recipients. However, FNS field offices do not always send lists of suspected individual traffickers to states or counties administering the program, and not all states investigate the individuals on these lists. Instead of focusing on food stamp recipients who traffic their benefits, states are using their resources to focus on recipients who improperly collect benefits, according to FNS officials. This inaction by some states allows recipients suspected of trafficking to continue the practice, and such inaction also leaves a pool of recipients ready and willing to traffic their benefits as soon as a disqualified store reopens under new management.

Finally, FNS penalties alone may not be sufficient to deter traffickers. The most severe FNS penalty that most traffickers face is disqualification from the program, and FNS must rely on other entities to conduct investigations that could lead to prosecution. For example, in the food-stamp-trafficking ramp-up case previously cited, this retailer redeemed almost $650,000 of food stamps over the course of 9 months before being disqualified from the program in November 2004. As of August 2006, there was no active investigation of this retailer.

Concluding Observations

Improper food stamp payments and trafficking of benefits have declined in a time of rising participation, and although progress has been made, ensuring program integrity will continue to be a fundamental challenge facing the program. We found that payment error rates have declined substantially as FNS and states have taken steps to improve payment accuracy and that future reductions may prove challenging. Attention from top USDA management as well as continued support and assistance from FNS will likely continue to be important factors in further reductions. In addition, if error rates continue to decrease, this trend will continue to put pressure on states to improve because penalties are assessed using the state's error rate as compared with the national average. We also found that FNS, using EBT data, has made significant progress in taking advantage of new opportunities to monitor and disqualify traffickers.

However, a more focused effort to target and disqualify these stores could help FNS meet its continuing challenge of ensuring that stores are available and operating in areas of high need while still maintaining program integrity. Given the size of the Food Stamp Program, the costs to administer it, and the current federal budget deficit, achieving program goals more cost-effectively may become more important. FNS and the states will continue to face a challenge in balancing the goals of payment accuracy, increasing program participation rates, and the need to contain program costs.

To reduce program vulnerabilities and better target its limited compliance-monitoring resources, we recommended in our October 2006 report on trafficking that FNS develop additional criteria to identify stores most likely to traffic; conduct risk assessments, using compliance and other data, to systematically identify stores and areas that meet these criteria, and allocate resources accordingly; and provide more targeted and early oversight of stores determined most likely to engage in trafficking.

To provide further deterrence for trafficking, we recommended that FNS work to develop a strategy to increase the penalties for trafficking, working with the Inspector General as needed, and consider developing legislative proposals if the penalties entail additional authority.

To promote state efforts to pursue recipients suspected of trafficking and thereby reduce the pool of recipient traffickers, we recommended that FNS ensure that FNS field offices report to states those recipients who are suspected of trafficking, and revisit the incentive structure to encourage states to investigate and take action against recipients who traffic.

Department of Agriculture officials generally agreed with our findings, conclusions, and recommendations but raised a concern regarding our recommendations on more efficient use of their compliance-monitoring resources. They stated that they believe they do have a strategy for targeting resources through their use of EBT transaction data to identify suspicious transaction patterns. We believe that FNS has made good progress in its use of EBT transaction data. However, it is now at a point where it can begin to formulate more sophisticated analyses. For example, these analyses could combine EBT transaction data with other available data, such as information on stores with minimal inventory, to develop criteria to better and more quickly identify stores at risk of trafficking.

Mr. Chairman, this concludes my prepared statement. I will be happy to answer any questions that you or other members of the Committee may have.

GAO Contact and Staff Acknowledgments

For future contacts regarding this testimony, I can be contacted at (202) 512-7215. Key contributors to this testimony were Diana Pietrowiak and Cathy Roark.

Related GAO Products:

Food Stamp Trafficking: FNS Could Enhance Program Integrity by Better Targeting Stores Likely to Traffic and Increasing Penalties. GAO-07-53. Washington, D.C.: October 13, 2006.

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TESTIMONY OF RHONDA STEWART
Before the
Committee on Agriculture, Nutrition and Forestry
U.S. Senate
January 31, 2007

Chairman Tom Harkin and Distinguished Ladies and Gentlemen of the Senate, I would like to thank you for this opportunity to speak with you today.

I would like to begin by introducing myself. I am Rhonda Stewart; I live in Hamilton, Ohio. I'm a high school graduate and have an Associates Degree in Applied Medical Science. I am currently employed at Outreach for Community, a non profit, which helps low to moderate income area residents. I am the president of the PTA, Sunday School teacher, Charter Chair Person for our local Cub Scout pack, Band Booster for the school, assist with cheerleading competitions and a food stamp recipient.

My first experience with the food stamp program began in 2003. I had divorced and was really struggling to get by despite working. One day the nurse at my son Wyatt's school told me he would need to have his tonsils removed as soon as possible and that he needed medications to treat his asthma. I started to cry when I heard this news. The nurse thought I was crying because I was scared about Wyatt having his tonsil removed. She tried to reassure me it was common and there was nothing to worry about. I then told her I didn't have any insurance and didn't know how I would pay for the surgery or the medicine. I knew my son needed these treatments in the worst way and felt as if I had failed him.

I don't know what I would have done that day if the school nurse had not helped me complete the paper work necessary to apply for food stamps and Medicaid for my son. By getting food stamps, I was able to make sure my son was able to eat and get the foods he needed to help him grow.

That was the first time that I participated in the program and received food stamps for almost a year an a half. Around mid 2005, my ex-husband started paying child support again and Wyatt and I no longer needed food stamps.

Unfortunately, after a year of steady child support payments, my ex-husband lost his job due to a plant closure at Sara Lee. The child support, if it came, was not regular and my income just didn't go far enough to pay for our basic needs, especially food

Unfortunately, the cheapest food I could afford to buy was not the healthiest food a growing child needs. I could buy a can of spaghetti-o's for less than a dollar, but a gallon of milk was almost $3. A pack of Kool-aid cost a dime, but a can of juice cost between $3.50 - $4 for a half gallon, depending on the fruit crop. I contacted the outreach worker, Gloria Bateman, at the Shared Harvest Foodbank and asked her to meet with me and another single parent at my office to help us complete an application for food stamps.

Currently, I earn $900 a month at my job. My rent is $440 a month, and I pay my utilities including gas and electric. After paying the rent, utilities, car insurance, gasoline, there isn't much left to meet the needs of my son. Before I started to get food stamps, I paid bills every

other month—phone bill this month and electric bill next. I learned how long I could go before I lost my heat. Eventually, I did lose my phone. I was scraping by to buy what groceries I could. In the months when I do receive child support – I must use these funds to catch up on my utilities, in order to avoid having them discontinued. The child support I receive never is spent for food.

Sometimes I could buy real milk for us and sometimes it was powdered milk. I always made sure that my son had something to eat. I say this because on some nights he would ask me if I was feeling okay because I wasn't eating. I would just reply yeah I'm just not hungry tonight buddy.

I am once again receiving food stamps and have been for the last 7 months. I decided to apply for food stamps again because I just couldn't do it on my own anymore – we needed help and I just didn't want my son to suffer.

Unfortunately, the amount of food stamps I receive varies from month to month due to the sporadic child support payments. This month I received $103 in food stamps and last month I received $174, it so hard to budget when my food stamps drop so significantly from month to month. I am very grateful for the months when my son is able to eat healthier and more nutritious foods he needs. However, some days he has dinner and I have a grilled cheese sandwich or "I'm just not hungry." I am very careful how I spend my food stamp benefits. I shop at an off brand store some of you may have heard of called Aldi's for most of my groceries.

For the first two weeks of the month or so, all is fine. The last few weeks get a little weird. As my son says, "Momma gets creative with dinner."

In the months when my food stamp benefits are lower, I run out of food stamps before the end of the month and I'm always watching the calendar for the first of the month to come so I'll have access to my new benefits and we can eat again. I would love to have fresh veggies in the refrigerator and fresh fruit on the counter. Wyatt loves these foods and would rather have carrots and apples with some dip, than chips and cakes. The sad thing is chips and cakes are cheaper! I don't get chips and snack cakes often for my son because I know they are not good for him, but only as an occasional treat.

Wyatt knows that at the beginning of the month we have the more traditional family dinner with a meat, one or two veggies and maybe corn muffins, which are his favorite. He has also come to learn that toward the end of the month we have generic hamburger helper made with processed ground turkey (cheaper than ground beef.) At the beginning of the month he knows it is okay to ask me to fix his favorite foods again because I will have the ability to get these foods for him. And by his favorites I mean some pork chops and a box of instant stuffing maybe, nothing outrageous.

Many of the things I am saying here today to you, distinguished members of this panel, my son has been unaware of until today. I'm not in the habit of telling a nine year old the state of our finances. Wyatt is on the free breakfast and lunch program at school so this helps during the school year, but during the summer months and days when school isn't in session it's a very

different story. I'm sure any one of you that have children or grand children know that feeding them three times a day is a lot more expensive than feeding them once a day, and if they want a snack then what do you do. If you are a parent such as myself, and can't afford the food you need - you go without.

I ask you to think about something for a moment—is it in the best interest of my child for me to be skipping meals so he can have a full portion. What will happen to my son if I get sick or have other health problems?

I usually have milk in the refrigerator, but do not as often have a bottle of fresh juice for him to drink. I can make a container of grape Kool-aid, but do not often have fresh grapes. I am grateful for the food stamp benefits I receive, but at the end of the month it's not enough. Have you ever seen a child excited when you tell them yes you have enough for them to get a bag of grapes, or some apples, or even a kiwi? Wyatt does.

I am very proud of my son, he's on the honor roll at school and I want him to have a normal a life. There are times when my son wants a friend to spend the night – unfortunately I have to make an excuse – because I don't have enough food to feed them both. It isn't his fault that he lives in a single parent home in a trailer park. I am very good at keeping things hidden from my son and even those outside our front door.

Times are hard, but I am grateful for the food stamp program. It truly makes life better for me and my son and is so very important to the millions of people like us who participate. On behalf

of all of us who receive food stamps each month I want to thank you for your support of the program and urge your leadership to make it a better program, by increasing the amount of food stamp benefits people receive each month so that we are able to purchase enough nutritious food that is so important for good health and well-being. This will allow us to eat everyday and not go hungry when our limited benefits run out at the end of the month.

In closing, in addition to my personal experience with the program I want to share with you that one of my duties at my job is as a counselor using The Benefit Bank, a web-based internet program that allows me to help people in situations similar to mine complete applications for a broad array of public benefits, such as the food stamp program. The people that I help are usually parents like me that have fallen on hard times. They tell me they are forced to make difficult choices between paying for housing or buying food - but not both. It gives me great pride to be able to help people who couldn't ask for help from people they thought didn't understand – I tell them I know and it's okay to ask for help.

Thank you for taking time from your busy schedule to listen to my story and I would be pleased to answer any questions you may have at this time.

DOCUMENTS SUBMITTED FOR THE RECORD

JANUARY 31, 2007

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The American Dietetic Association (ADA) commends the Senate Agriculture, Nutrition and Forestry Committee for holding this hearing on Food Assistance Programs. ADA has a long history of involvement in food, food assistance, food safety and nutrition programs and our members provided written testimony at the regional farm bill hearings held last summer.

ADA is the largest organization of its kind and it is guided by a philosophy based on sound science and evidence-based practice. ADA members are sought-out participants in domestic and international discussions as they work on nearly every aspect of food, nutrition and health. As such, we are familiar with the importance of the Farm Bill on USDA food and nutrition resources.

The public needs an uncompromising commitment from their government to advance nutrition knowledge and to help people apply that knowledge to maintain and improve their health. Millions of Americans benefit from USDA food assistance programs, but we still see hunger in the United States. Co-existing with hunger is a national epidemic of overweight and obesity. In fact, overweight and obesity is the largest manifestation of malnutrition in the United States today. We also know that American children, who are a key recipient of USDA assistance programs, are overfed but undernourished. Studies show their physical stamina and activity have declined and their health literacy and knowledge is limited.

To address this sad commentary on the nutritional status of Americans, ADA recommends that the Senate address the following issues are part of the Nutrition Title of the Farm Bill.

USDA's food assistance programs must be available to those in need and adequately funded. USDA's domestic food assistance programs affect the daily lives of millions of people. About 1 in 5 Americans is estimated to participate in at least one food assistance program at some point during the year. The Food Stamp Program is a key component of the Federal food assistance programs, and provides crucial support to needy households. Food stamps reach those most in need. Most food stamp participants are children, with half of all participants under 18.[1] Households with children receive about three-quarters of all food stamp benefits. In addition, many food stamp participants are elderly or disabled.

Improving the nutritional status of Americans needs to rise in priority in food assistance programs. A USDA study found a lack of several key nutrients in American diets, with nearly 93 percent of Americans having deficiencies in vitamin E. Americans also are not getting enough vitamin A, vitamin C or magnesium, according to the study. At the same time, consumers are eating too much of other dietary components. Almost 60 percent of the

[1] U.S. Department of Agriculture, Food and Nutrition Service, Office of Analysis, Nutrition and Evaluation. *Characteristics of Food Stamps Households: Fiscal Year 2004,* FSP-05-CHAR, by Anni Poikolainen. Project Officer, Kate Fink. Alexandria, VA; 2005.

population consumes more than 10 percent of calories from saturated fat.[2] Approximately 95 percent of adult men and 75 percent of adult women exceed 2,300 mg of sodium per day.[3]

Investment in nutrition education is necessary and it must be sustained. If we expect consumers to take personal responsibility for making healthy choices, then we have a responsibility to make sure that they are adequately prepared. The government must invest in the nutrition research and nutrition education necessary to give Americans the knowledge and ability to make their own nutrition decisions.

Labels and pamphlets alone do not lead to behavior change. People have to be taught, and their educational experience needs reinforcement. Nutrition education that works is a worthwhile return on investment. Economic Research Service scientists have studied the connection between nutrition knowledge and food choices with Americans.[4] They have learned that in socio-economically matched individuals, a 1-point improvement on a nutrition knowledge scale correlates to a 7-percent improvement in diet quality. In matched households, an improvement in the primary meal preparer's knowledge translates to a 19-percent improvement in household meal quality. Clearly, nutrition education is one key to nutrition health.

Our experience has shown that registered dietitians are uniquely educated and trained to help people learn and incorporate healthful habits into their lives. ADA works continuously to make it possible for more Americans to have access to dietetic services through private sector and public program coverage.

Nutrition research is vital for the Food Stamp Program and for all nutrition programs. While we commend the Senate for holding today's hearing on the role of the food assistance programs, we must not forget about another key component authorized by the farm bill – that of nutrition research. Nutrition recommendations and programs for the public must be based on sound science. Only the federal government has the public mandate and resources to carry out research on human nutrition needs and to develop dietary guidance that forms the basis for all federal nutrition programs. In particular, the work done at the Agricultural Research Services' Human Nutrition Research Centers has been the cornerstone of dietary recommendations.

It has been more than a decade since Congress has made a comprehensive review of the nation's nutrition policies and programs. Many members of the Senate and House Agriculture Committees' newer members have never been briefed on USDA's role, designated in the 1977 farm bill, as the lead agency for federal human nutrition research. Discussions regarding USDA and nutrition typically focus on food assistance programs, but do not address the key underlying work being conducted by USDA researchers throughout the United States that forms the basis for the Federal nutrition information and education efforts affecting every American.

Clearly, there is significant potential benefit in addressing food, nutrition and health issues now, before circumstances deteriorate, and to ameliorate human as well as economic costs. There will be market needs for healthful products and services that can help the public become more

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[2] Briefel RR, Johnson CL. Secular trends in dietary intake in the United States. *Annu Rev Nutr.* 2004;24:401-431.
[3] Institute of Medicine. Dietary Reference Intakes for Water, Potassium, Sodium, Chloride, and Sulfate. Washington, DC: The National Academies Press; 2004.
[4] U.S. Department of Agriculture, Economic Research Service and Center for Nutrition Policy and Promotion. *USDA's Healthy Eating Index and Nutrition Information.* Technical Bulletin No. 1866, by Jayachandran N.Variyam, James Blaylock, David Smallwood, Peter Basiotis. Alexandria, VA; 1998.

involved with their health and health care management. But there are roles that currently are not being effectively addressed and may rightfully need to be addressed by public policy.

We encourage the Senate Agriculture, Nutrition and Forestry committee to build on their commitment to the food assistance programs and hold a separate hearing on USDA funded nutrition research. USDA's Human Nutrition Program conducts high quality research that helps to define the role of food and its components in optimizing health throughout the life cycle for all Americans. Holding a hearing on this vital component of the farm bill would be of service to all interested in the health of our nation.

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WRITTEN TESTIMONY

Of the

AMERICAN PUBLIC HUMAN SERVICES ASSOCIATION

Submitted to the

SENATE COMMITTEE ON AGRICULTURE

"The Role of Federal Food Assistance Programs in Family Economic Security and Nutrition"

January 31, 2007

The American Public Human Services Association (APHSA) is pleased to offer this written testimony for the record of your hearing, "The Role of Federal Food Assistance Programs in Family Economic Security and Nutrition," held on January 31. The following contains APHSA's recommendations for reauthorization of the Food Stamp Program (FSP). We also address several questions and discussion topics that arose at the hearing. Finally, we provide several comments on the farm bill recommendations released on the same day by the U.S. Department of Agriculture (USDA).

APHSA's *Crossroads* Recommendations

APHSA is a 77-year-old non-profit, bipartisan organization representing the state and local public human service departments. As those who administer and implement public human service programs, including the FSP, we have an important and highly relevant point of view we urge the Committee to consider. APHSA has testified about the Food Stamp Program before Congress on a number of occasions, but we are especially concerned about the upcoming reauthorization of this essential assistance program. States strongly believe the FSP is one of the most important avenues of support to low-income individuals and families, and that it must remain a viable means of helping those in need. The program should serve as a vital and integral food assistance component in the nation's efforts to support vulnerable low-income families and individuals. It should also provide food assistance in a way that helps these individuals and families toward independence when appropriate. Finally, the FSP should support sensible and cost-effective administration of the program.

The FSP is supervised by the U.S. Department of Agriculture (USDA) and administered by the state human service agencies. In late 2006, it served nearly 26.3 million persons, and for a time in late 2005, surged to more than 29.5 million due to hurricane disaster benefits—a figure well above the previous record of 27.47 million participants set during 1994. For fiscal year 2008, the Administration estimates the program will cost over $39.8 billion. Benefits are funded by the federal government, although states must contribute substantially more than half of the FSP's administrative costs. The 2002 farm bill (P.L. 107-171) reauthorized the FSP through FY 2007 and provided $6.4 billion in new 10-year nutrition funding. The law's nutrition title included many important changes designed to improve FSP administration and enhance access for applicants and recipients. The farm bill's changes reflected many of the reforms that APHSA had advocated for years, particularly simpler procedures and additional administrative options. The new law also made several positive changes in the quality control (QC) system, which states have long criticized as a significant barrier to participation and effective administration. The

farm bill also restored eligibility to most legal immigrants, a group that had lost eligibility under the 1996 welfare reform legislation.

APHSA published *Crossroads: New Directions in Social Policy* in 2001 and issued an updated edition in 2005. *Crossroads* outlined the states' reform agenda to address the serious FSP concerns that had accumulated over the years and that had become increasingly frustrating to both administrators and program recipients. Excessive federal micromanagement, a lack of state flexibility, and conflicts with the Temporary Assistance for Needy Families (TANF) program and Medicaid were among the problems that contributed to a sharp decline in FSP participation from 1995 to 2001, to high administrative costs, and to increased QC errors. The farm bill addressed many of these concerns, and APHSA hailed the legislation as a major victory for states and "... a milestone in efforts to strengthen this vital safety net program."

The farm bill also signaled a major success in coalition efforts between APHSA and program advocates, who also strongly supported the measure. In 2001, APHSA formally partnered with the Food Research and Action Center and America's Second Harvest to work together for the restoration of benefits to non-citizens, the simplification of eligibility, and fundamental reform of the quality control system. The alliance was widely acknowledged as one of the most effective forces in passage of the strong nutrition title.

Some Recent Highlights of FSP History

To better understand the significance of the 2002 farm bill, it is helpful to review some of the FSP's history in recent years. While the 1996 welfare reform law is recalled primarily for the sweeping changes it brought to cash welfare assistance, that legislation also made significant changes in the FSP. One of the most far-reaching was an end to FSP eligibility for legal non-citizens. Subsequent legislation restored eligibility to limited portions of the legal non-citizen population, but this was done in such a piecemeal and confusing manner that those who became eligible still largely stayed away from the program.

Another important 1996 change was a complex work requirement added for able-bodied adults without dependents (ABAWDs), requiring them to work at least 33 out of every 36 months to maintain FSP eligibility. This change was later followed by separate legislation setting aside 80 percent of FSP employment and training (E&T) program funds exclusively for ABAWDs, although they constituted only a small portion of FSP recipients subject to work requirements. Other changes in the 1996 law included additional restrictions on FSP eligibility and a requirement for states to fully implement electronic benefit transfer (EBT) by 2002. The law did include some minor options for FSP administrative flexibility, but they were not enough to alter the program's overall complex and process-oriented nature.

These FSP changes were accompanied by a sharp decline in the cash assistance caseload that resulted from the end of the former Aid to Families with Dependent Children (AFDC) program. AFDC was replaced by the TANF program, which included numerous incentives and mandates to move families off assistance and into the workforce. Most cash-assistance families were also FSP participants prior to the 1996 changes, but the

new TANF program, coupled with a good economy, led to equally dramatic declines in the FSP caseload. FSP participation had peaked at nearly 27.5 million persons in 1994 and still stood at 25.5 million in 1996. However, the number of participants plunged to 17.1 million in 2000, just four years later.

States noted that the FSP's administrative complexities were driven by the program's detailed, rigid overall requirements plus its QC system, which required precise prediction and tracking of participants' income and circumstances despite the volatility of those factors among low-income families. States that exceeded the error tolerance were subject to significant financial penalties. The FSP error rate average hovered above 10 percent for several years, driven largely by the increasing number of recipients who worked; the QC system was particularly unsuited for fairly evaluating earned income, which often fluctuates and is therefore difficult to forecast and report.

The 2002 farm bill's reforms helped greatly to address some of these concerns, particularly the administrative options like semi-annual reporting (SAR) and the significant changes to the FSP QC system so that sanctions applied to fewer states and in smaller amounts. The 2002 legislation also added a new bonus incentive system for high performance in several categories, including (for the first time) customer service measures. The farm bill also strengthened FSP benefits, notably by restoring eligibility to nearly all legal non-citizens.

States have found that the farm bill's reforms and options have in fact allowed significant improvements in administering the FSP and reduction of "red-tape" barriers for clients. The SAR option has been the most important and has been adopted by 43 states; it has contributed greatly to fewer errors for states and fewer trips to FSP offices for program participants. Other options widely adopted by states include those allowing simplified definitions of income and resources (40 states), a simplified utility allowance (40 states), and a simplified procedure for homeless shelter costs (25 states). In addition, the great majority of states have adopted important simplifications made available by administrative action prior to the farm bill, particularly expanded categorical eligibility and vehicle value rules aligned with TANF and other programs.

Significant Challenges Remain

Despite the many strengths and accomplishments of the current program, the FSP remains a large, growing, complex, and highly structured program. It still requires more application information, more verification and follow-up, and more frequent updates than any other comparable assistance program. Administrators and advocates alike are concerned that the program's lengthy and complex application procedures remain a barrier to access and understanding. The uneven national economy and recent natural disasters have helped push FSP caseloads to nearly record levels, with increases of well over 50 percent since 2000. These increases have come at a time when most states have had to freeze or even reduce human service agency staff in response to budget constraints.

While the farm bill achieved substantial simplification, additional changes are needed. For example, the FSP and its participants would benefit greatly from more standardization in the area of expense deductions, particularly medical expenses. When the Medicare prescription drug card benefit was implemented in June 2004, the lack of an adequate medical expense deduction policy in the FSP caused a great deal of confusion and administrative complexity. The program also needs other reforms designed to reach the elderly and disabled, who remain a severely underserved population. One of the most useful would be making the Combined Application Projects (CAPs), under which SSI recipients can automatically receive FSP benefits, a nationally available option rather than the currently approved small number of demonstration projects. The existing CAP projects are simple, inexpensive, and far more accessible to the elderly and disabled than the regular FSP program. Many of them have been in place for years, and this highly successful model should no longer be considered experimental.

The program is also still saddled with ineffective and burdensome policies in a number of other policy areas, such as the work requirements for ABAWDs. States are strongly committed to helping able-bodied FSP recipients become employed or strengthen their existing attachment to the workforce, but oppose the current ABAWD policy and funding requirements that often hinder rather than contribute to that goal. The farm bill did not simplify the current complicated ABAWD work requirements at all, and only partially reformed the E&T funding structure; $20 million per year is still set aside only for ABAWDs, and only $90 million per year in additional funds is available.

With respect to eligibility for legal immigrants, despite the recent restoration of eligibility to most legal immigrants, the FSP's treatment of this group is still more complicated than it was under pre-1996 law.

The program's continuing complexities also contribute to the fact that just 60 percent of eligibles participate in the program, despite the recent dramatic surge in the FSP caseload. One of the major high performance bonus categories in which states now compete is the increase in their participation rate, yet even the best outreach efforts still run headlong into the FSP's numerous eligibility requirements and ongoing paperwork burden.

The FSP also still does not deliver adequate support to its most vulnerable participants. Many elderly participants qualify only for the program's $10 minimum monthly benefit; this is a major factor in the low participation rate of this group. Elderly and disabled persons are also discouraged from participating by the FSP's low resource limit of $3,000, which has remained the same for many years and—unlike other elderly assistance programs—is not indexed for inflation.

Performance measures and administrative support

In *Crossroads*, APHSA said that the FSP must expand its performance measures beyond payment accuracy to include significant outcomes, like the movement of families toward self-sufficiency. The 2002 farm bill made important progress toward this goal,

specifically through changes designed to reduce the number of states receiving sanctions and the dollar amounts of those sanctions. The farm bill also replaced the previous system of enhanced funding only for low errors with a bonus system that pays states with high or improved performance in payment accuracy improvement, timeliness of applications, and participation rate. Despite these forward strides, concerns about the QC system remain. In the last several years, the national error rate average has fallen to record low levels, now below 6 percent. Such exemplary performance must be recognized and rewarded; APHSA believes no individual state should have to face sanctions any longer if the national average drops to 6 percent or below.

In addition, the high performance bonus system is insufficiently funded; it provides only $40 million for all measures, less than the prior enhanced funding system had been paying out for low errors alone. It also remains too entwined with process measures—$24 million of the $40 million is still tied to payment accuracy measures. In addition, states should always be allowed to choose reinvestment of any sanction, rather than leaving that option to USDA.

Finally, states with reinvestment plans developed before the recent sharp decline in the national error rate average should be allowed to renegotiate those plans with FNS. Several states in this category have made significant progress in improving their error rates, but their plans require them to pay an "at-risk" sanction amount if their error rates do not remain below the national average.

Further reforms in FSP administrative requirements and performance measurement must be accompanied by corresponding improvements in FSP administrative cost reimbursement policy. The FSP's overall administrative costs remain among the highest of any government program due to its complexity and stringent QC oversight. Before 1998, the federal government reimbursed states 50 percent of these costs. However, enactment of cost-allocation provisions that year (and their extension in the 2002 farm bill) have since cut the average nationwide reimbursement of FSP administrative costs to just 46 percent, and some states receive barely above 40 percent. Since 1998, states have lost nearly $200 million per year—a cumulative total so far of almost $1.8 billion—in FSP administrative reimbursements compared to previous policy. These losses have greatly exacerbated the difficulty states have in administering this program.

Another particularly important need in FSP administrative cost reform is program automation. While other major human service programs enjoy enhanced match for automation—as high as 90 percent—there has been no enhanced match in the FSP since the early 1990s. In that time, states have lost ground in their ability to upgrade their FSP information systems and take full advantage of new technology that is far superior to the legacy systems still in place in many states. The most common reason that states have been unable to take up more of the farm bill's simplification options is their lack of automation capacity and funding.

Nutrition education and food choice

There are several other program changes currently under discussion that could place new burdens on states and hinder program access. First, certain changes in the Food Stamp Nutrition Education (FSNE) program that have been examined at the federal level could potentially disrupt the current productive relationship between states and the many cooperating contractors who make possible the present high level of FSNE activity. States are also concerned that a misplaced response to the national problem of obesity and unwise food choices could impose unnecessary burdens on states and recipients. The FSP can best function as a key element of good nutrition policy if it remains a program providing maximum purchasing choices for its participants.

Finally, a new program name to replace the outdated food stamp label must be implemented in a manner and on a schedule that does not place undue costs and burdens on states.

A summary list of APHSA's recommendations is attached, and the full text of our reform proposals is available on the APHSA web site at http://www.aphsa.org/Publications/Doc/crossroads2/Food-Stamp-Program.pdf.

Our Vision for the Food Stamp Program

States are committed to seeing the Food Stamp Program continue as a national safety-net program that supports working families and provides essential food assistance for vulnerable populations. The 2002 farm bill showed that by taking unified and positive action to improve the program, FSP stakeholders could together begin to reform and streamline this vital support for low-income families. Many aspects of the FSP have improved since APHSA published its 2001 recommendations: participation has rebounded, and the 2002 farm bill provided much-needed simplifications and benefit enhancements. On the other hand, state human service budgets remain constrained, and even with simpler administrative requirements, the FSP's growing size and the program's reduced administrative cost support have made further streamlining an urgent necessity. APHSA's proposals for additional flexibility and streamlining, further progress in program funding and measurement, and removal of additional barriers to participation will allow the FSP to remain a strong, well-run, and easily accessible program.

* * * * *

Specific issues raised in the January 31 hearing

What can be done to further streamline the program, reduce administrative costs, and improve its integrity? How can the "silos" between programs be bridged?
There was considerable discussion around these topics. As APHSA has urged repeatedly, and as a number of witnesses testified, the best solution to all these concerns is to further simplify the FSP's rules and to make them more understandable for participants and caseworkers alike. APHSA's specific proposals list a variety of ways in which this can be accomplished. Carrying out these proposals would also certainly go far toward reducing the program's high administrative costs and keeping payment errors at a low level. And

as the FSP becomes simpler, it is likewise easier to have more consistency between it and related assistance programs like TANF and Medicaid.

What are the barriers to states making greater investments in automation upgrades and other administrative improvements?
Even with improved and simplified policies, the FSP will still demand substantial administrative resources—and as detailed in our proposal on administrative matching funds, the FSP needs major reforms in this area. At one point in the hearing discussion with witnesses, the comment was made that the federal government contributes "half of administrative costs"; this is *not* true. As we explained above, states in fact now receive an average of only about 46 percent in matching funds, and receive no enhanced match for automation. Restoration of these traditional funding sources would go far toward helping states catch up in their food stamp automation and other administrative needs.

Can the web be used to take applications?
We believe that web-based applications offer great promise. There are several demonstration programs now under way using web-based applications, made possible by $5 million in Program Participation Grant funds authorized by the 2002 farm bill. APHSA urges the Committee to provide further support for this and other funds so that states can test and demonstrate more such innovations.

Specific issues raised by the U.S. Department of Agriculture's farm bill proposals

On January 31, USDA announced its proposals for reauthorizing the farm bill. On February 5, the Administration provided additional details in its FY 2008 budget document. USDA is proposing a number of FSP benefit improvements that we support, provided they are implemented simply and with sufficient implementation lead time. These include exclusion of retirement savings accounts and the value of Internal Revenue Service-approved college savings plans from the resource limit; elimination of the cap on the dependent care deduction; and exclusion of combat-related military pay from income.

APHSA strongly opposes the following Administration proposals that would directly and adversely affect state QC and program integrity activities: to charge states 5 percent of their administrative costs if the state is more than 50 percent above the national negative error rate for two consecutive years; to remove the new investment option for states sanctioned for improper payments for three consecutive years and require states to pay their "at-risk" amount for the second year as well the entire third-year liability amount; and to hold states accountable for all overissuances resulting from widespread systemic errors. States are committed to improving performance in all these categories, and in fact nationally have done so with remarkable results in recent years. In those few cases where individual states need to improve their records, long-standing experience in the FSP and other programs clearly demonstrates that the best results come from a combination of technical support from USDA, positive financial incentives, and an adequate base of administrative matching dollars. The 2002 farm bill was a significant step away from the

heavy-handed and unproductive negative sanctions of the past, and these new proposals would move us back toward those discredited methods.

Finally, APHSA also opposes the Administration's proposal to limit categorical eligibility to those households that receive only TANF or SSI cash benefits. This change, which the Administration has proposed before without success, would severely limit one of the most successful administrative options of recent years—one that has greatly helped both the states and recipient access. We also oppose the proposal to terminate the Commodity Supplement Food Program and replace it with temporary FSP benefits.

We appreciate the opportunity to submit this testimony and will be pleased to answer any questions you have. We look forward to working closely with the Committee this year as you develop legislative proposals for the Food Stamp Program. If we provide more information or assist you in your work in any way, please contact Elaine Ryan, Deputy Executive Director of Policy and Government Affairs, at (202) 682-0100, ext. 235.

Attachment: Detailed Summary of APHSA's Recommendations

Allow demonstrations to further simplify application and calculation procedures.

The Food Stamp Act should be amended to allow states to test a variety of innovative methods that can remove more barriers, further streamline the eligibility and benefit determination process, and improve the quality of food purchases. These methods should be implemented for up to 18 months, followed by an evaluation period of no more than 12 months, and then made available immediately to all states as standard administrative options. One major new approach that should be tried in multiple locations and versions is an alternative application strategy allowing food banks or other similar organizations to initiate the application process with up to two months of initial eligibility, followed by a conventional application review by the state agency; one variation of this proposal is now being demonstrated in a location in Illinois.

Other possible innovations should include the proposal APHSA made in 2001: an overhauled allotment calculation methodology using total monthly gross income with an upper limit of 150 percent to 185 percent of poverty, adjusted by certain percentages that allow for an earned income disregard and essential expenses, to yield a benefit table providing the majority of program recipients with allotments equal to or higher than present levels.

Provide additional options and simplifications.

1. The Transitional Benefits option should be amended to allow benefits to be continued for six months, rather than five months.
2. The program's medical deduction should be standardized and expanded so that it will not reduce the value of other medical assistance, such as prescription drug benefits.
3. The FSP's current lifetime ban on participation by drug felons should be converted to a state option.
4. Categorical eligibility should be extended to those who receive Medicaid.
5. Any subsidies that support families as they care for foster children, adopt children, or serve as guardians for children should be excluded from countable income.
6. States should have broader options to eliminate the face-to-face interview in favor of alternative methods of gathering and verifying information.

Re-establish equitable federal participation in administrative costs.

The historic 50 percent match rate for normal administrative expenditures must be restored. In addition, states should be provided 75 percent enhanced match for urgent and beneficial program improvements, including automation changes and implementing administrative simplifications and access improvements.

Enhance employment and training programs and encourage work.

Further changes in FSP E&T program policy and funding are needed to serve all those subject to work requirements and all those who could benefit from work experience. The remaining E&T set-aside for ABAWDs should be eliminated so that states may use their entire E&T allocations for any FSP recipient in need of its services. The special requirements for ABAWDs should be eliminated, and these recipients should be mainstreamed into existing E&T programs. In addition states must be able, at their option, to implement alignments and simplifications among their work programs, including TANF and those funded under the Workforce Investment Act (WIA).

Complete the restoration of eligibility for legal non-citizens.

In the 2002 farm bill, federal FSP eligibility for legal non-citizens was restored to most categories in this group who lost eligibility in 1996. However, certain legal non-citizens are still ineligible, and states are still saddled with complex requirements for ascertaining eligibility for other groups of non-citizens. APHSA repeats its call made in 2001 that the federal government must reinstate the straightforward non-citizen policies in effect prior to the enactment of the welfare reform law in August 1996. This change would restore eligibility to those living in the U.S. continuously less than five years and who have not accumulated 40 quarters of work history, or who do not fall into certain exception categories (such as refugees and asylees). In addition, the complications added to sponsor deeming rules in 1996 should also be eliminated.

Enhance benefits and program access for senior and disabled individuals.

The following changes and options will greatly improve participation by elderly and disabled individuals in the program:

1. Increase the minimum allotment to $50 for one- and two-person households, with automatic adjustments for inflation;
2. Increase the asset limit from $3,000 to $5,000, and adjust it annually for inflation;
3. Make the CAPs now operating in several states available to all states as a standard administrative option.

Strengthen electronic benefit transfer program administration and funding.

The federal government should provide 75 percent matching funds to states for operating and upgrading their EBT systems. Any federal requirements affecting the location of EBT call centers must allow realistic lead times for states to make such changes.

Continue reform of the FSP performance measurement system.

The 2002 farm bill made important improvements in the FSP QC system. However, further reforms are required to make QC part of a properly balanced system of incentives and outcome measures for working families and other program recipients. These reforms should include:

1. No individual state should be subject to sanctions if the national error rate average is at or below a reasonable threshold;
2. The cycle for determining states with error rate liabilities should be expanded from the current two years to three years;
3. The bonus incentive system must be adequately funded at a level of at least $100 million per year, rather than the current $40 million;
4. The bonus incentive system's categories must expand greatly to include the full range of important program outcomes, including measures of recipient advancement toward self-sufficiency, and no more than 25 percent of bonus funds should be allocated to payment accuracy-related measures. FNS must engage in prior consultation with states to develop new outcome measures and expand the existing measures;
5. States must be allowed to choose reinvestment of sanctions as a standard alternative to payment;
6. States with existing reinvestment plans that include "at-risk" amounts based on earlier estimates of the national average error rate must be allowed to renegotiate these plans with the Food and Nutrition Service to reflect the substantially lower error rates now being reported.
7. States should receive credit against any sanctions owed for their overissuance and fraud collections.
8. USDA should separate overissuances and underissuances in reporting the error rate; both are now lumped into a single "payment error" figure, and many national policymakers mistakenly assume that the entire figure represents losses to the federal government.

Reform and strengthen nutrition education; continue participants' historic ability to make their own food choices.

States support nutrition education as a proper and increasingly necessary element of strengthening family well-being and helping to address serious national health problems such as obesity. The clearest example of this support has been the states' nearly universal participation in the optional FSNE program. However, certain changes that USDA has recently considered for FSNE are problematic. A far better alternative would be for USDA to overhaul the administration and funding of its nutrition education activities. While nutrition education efforts should be targeted toward nutrition assistance program recipients when practicable, to have maximum impact they must take place largely in schools and other community settings or through the media.

States are also concerned about proposals some have put forward in an attempt to guide food stamp participants toward wiser food purchasing choices. Just as consumers not on the program have the right to shop as they see fit within the context of their budgets and families' needs, so FSP consumers must retain those same rights. APHSA is opposed to any proposal that would limit the food purchasing options for FSP participants or would single them out for special status or treatment at any stage of the food purchasing process.

Provide alternative support for persons in group-living arrangements.

USDA should provide an alternative means of nutritional support for shelters and treatment centers. These institutions should be allowed to apply for nutritional subsidies that, if within the FSP budget stream, no longer rely on individual determinations of eligibility for those residing in the institution.

Provide workable and nationally consistent disaster procedures.

USDA should provide all states the same, nationally consistent procedures for issuing FSP benefits during disasters. USDA should develop a new set of standardized, workable disaster procedures in collaboration with states.

Committee on Agriculture, Nutrition and Forestry
The Role of Federal Food Assistance Programs in
Family Economic Security and Nutrition
January 31, 2007
Rev. David Beckmann, President, Bread for the World

Thank you for the opportunity to submit written testimony. Bread for the World is a nationwide Christian movement that seeks justice for hungry and poor people in the United States and worldwide. Our 57,000 members nationwide write, call, and visit their representatives in Congress and work to generate media attention about legislation that is important to hungry people. The reauthorization of the farm bill presents the opportunity to strengthen our nation's largest nutrition program, the Food Stamp Program, and to enact policies that will reduce hunger in our country.

As recently as the 1960s, severe malnutrition on par with that found in the developing world existed in the United States. When this was brought to the attention of national policymakers, they declared unequivocally that the situation would not stand. During the late 1960s and the 1970s, there was a national commitment to developing and expanding federal nutrition programs. This commitment, combined with increased investment in other social safety net programs, sharply reduced hunger in the United States.

In 1977, physicians conducted a study of some of the poorest communities in the United States. They reported, "Our first and overwhelming impression is that there are far fewer grossly malnourished people in this country today than 10 years ago. This change does not appear to be due to an overall improvement in living standards or to a decrease in joblessness... but in the area of food there is a difference. The Food Stamp Program, the nutritional component of Head Start, school lunch and breakfast programs... have made all the difference."

The latest government statistics show that federal nutrition programs are still essential to combating hunger in the United States: more than 35 million people live in households struggling to put food on the table. Even more alarming, government figures show that a majority of the U.S. population will spend at least one year of their adult lives in poverty. The United States needs an effective frontline program that addresses its high levels of food insecurity and hunger. The Food Stamp Program has fulfilled this role since it was established in the 1960s.

In 2006, as the nation's largest nutrition program, the FSP served an average of 25 million people per month. Thanks to food stamps, low-income people in communities throughout the country are receiving help to cope with one of the most debilitating effects of poverty: hunger.

Food stamps are used by an incredibly diverse group of people, nearly all of whom live below the poverty line. Many are working families struggling to get by on low wages. Other food stamp participants are grandparents raising grandchildren. An estimated 4.5 million children in the United States are living in households headed by their

grandparents, and the numbers are rising. Many seniors live on modest fixed incomes which make it difficult to meet the needs of growing children. Food stamps, whether for the whole household or just the grandchildren, make a big difference.

The FSP is not only the largest but also the fastest-growing of the national nutrition programs. Participation has increased by almost 50 percent since 2000. Although some of the increase is due to a government effort to reach out to people who were eligible but not participating, the primary cause is the increasingly difficult economic conditions faced by low-income households. The incomes of many families have remained flat.

Today, the income earned by low-wage workers does not stretch nearly as far as it did a generation ago. The national minimum wage of $5.15 per hour, when adjusted for inflation, is worth just 85 percent of its value when it was last updated in 1997. Meanwhile, the cost of living continues to rise, increasing the gap between what low-wage workers earn and what is required to meet basic needs. Researchers using the actual costs of housing, food, utilities and other necessities found that in most areas of the country, families need about 200 percent of the poverty level to achieve "minimal economic self-sufficiency."

Families are eligible for food stamps if their net incomes fall below the poverty line. People working 40 hours per week for minimum wage qualify for food stamps. But a salary increase of as little as one dollar may push them above the income cutoff for the program. With too much income to qualify for food stamps, but nowhere near the level of income needed to reach economic self-sufficiency, many low-wage workers find themselves trapped in or near poverty.

In many ways, the Food Stamp Program is a model program. A 2005 federal study found that payment errors are almost negligible --at their lowest levels since the program began. Some of the errors included in the rates are underpayments – people receiving less help than they qualify for. Americans used to hear frequent allegations of food stamp fraud, but the truth is that the FSP has achieved a level of integrity that policymakers should want all federal programs to reach. Food stamp participants are part of a remarkably efficient program.

In the reauthorization of the farm bill in 2007, efforts should be made to ensure that the foundation of the Food Stamp Program remains strong, extend program benefits to a greater number of hungry and poor people, and increase food stamp benefit levels. There are several specific policy recommendations that can help achieve those goals.

Protect Entitlement Status

Entitlement status for an urgent need such as food should be inviolable. Yet in recent years, entitlement status for the FSP has come under attack. The single best example of why entitlement status should be preserved is Hurricane Katrina, which struck the Gulf coast in September 2005. In November 2005, 29.6 million people received food stamp benefits, compared to an average of 25 million in the preceding 10 months. The foremost

factor allowing the Food Stamp Program to act as an effective post Katrina 'responder' is its entitlement structure, which lets it respond quickly and flexibly to changes in need.

Expand Eligibility

The right direction is to expand eligibility to include categories of people who are currently excluded. Some legal immigrants fall into this group. Legal immigrants lost food stamp eligibility during welfare reform in 1996. The 2002 farm bill restored benefits to those who have lived in the United States for at least five years and to all immigrant children. But all legal immigrants should be eligible to receive food stamps -- hunger does not wait five years to take a toll on one's health. According to the Urban Institute, there are currently between 700,000 and 900,000 legal immigrants who meet the income guidelines for the FSP but have not been in the country long enough to qualify for food stamps.

Another group of low-income people subject to strict eligibility rules is able-bodied adults without dependent children, many of whom are ineligible for food stamps. If they are not employed, they may not qualify for food stamps unless their states have been granted a waiver – regardless of the local unemployment rate. Many are unable to find work because of low skills, lack of education or some other challenge that adds to their difficulty in escaping poverty. In addition, a lifetime ban on people convicted of drug offenses keeps people who have been clean for years from receiving food stamps. People with criminal records face many hurdles trying to reintegrate into society. The federal government should assist in this process rather than continue to punish people after their formal sentences end.

Set Reasonable Asset Limits

The FSP also limits the amount of assets that people can have and still be eligible for food stamps. The asset limit is $3,000 for seniors or disabled people and $2,000 for all other households. These limits were set so that government would not have to provide benefits to people capable of taking care of themselves. On the surface, this sounds quite reasonable. But the limits cause many problems. They have not been adjusted, even for inflation, in more than 20 years, and they often lead to situations that do not make sense. Seniors should not be forced to spend all their retirement savings in order to qualify for food stamps during what may be a short-term problem such as an illness. Nor does it make sense to discourage low-income households from saving money that might carry them through a job loss or car breakdown.

A closer look reveals still more problems with asset limits. The policy does not consider liabilities along with assets. A household with $3,000 in assets and $4,000 of debts would not be eligible for food stamps, while a household with $1,000 in the bank and no debt would be eligible. Other anti-poverty programs use asset limits that are different from those of the FSP. For example, some people are eligible for Medicaid but not for food stamps, because food stamps have a lower asset limit. In some programs, such as TANF, individual states set their own limits on assets.

Increase Participation

Many households eligible for food stamps are not participating in the program. Currently, the Food Stamp Program participation rate is 60 percent. USDA's latest Strategic Plan intends to raise participation to 63 percent by 2007.

Food stamp participation rates vary widely across states. In 2003, the percentage of eligible people who received food stamps ranged from less than 45 percent in some states to more than 80 percent in others. Outreach is an important factor in increasing participation, and it is primarily the role of the states to fashion their own outreach programs. But it would be a mistake to blame states for the wide variance in participation rates. Many cannot afford to invest enough money in food stamp outreach, especially because in other areas, such as administrative cost sharing, the federal government is now doing less than it has in the past.

The Food Stamp Program requires more application information, more verification, and more frequent updates than most other assistance programs. The same quality control standards that have virtually eliminated waste, fraud, and abuse in the Food Stamp Program also increase the cost of administering the program. While the federal government used to shoulder an equal share of the cost of administering the program, states are now responsible for covering much of the administration cost. Following rule changes in 1998, states now receive a reimbursement from the government equivalent to 46 percent of the cost of administering the Food Stamp Program. Some states recover even less. The American Public Human Services Association (APHSA) reported that since these rule changes took effect, states have lost a total of $1.2 billion in administration reimbursements that they would have received under earlier policies.

Despite resource constraints, some states are doing remarkable work to make people aware of the Food Stamp Program and ensure that the application process is clear and transparent. Several states have begun offering Internet-based food stamp services in an effort to boost participation rates, reduce demands on applicants and food stamp offices, and collect better data. Other states are working to better coordinate among different social service offices. Massachusetts and New York, for example, have developed systems to make follow-up calls to people who were referred to the Food Stamp Program, asking how many had submitted an application, how many were approved, how many were denied, and what if any obstacles were encountered.

Not all state efforts to improve services have been successful. Texas passed legislation in 2003 to outsource the administration of a number of human services. The state awarded an $899 million contract to a Bermuda-based company called Accenture and laid off thousands of state employees. State leaders believed that by privatizing human services, Texas taxpayers would save money. Accenture promised that its call centers would provide better service than clients were used to during in-person interviews at state offices. What clients got instead was an average of 20 minutes on hold, operators with little or no knowledge of the programs they were administering, lost paperwork and an ever-increasing backlog of people waiting to receive benefits.

Food stamp outreach efforts would be more successful if administrators had a better understanding of not only how people make the decision to apply or not to apply for food stamps, but also how they make the decision to leave the Food Stamp Program. In order to design more effective programs, states need good data on how many people leave because they are earning more money and have become food secure without food stamp benefits, versus how many people are leaving, even though they are not food secure, because of particular obstacles within the program or other factors. Because most states are cash strapped, they usually don't have the capacity to collect and analyze data that could lead to more effective delivery of services.

Thus, states need to be able to learn from each other. The federal government, specifically the Food and Nutrition Service (FNS) within USDA, can help facilitate the transfer of lessons learned and best practices across state borders. Greater cooperation between federal and state administrators benefits everyone, especially the millions of people who depend on the Food Stamp Program and whose view of the program is largely shaped by the service they receive at their local food stamp office.

Guarantee Access to Healthy Food

The main purpose of the Food Stamp Program is to help low-income households obtain a more nutritious diet by increasing their purchasing power. So it is worth asking whether food stamps are achieving this objective. Unfortunately, most families cannot afford a healthy diet using food stamps. Instead, they are often forced to purchase the cheapest foods available, which can stave off hunger but generally contain few nutrients and too many calories.

The challenge that families face in affording enough healthy food is exacerbated by the difficulty of finding stores in their neighborhood that sell healthy foods. In urban and rural areas alike, poor communities often lack large grocery stores that offer the greatest range of brands, package sizes and quality choices. Moreover, studies show that compared to suburban neighborhoods, groceries are generally more expensive in poor communities.

Food stamp benefits average $92.70 per person per month, a sum that is very likely inadequate to ensure that families can purchase healthy, nutritious foods. The food stamp benefit size is calculated using USDA's Thrifty Food Plan (TFP), a food basket model first developed for emergency use during the Great Depression and never intended to be followed for indefinite periods. Since it was introduced, the TFP has been updated several times, most recently in 2003. Since the last update, the government has issued new dietary guidelines as well as a revised food pyramid. As yet, the TFP has not been reviewed to assess whether it can meet the latest government recommendations for healthy eating.

The maximum food stamp benefit is based on the cost of the TFP, but a household's benefit amount is also determined on the assumption that a family can spend one-third of its income on food. This assumption, which dates back to the 1960s, is unrealistic when taking into account current housing, medical care, and other costs. It is important that the

size of Food Stamp Program benefits accurately reflect not only the cost of healthy and nutritious food, but also the cost of other basic necessities.

When the Food Stamp Program is reauthorized as part of the farm bill, raising benefit levels should be a priority. Such an increase would strengthen the program in three very important ways: First, it could help increase participation among eligible people. Second, it would help participants purchase the foods needed for a healthy diet. Finally, it would help the United States meet its pledge of cutting food insecurity in half by 2010.

The Emergency Food Assistance Program (TEFAP)

The Emergency Food Assistance Program (TEFAP) supports hungry people in a very direct way: by supplying food. Each year, the government distributes $140 million worth of TEFAP commodities and allocates another $50 million for program administration. All TEFAP commodities must meet USDA nutrition standards. They include canned and dried fruits, canned vegetables, pasta, soups, meat, poultry and fish.

America's Second Harvest: The Nation's Food Bank Network is the largest not-for-profit domestic hunger relief organization in the United States and the largest recipient of TEFAP funding. There are several hundred food banks in the network; together they supply USDA commodities to more than 40,000 charitable agencies. TEFAP accounts for 15 percent of the total food received each year by food banks.

In 2005, America's Second Harvest conducted one of the most intensive studies ever of hunger in the United States. Hunger in America 2006 presented some alarming data. More than 25 million Americans, including nearly 9 million children and 3 million seniors, receive emergency food assistance each year through the America's Second Harvest network of charitable agencies -- an 8 percent increase since the last large-scale study in 2001.

A December 2005 report by the U.S. Conference of Mayors also underscores the importance of a strong TEFAP program. According to the Conference of Mayors report, emergency food resources cannot meet the rising demand for nutrition services in many parts of the country. In 43 percent of the cities included in the report, hunger-relief organizations reported that they had to turn away people in need due to lack of resources.

Thus, one of the greatest challenges facing food banks and their partner agencies is meeting the increasing demand for emergency food. Yet TEFAP is not expanding. The TEFAP administrative budget has been frozen since 2002. Funding for TEFAP should be increased.

Commodity Supplemental Food Program (CSFP)

Each month, participants in the federal Commodity Supplemental Food Program (CSFP) receive a 45-pound package of nutritionally balanced foods. CSFP food packages cost USDA less than $20 but have a retail value of $55. More than 85 percent of all CSFP participants are aged 60 or older. More than a third of the half-million seniors in the

program are older than 75. Along with seniors, other participants include pregnant, postpartum and nursing mothers and their children up to age six.

Seniors often prefer CSFP to the Food Stamp Program. Many seniors know about the Food Stamp Program but choose not to participate. Despite significant outreach efforts, less than a third of eligible seniors are enrolled. The stigma associated with food stamps is reported to be an important factor. Additionally, physical and cognitive impairments impede the ability of some elderly people to participate in the Food Stamp Program. The most recent U.S. Census data indicates that more than 20 percent of people over 65 suffer some functional impairment that makes it difficult for them to leave their homes. This is especially true of those in their 80s and 90s, the fastest-growing segment of the U.S. population.

Not all seniors on CSFP are homebound, but it is ideal for those who are. Many more seniors would participate in the program if they could. CSFP maintains long waiting lists and only operates on two Indian reservations and in 32 states and the District of Colombia. Funding for CSFP should be increased to expand the program to all 50 states.

Ending Hunger and Food Insecurity

U.S. government leaders have pledged on several occasions to cut domestic food insecurity in half. In the Healthy People 2010 Initiative, the government has said it will "[increase] food security among U.S. households and in so doing reduce hunger." In 1996, the food insecurity rate in the United States stood at 12 percent, making 6 percent the target for 2010. The United States is not on track to meet that goal. The United States is the wealthiest country in the world, it has well-designed safety net programs already in place to build on, and the public has said it supports programs to end hunger. To solve the problem of hunger and food insecurity once and for all requires us to improve nutritional intake so that low-income people can participate as more effective agents in helping themselves out of poverty. The fastest, most direct way to reduce hunger is to improve nutrition assistance programs, and this is why the reauthorization of the farm bill is so critical. The reauthorization of the farm bill presents perhaps the single best opportunity to impact food insecurity and hunger in this country. Expanding eligibility for the FSP and increasing the monthly food stamp benefit are two of the most important policy changes that could have a significant impact in reducing the number of hungry and food insecure people in the United States. The Nutrition Title in the farm bill gives U.S. policymakers an opportunity to improve these programs and fulfill a pledge that all would agree makes the United States a stronger country.

Testimony Submitted to the

Senate Committee on Agriculture, Nutrition, and Forestry Hearing On

The Role of Federal Food Assistance Programs in Family Economic Security and Nutrition

Prepared by: Candy Hill, Senior Vice President for Social Policy, Catholic Charities USA

Mr. Chairman, on behalf of Catholic Charities USA's 1,800 agencies and institutions serving more than 7.5 million people annually, thank you for the opportunity to submit comments on the Role of Federal Food Assistance Programs in Family Economic Security and Nutrition.

Catholic Charities agencies and institutions nationwide provide vital social services to people in need regardless of their religious, social, or economic backgrounds. Some of the services provided by Catholic Charities agencies include soup kitchens, congregate dining, home delivered meals, and food banks and pantries. In 2005, our local agencies served 1.2 million persons in soup kitchens, 1.1 million through congregate dining, and 2.3 million through food banks and pantries; delivered 261,000 meals to homes; and assisted more than 644,000 people through other food services.

While food provision already constitutes about 44 percent of the total services provided by Catholic Charities agencies, the need for nutrition assistance across the country continues to rise. Many of those in need of food assistance are low-income working families and individuals struggling to make ends meet.

Catholic Charities agencies have worked for more than a century to serve those in need and to empower them to build lives of dignity and economic security. This experience has convinced us that poverty is an unnecessary evil. Catholic Charities report an 18 percent increase in emergency assistance over the last 4 years. Ours is a very prosperous nation, and we have the resources, experience, and knowledge to virtually eliminate poverty, especially long-term poverty. Knowing this we are especially shocked and angered when every day we see the suffering and pain that poverty imprints on the people we serve.

By the time they reach age 60, almost half of all Americans will have experienced poverty at some point in their lives for a year of more. Of these, about a half will have lived in poverty for four years or more. Having a job does not preclude living in poverty, as two out of three families with incomes below the poverty level have at least one member who is employed. Only about 3 percent of individuals receive more than half of their annual income from Temporary Assistance for Needy Families (TANF), Food Stamps, and Supplemental Security Income (SSI). Almost half of all people living in poverty—about 47 percent—are white and non-Hispanic. However, African Americans and Hispanics are much more likely to live in poverty than other population groups. For example, while the poverty rate for non-Hispanic whites is 8 percent, the rate for African Americans is 24.1 percent, for Hispanics, 21.8 percent, and for Native Americans, 23.2 percent. For children, the poverty rate for white children is 10 percent, while it is 28 percent for Hispanic children, 27 percent for Native American children, and 33 percent for African American children. The number of Hispanics living in poverty is now about the same as the number of African Americans living in poverty.

Far too often, we see the suffering of children who do not have access to adequate health care and nutrition. We see the plight of the working families who struggle to hold down two and three jobs just to make ends met—yet they cannot feed their children or find affordable housing. These struggles for survival put incredible strains on family life and often contribute to the break up of marriages and families. We see the difficulties faced by senior

citizens, who are dehumanized and demoralized when they have to choose between utilities and food. Many seniors who need special diets and adequate nutrition for their medications to relieve or control their conditions, lack access to adequate food. Working adults should earn enough to support their children in dignity and should not be relegated to standing in line for food for their children from their local food pantry or soup kitchen nor should our nation's seniors have to choose between eating, shelter, and purchasing medicine.

The many misconceptions about the nature of poverty in the United States reinforce the commonly held view that poverty is due to failures and deficiencies of individuals, rather than the failures of structures that we put in place through the economic and political choices we make as a nation. While it is true that individual choices and behaviors do influence one's chances of living in poverty, these individual behaviors are far outweighed by the structures and policies that shape the life opportunities of people who are poor.

Federal nutrition assistance programs deliver essential food assistance to one in five Americans. Low-income individuals, families, children and seniors need these programs to lead productive lives. To ensure the health and well-being of those who experience food insecurity, our nation should protect and strengthen the federal food and nutrition programs, including the Food Stamp program, the Commodity Supplemental Food Program, The Emergency Food Assistance Program, and the range of other food assistance programs that address hunger in communities across the country.

The Food Stamp program serves as the nation's primary safety net against hunger and is one of the few programs that provide assistance to low-income people regardless of their age, health or family status. Last year, the Food Stamp program provided food and nutrition to over 25 million participants in more than 11 million low-income households. Nearly 80 percent of program recipients are households with children, and nearly one-third of recipients are seniors or people with disabilities. The program represents the commitment of our nation that no American should go hungry in a country of great abundance. The Food Stamp program responds swiftly and effectively to rapidly changing economic conditions. The program is unique in its ability to target increased benefits to individuals and communities with increased need. As a tool of economic policy, the Food Stamp program relieves households affected by economic challenges who are not usually eligible for unemployment insurance, such as agricultural, seasonal, and other part-time workers.

The Food Stamp program supplements the earnings of low-wage workers and their families regardless of whether they have received cash assistance. For example, a family of three earning $228.00 a week is typically eligible for approximately $200 a month in food stamps, thus leaving $200 to help with cost of housing, child care, health care, and other expenses. Many working poor families rely on food stamps to give their children a healthy diet. About 80 percent of food stamp recipients live in households with children. Families supported by a full-time job should not have to live in poverty. Yet families that work all year long at minimum wage fall short of the poverty line by 25 percent, even after counting the Earned Income Tax Credit (EITC), if the family does not receive food stamps. Food stamps help to fill in the gap because unlike the EITC, food stamps are distributed throughout the year and help families to meet their monthly expenses.

Food stamps are vital in providing food security for families of laid-off workers that fall into poverty. Food Stamps participation has been linked with the economic cycle; food stamp caseloads increase as unemployment rises and decrease as unemployment declines. Research also shows that participation in the food stamp program fell by 40 percent during the late 1990's due to a strong economy and a decline in unemployment. However, participation in the program increased in 2001 at the onset of an economic downturn. According to the Center on Budget and Policy Priorities, 8 million more people get food stamps now than did when the last recession began in 2001 despite an improved overall unemployment rate in 2004, in part because the gains from the economic recovery have not been strong among low-income working families.

The Food Stamp program also fills a critical need in the aftermath of disasters. The Food Stamp program includes an emergency component that quickly and efficiently gets relief to people in times of crisis. The Food Stamp program provided much needed assistance to victims of Hurricane Katrina in the Gulf Coast and other states in a timely manner. According to the USDA, through the use of the program's flexible disaster authority $900 million of food stamps was distributed to about 4 million individuals in 2 million households in the aftermath of hurricanes Katrina, Rita, and Wilma.

Participation in the Food Stamp program also significantly impacts farmers, the food industry, and the economy. According to a study conducted by the USDA Economic Research Service (ERS), for every $1 billion of retail food demand, food stamps generate approximately $340 million in farm production, $110 million in farm value-added, and 3,300 farm jobs. In addition, every $5 in food stamps generates nearly $10 in total economic activity.

Too many eligible seniors, the working poor, and immigrants do not take advantage of the Food Stamp program because of complexities in the program. The two main factors for low participation among seniors are that they qualify for a mere $10 monthly benefit and the program's $3,000 resource limit has remained the same for many years and—unlike other programs for elders—is not indexed for inflation. While there is no one reason why the working poor do not receive the food stamps that they need, we do know that some of the reasons for non-participation include the burdensome application process, frequent reenrollment process, verification requirements, application office hours not convenient for working families with no paid time off and reporting requirements. The 2002 Farm Bill restored eligibility for most categories of legal non-citizens who lost eligibility in 1996. However, certain legal non-citizens are still ineligible, and states are still saddled with complex requirements for ascertaining eligibility for other groups of non-citizens.

The Commodity Supplemental Food Program (CSFP) and The Emergency Food Assistance Program (TEFAP) are vital to assisting faith-based and not for profit agencies that deal with the issue of hunger on a daily basis. These agencies provide services that include food banks serving more than 25 million people annually as well as food pantries and soup kitchens that serve nearly 4.5 million people annually. These programs are often stretched to capacity, serving more and more people whose food stamps have run out before the month ends and those just above the food stamp eligibility threshold. Many programs fill the gap when a family has to make tough choices between feeding their family or paying their rent or utilities.

While our nation's food assistance programs provide a vital safety net for many low-income Americans, more still needs to be done. According to the most recent data, nearly 37 million people—about 12.6 percent of the U.S. population—had incomes below the federal poverty line in 2005. Between 2000 and 2005, the number of people living in poverty increased by 5.3 million, rising faster than the overall rate of population increase. Astonishingly enough, those living at less than half the official poverty level has risen to an all-time high.

To help us think and act justly in the face of poverty, we have not only the challenging messages of Scripture, but also the long tradition of Catholic Social teaching that teaches us about human dignity. We urge the committee to support a reauthorization of the 2007 Farm Bill that builds upon the success of the nutrition title and to craft legislation that will continue to enable low-income people and legal non-citizen residents to access needed food with dignity. Every person should be able to have adequate food to sustain themselves.

Food assistance programs are a key work support to help reduce poverty. Catholic Charities USA encourages Congress during the reauthorization of the Farm Bill to:

- Prevent harm to or erosion of the Food Stamp program and continue to provide adequate funding for all nutrition programs under Title IV of the Farm Bill;

- Maintain the entitlement structure of the Food Stamp program so that it continues to respond to needs in times of economic challenges and crisis;

- Provide a significant increase in the minimum benefits amount of $10;

- Expand access to individuals ineligible for the program because of rules on arbitrary time-limits and drug convictions;

- Revise the restrictive resource limits of $3,000 for households with seniors or persons with disabilities and $2,000 for all other households so that families suffering from unemployment, lack of full-time employment, illnesses, or other financial emergencies may access food stamp benefits without exhausting resources; and

- Simplify the application and recertification process so that more working families can and will take advantage of the program.

Mr. Chairman, Catholic Charities USA is committed to work for the preservations of these important anti-hunger programs and to work with Congress for improvements as outlined. We call on Congress, the Administration and all people of good will to support these important recommendations.

Thank you.
Candy Hill, Senior Vice President for Social Policy, Catholic Charities USA

February 6, 2007

As Congress reauthorizes the Farm Bill this year, our top priority is a strong Nutrition title that reauthorizes and improves the Food Stamp Program, the nation's first defense against hunger, and bolsters the efforts of the emergency food assistance system. We strongly urge that the 2007 Farm Bill and the Fiscal Year 2008 Budget Resolution reflect those urgent national priorities. Far too many people in our communities lack resources to put food on their tables consistently for themselves and their families. Indeed, the most recent Census Bureau/U.S. Department of Agriculture survey of food security documents that more than 35 million people in the United States live in households that face a constant struggle against hunger. It is absolutely essential that the 2007 Farm Bill address the pressing problem of hunger amidst plenty by strengthening the nation's food assistance programs.

The Food Stamp Program is a crucial and effective investment in meeting the urgent needs of seniors, people with disabilities, children, and low-income working and unemployed adults. It has nearly eliminated malnutrition from the national landscape and helps prevent the problem of hunger from becoming worse in our communities. Food Stamp Program participation closely tracks economic trends, responding quickly to increases in need, whether due to local or national economic circumstances or to disasters, as seen in the aftermath of Hurricane Katrina.
Food stamps help strengthen families and the American communities where those families reside—rural, urban and suburban. More than 80 percent of food stamp benefits go to families with children, allowing their parents to obtain food at grocery stores for meals at home. Much of the remainder goes to seniors and persons with disabilities. Through the nationwide use of Electronic Benefit Transfer (EBT) cards, program utilization has been streamlined for transactions for consumers and store clerks, and EBT has quantifiably reduced the chances of program abuse.

Food Stamps pay dividends for low-income consumers, food producers and manufacturers, grocery retailers and communities. As food stamp purchases flow through grocery checkout lines, farmers' markets and other outlets, those benefits generate almost double their value in economic activity, especially for many hard-pressed rural and urban communities desperately in need of stimulus to business and jobs.

The Food Stamp Program's basic entitlement structure must be maintained while greater resources are provided to the program to more effectively fight hunger in our communities. There are several key areas for program investment:

- Adequacy of Benefits Must Be Improved. The first step to reducing hunger in the U.S. is to ensure that everyone in the Food Stamp Program has the resources to assist them in purchasing and preparing a nutritionally adequate diet. Neither the average food stamp benefit level of $1 per person per meal, nor the $10 per household monthly minimum benefit is sufficient to help families purchase an adequate diet. This dietary shortfall negatively impacts recipients' health and nutrition and impedes the ability of children to learn and adults to work. Another key element to securing an adequate diet will be finding ways to improve access to affordable and healthful foods for food stamp households in low-income neighborhoods.
- Access to the Program Must Be Expanded. Too many people in our communities are in need of food stamps but cannot get them. Only 33 percent of the people in food bank lines are enrolled in food stamps. Those people in need of food but excluded from the Food Stamp Program include working poor families with savings slightly above decades-

old and outdated resource limits, many legal immigrants, and numerous indigent jobless people seeking employment.

- Program Simplification and Streamlining for Caseworkers and Clients Must Continue. While food stamp outreach and nutrition education are achieving important advances, these efforts need more resources, and enrollments are hampered by shortfalls in state technology and supports. Too many eligible people—especially working poor and elderly persons—are missing out on benefits.

In addition to the necessary improvements to the Food Stamp Program, the 2007 Farm Bill also provides an opportunity to assist the front-line agencies that deal with the problem of hunger every day. The nation's food banks, food pantries, and soup kitchens are stretched to serve more and more people whose food stamps have run out mid-month or whose income and resources put them just above the food stamp eligibility threshold. Currently, more than 25 million people are accessing emergency food annually through food banks. In any given week, some 4.5 million people access food through pantries and soup kitchens throughout the United States. Requests for emergency food assistance are outstripping the resources provided through The Emergency Food Assistance Program (TEFAP) and the Commodity Supplemental Food Program (CSFP). In TEFAP alone, surplus commodity deliveries have declined more than 50 percent in the past year, at the same time that requests for emergency food have increased.

Therefore, we urge the 2007 Farm Bill and FY 2008 Budget to invest significant new resources to make food stamp benefit allotments sufficient to real world needs, to extend eligibility to more vulnerable populations, to connect more eligible people with benefits, and to adequately support emergency feeding programs.

We are fortunate to live in a nation with an abundant and varied food supply. In the upcoming Farm Bill reauthorization, we strongly urge Congress and the Administration to help connect more vulnerable people with that food supply and move our communities and the nation as a whole closer to a hunger-free America.

Sincerely,

National Organizations
9to5, National Association of Working Women
AFL-CIO
AFSCME
American Association of Service Coordinators
American Dietetic Association
American Friends Service Committee
American Network of Community Options and Resources
Americans for Democratic Action
America's Second Harvest-The Nation's Food Bank Network
ANSA - Association of Nutrition Services Agencies
Asian American Justice Center
Asian Pacific American Legal Center
Association of Farmworker Opportunity Programs
Association of Jewish Family & Children's Agencies
Association of Nutrition Services Agencies
Association State and Territorial Public Health Nutrition Directors (ASTPHND)
B'nai B'rith International

Brain Injury Association of America
Bread for the World
CACFP National Professional Association
Capital Area Food Bank
Center for Economic Progress
Center for Law and Social Policy
Center on Budget and Policy Priorities
Church Women United
Coalition on Human Needs
Community Food Security Coalition
Congressional Hunger Center
County Welfare Directors Association of California
EBT Industry Council of the Electronic Funds Transfer Association
Families USA
Federation of Protestant Welfare Agencies
Fiscal Policy Institute
Food Research & Action Center (FRAC)
Jewish Council for Public Affairs
Jewish Federation of Metropolitan Chicago
League of Women Voters of the United States
Legal Momentum
MAZON: A Jewish Response to Hunger
Migrant Legal Action Program
National Advocacy Center of the Sisters of the Good Shepherd
National Association for the Education of Young Children
National Association of County Human Services Administrators
National Association of Social Workers
National Center for Law and Economic Justice
National Council of Jewish Women
National Council of La Raza
National Council on Aging
National Hispanic Medical Association
National Immigration Law Center
National Law Center on Homelessness & Poverty
National Puerto Rican Coalition
National Recreation and Park Association
National WIC Association
National Women's Law Center
NETWORK, A National Catholic Social Justice Lobby
Religious Action Center of Reform Judaism
RESULTS
Sargent Shriver National Center on Poverty Law
Service Employees International Union (SEIU)
Sodexho Foundation
Southeast Asia Resource Action Center
The AIDS Institute
The U.S. Conference of Mayors
Unitarian Universalist Association of Congregations
United Food and Commercial Workers International Union (UFCW)
United Jewish Communities

United Way of America
USAction
Wider Opportunities of Women
Women's Committee of 100
World Hunger Year (WHY)
YWCA USA

Alabama
Alabama Coalition Against Hunger
Bay Area Food Bank
Early Childhood - The HIPPY - Mobile Program
Food Bank of North Alabama

Alaska
Bristol Bay Area Health Corporation
Food Bank of Alaska
Homer Medical Clinic
Kenai Peninsula Food Bank
RESULTS-Anchorage

Arizona
Arizona Advocacy Network
Arizona Community Action Association
Association of Arizona Food Banks
Catholic Community Services of Southern Arizona
Community Food Bank, Inc.
Foundation for Senior Living
Protecting Arizona's Family Coalition
South Eastern Arizona Behavioral Health Services
United Food Bank

Arkansas
Arkansas Hunger Coalition
Arkansas Hunger Relief Alliance
River Valley Regional Food Bank
St. Augustine Center for Children, Inc.

California
9to5 Bay Area
Alameda County Community Food Bank
Amador Tuolumne Community Action Agency
Beyond Shelter
CA Association of Food Banks
Cal/Neva CAP Association
California Association of Social Rehabilitation Agencies
California Church IMPACT
California Commission on the Status of Women
California Disability Community Action Network
California Food Policy Advocates
California Head Start Association

California Hunger Action Coalition
California Immigrant Policy Center (CIPC)
California Partnership
California WIC Association
Caminar
Catholic Healthcare West
Central Coast Hunger Coalition
Citrus College Child Development Center
Community Action Partnership Food Bank of San Bernardino County
Community Action Partnership of Kern Food Bank
Contra Costa Child Care Council
Didi Hirsch
Didi Hirsch Community Mental Health Center
Each One - Teach One, Inc.
EarthWorks Enterprises
Encinitas RESULTS Group
Family Service Association
Farm to School Partnership
Food Bank Coalition of San Luis Obispo County
Food Bank for Monterey County
Food Bank of Contra Costa and Solano
Food Bank of Nevada County
Food for People
FOOD Share, Inc
Fresno County Equal Opportunity Commission Head Start Preschool
Hardy Child Nutrition
Hartnell College
Health Education Consultant
Healthy Living for You
Hidden Harvest, Inc.
Holy Family Community
HRC Food Bank, Serving Calaveras County,
Hunger Action Los Angeles
Imperial Valley Food Bank
InsureVision Technologies
Jewish Federation of Ventura
Joining Hands-India, an affiliate of the Presbyterian Hunger Program
LABiomedical
League of Women Voters for Riverside
Legal Aid Foundation of Los Angeles
Los Angeles 9to5
Los Angeles Coalition to End Hunger & Homelessness
Los Angeles Community Action Network
MarKrist Properties
Montessori for Toddlers
Mount St Joseph-St Elizabeth
National Immigrant Solidarity Network/Action LA Coalition
Older Women's League of California
Parent Voices, El Dorado County
Perpetua & Company

Pilipino Workers Center of Southern California
Piner Elementary School
Redwood Empire Food Bank
RESULTS
River City Community Services
RPM International
San Francisco Food Bank
San Ysidro Health Center
Second Harvest Food Bank
Second Harvest Food Bank of Orange County
Senior Gleaners, Inc.
St Jude Medical Center
St. Joseph Health System
St. Joseph Hospital
State Public Affairs, California, National Council of Jewish Women
The South Group
Urban Harvest
Valley Oak Children's Services
Ventura County Day Care Food Program
WIC
YMCA of the East Valley

Colorado
9to5 Colorado
All Families Deserve a Chance (AFDC) Coalition
Blake Chambliss FAIA
Care and Share Food Bank for Southern Colorado
Church & Society, Hope UMC
Colorado Anti-Hunger Network
Colorado Children's Campaign
Colorado Progressive Coalition
Denver Urban Ministries
Growing Home
Longmont Citizens for Justice and Democracy
Metro CareRing
RESULTS Colorado
Weld Food Bank

Connecticut
3Angels Community Services
ACCESS Community Action Agency
ADRC
Bridgeport Child Advocacy Coalition
Catholic Charities, Diocese of Norwich
Center City Churches, Inc.
Charter Oak Health Center
CMH Nutrition, LLC
Collaborative Center for Justice
Community Dining Room
Connecticut Association for Community Action

Connecticut Association for Human Services
Connecticut Dietetic Association
Connecticut Food Bank
Connecticut Food Policy Council
Council 4 AFSCME
CT Association of Nonprofits
CT Chapter American Academy of Pediatrics
CT Citizens Action Group
CT General Assembly
EHFT New Testament Helping Hand
End Hunger Connecticut!
Family & Children's Agency
First Church of the Living God
First Presbyterian Church
Foodshare
Hartford Food System
Hartford WIC Program
HBC Food Pantry
Human Services Council
La Primera Iglesia De Dios
Manchester Area Conference of Churches, Inc.
Mercy Housing and Shelter Corporation
Middlesex Coalition for Children
National Council of Jewish Women, Connecticut State Public Affairs
New Horizon Food and Clothing Ministry
Norwich Human Services
Parkville Senior Center
People of Faith CT
Plymouth Community Food Pantry
Shiloh Baptist Church
St. Francis Hospital & Medical Center
St. Vincent DePaul Mission of Bristol, Inc
Stafford Family Services
The Collaborative Center for Justice
The Great Commission
The Salvation Army
Thompson Ecumenical Empowerment Group
Together We Shine
United Way of Greater Waterbury
Warburton Church
Warburton Food Pantry
Wilson Congregational Church
YWCA New Britain

Delaware
Community Legal Aid Society

District of Columbia
Bread for the City
D.C. Hunger Solutions

Fair Budget Coalition
Mary's Center for Maternal and Child Care

Florida
America's Second Harvest of the Big Bend
Boca Helping Hands
Center for Independent Living of South Florida
Christian Alliance for Progress
CILSF, Inc
Florida Consumer Action Network
Florida Immigrant Advocacy Center
Florida Impact
Florida Legal Services
Health Care Center for the Homeless
P.A.N.D.O.R.A., Inc.- Patient Alliance for Neuroendocrineimmune Disorders Organization for Research & Advocacy
Queen of Peace
St. Elizabeth Ann Seton Parish
The Cooperative Feeding Program
YWCA of Palm Beach County

Georgia
Atlanta 9to5
Atlanta Community Food Bank
Citizens Against Violence, Inc.
CITY OF COLLEGE PARK
Georgia Coalition Against Domestic Violence
Georgia Coalition to End Homelessness
Georgia Rehabilitation Outreach, Inc.
Georgia Rural Urban Summit
Northeast Georgia Council on Domestic Violence
Northwest Georgia Family Crisis Center
Polk County Women's Shelter
The Links, Brunswick Chapter
YWCA

Idaho
Idaho Community Action Network
Idaho Interfaith Roundtable Against Hunger
The Idaho Foodbank
United Vision for Idaho
Weeks and Vietri Counseling
YWCA of Lewiston ID-Clarkston WA

Illinois
B V
BJBE Sisterhood
C.E.F.S. Economic Opportunity Corporation
Chicago Jobs Council
Child Support in Illinois

Citizen Action Illinois
First Church of the Brethren
Gateway Coalition
Greater Chicago Food Depository
Griffin Center
Habitat for Humanity of Illinois
Illinois Coalition for Immigrant and Refugee Rights
Illinois Community Action Association
Illinois Hunger Coalition
Lady of Charity
Lake County Center for Independent Living
Office of Peace, Justice and Integrity of Creation,- Sisters of St. Joseph of La Grange, IL and Wheeling, WV
People's Resource Center
Project IRENE
Saratoga School
Sisterhood Temple Anshe Sholom
Women of Reform Judaism
Work Welfare & Families
Young Women's Christian Association
YWCA of Alton

Indiana
Community Harvest Food Bank of Northeast Indiana, Inc.
Feeding Indiana's Hungry
Holy Cross
Indiana Coalition on Housing and Homeless Issues
Lafayette Urban Ministry
Lighthouse Ministries
Orange County Child Care
Purdue University
REAL Services
Second Harvest Food Bank of East Central Indiana
Southwest Iowa Latino Resource Center
Temple Beth-El Sisterhood
YWCA
YWCA of Evansville, Indiana
YWCA of Fort Wayne

Iowa
Black Hawk County Health Dept.
Catholic Charities
Christian Worship Center
Community Action Agency of Siouxland
Council on Sexual Assault and Domestic Violence
Crisis Intervention Services of Mahaska County
Domestic Violence Intervention Program
Food Bank of Iowa
Iowa Citizen Action Network
Iowa Coalition Against Domestic Violence

Iowa Coalition for Housing & the Homeless
National Association of Social Workers - Iowa Chapter
Noble Photography, INC
Northeast Iowa Food Bank
Phoenix House
Presbytery of Des Moines
Primary Health Care
RESULTS Des Moines
Sisters of St. Francis, Clinton, IA
Vera French Housing Corporation
Waypoint Services
YWCA

Kansas
El Centro, Inc.
Inter-Faith Ministries' Campaign To End Childhood Hunger
Kansas Action for Children
Kansas Food Bank
Kansas National Organization for Women
Sisters of St. Joseph Justice and Peace Center
YWCA
YWCA Wichita

Kentucky
Big Sandy Area Development District
Dare to Care Food Bank
First Church of God Food Pantry
God's Pantry Food Bank
H.O.P.E., INC
Heaven's Harvest
None
WestCare Kentucky
Women Infant and Children, KY Dept. of Public Health
YouthBuild Louisville

Louisiana
Archdiocese of New Orleans
Avoyelles Head Start
Bread for the World New Orleans
Catholic Charities (Louisiana Family Recovery Corps.)
Catholic Charities Archdiocese of New Orleans
Crescent House
Daughters of Charity Services of New Orleans
Family Service of Greater New Orleans
Food For Families
Harry Tompson Center
HIPPY Program
Jesuit Volunteer Corp: South
Kingsley House
Leadership Conference of Women Religious (LCWR)

LUNCH Program

Maine
Aroostook County Action Program
Community Partners in Ending Hunger: Old Town area
Healthy Living
Hope Haven Gospel Mission
Maine Center for Economic Policy
Maine Developmental Disabilities Council
Maine Equal Justice Partners
Maine People's Alliance
Methodist Conference Home, Inc
Neighbor's Cupboard
Owls Head Central School
Partners in Ending Hunger
Portland West, Inc.
Project FEED, Inc.
Sisters of St. Joseph
SP Food Cupboard
The Residential Care Consortium
United for a Fair Economy
Waterville Area Bridges for Peace & Justice

Maryland
GUIDE Youth Services
Manna Food Center
National Association of Social Workers, Maryland Chapter
Pax Christi Montgomery County
Progressive Maryland
Public Justice Center
Stepping Stones Shelter
Through The Kitchen Door International, Inc.
Upper Shore MD WIC
Women of Reform Judaism

Massachusetts
Action for Boston Community Development, Inc.
American Red Cross
Arise for Social Justice
ARTichoke Food Cooperative
Boston Medical Center - Medical-Legal Partnership for Children
Children's Sentinel Nutrition Assessment Program
Community Action
Community Action Agency of Somerville (CAAS)
Community Advocates of Cape Cod
Community Connections
Community Partners
Fans With Cans
First Call for Help Hampshire County

HomeStart, Inc
Jewish Federation of Western MA
Kids Project
Massachusetts Coalition for the Homeless
Massachusetts Law Reform Institute
MIRA Coalition
Parent Child Development Center
Project Bread-The Walk for Hunger
Project Hope
Rosie's Place
Somerville Homeless Coalition
South Coastal Counties Legal Services
Stavros Center for Independent Living
The Congregational Church of Topsfield, MA
The Food Bank of Western Massachusetts
The Open Door/Cape Ann Food Pantry
Western Massachusetts Legal Services, Inc.

Michigan
Ann Arbor RESULTS
Barry-Eaton District Health Department
Center for Civil Justice
Community Action House
Community Housing Alternatives
Covert Public Housing Commission
Economic Justice Commission
Elder Law of Michigan, Inc.
Food Bank Council of Michigan
Gleaners Community Food Bank
Housing Services for Eaton Co
Ionia Housing Commission
Iron Mountain Housing Commission
Katherine's Catering, Inc.
Leadership Team Sisters of Mercy Detroit
Madison Property Company
Michigan Citizen Action
Michigan State University Extension
National Commodity Supplemental Food Program Association
National Council of Jewish Women, Greater Detroit Section
Oakland County Welfare Rights Organization
RESULTS, Kalamazoo, MI
Sault Ste. Marie Housing Commission
SOS Community Services
The Bottle Crew
The Corner Health Center

Minnesota
Community Emergency Service
Dorothy Day Food Pantry
Erickson Rehab Services

Family Pathways
Four Crosses Lutheran Parish
Freeborn Co. Public Health
Grace Lutheran
Hunger Solutions Minnesota
Justice, Peace & Integrity of Creation Advisory Committee
Long Prairie Emergency Food Pantry
Minnesota Children's Platform Coalition
Minnesota FoodShare
NWCSA-WIC program
Providers Choice
Residents for Affordable Housing
Second Harvest Heartland
Second Harvest North Central Food Bank
Second Harvest Northern Lakes Food Bank
St. Luke's
Tri-Community Food Shelf
YWCA of Minneapolis

Mississippi
MS Human Services Coalition
Public Policy Center of Mississippi

Missouri
CSJ
Daughters of Charity
Daughters of Charity-St. Louis
Daviess County Health Dept
East Missouri Action Agency, Inc.
Gatekeepers of KC
Higbee Senior Citizens Center
Institute for Peace and Justice
Jewish Community Relations Council
Missouri Progressive Vote Coalition
Missouri Association for Social Welfare
Missouri Budget Project
Northside Senior Citizen Center
RESULTS St. Louis
Sisters of St. Joseph
Sisters of St. Joseph of Carondelet, St. Louis Province
Sisters of the Most Precious Blood
Southside Welfare Rights Organization
Start Talking In Kansas City
The SCORE Foundation
Truman Medical Centers

Montana
Child Care Partnerships
Child Care Resources
Human Resources Council, District XII

McArthur Consulting
Missoula Aging Services
Montana Food Bank Network
Montana People's Action
Montana People's Action / Indian People's Action
Plentywood, Redstone, and Scobey United Methodist Churches

Nebraska
Action For Healthy Kids
Building Strong Families Fun
Center for People in Need
Columbus Community Hospital
Family Service WIC Program
Good Shepherd Lutheran Community
Nebraska Advocacy Services, Inc.
Nebraska Appleseed Center for Law in the Public Interest
Western Community Health Resources
YWCA Grand Island

Nevada
American College of Nurse-Midwives, Dist., Chapter 20
Berkley and Associates
Nevada Desert Experience
Nevada Public Health Foundation
People of Faith for Social Justice
Progressive Leadership Alliance of Nevada

New Hampshire
Children's Alliance of New Hampshire
Disabilities Rights Center, Inc.
Morning Star Martial Arts
Nashua Soup Kitchen & Shelter
New Hampshire Citizens Alliance

New Jersey
Association for Children of New Jersey
Center for Food Action in NJ, Inc.
Community FoodBank of NJ
Community Outreach Group
Freehold Area Open Door,, Inc.
Housing Community Development Network of NJ
Mercer Street Friends Food Bank
Mid-Atlantic Regional Anti-Hunger Coalition
Migration and Refugee Services Diocese of Trenton
New Jersey Anti-Hunger Coalition
New Jersey Citizen Action
Reformation Food Pantry
St. Anthony's Social Justice Group
Stelton Baptist Church
Tabatchnick Fine Foods, Inc.

The Crisis Ministry of Princeton and Trenton
The New Jersey Chapter of the National Association of Social Workers

New Mexico
2nd Harvest Roadrunner Food Bank
Casas de Vida Nueva
Central United Methodist Church
Democracy for New Mexico
Hunger and Poverty Network of Northern New Mexico
Navajo United Methodist Center
New Mexico Association of Food Banks
New Mexico PACE
New Mexico Voices for Children
NM Center on Law and Poverty
NM Task Force to End Hunger
RESULTS-Santa Fe

New York
Albany Damien Center
Alianza Dominicana
Bethesda Missionary Baptist Church
Blanche Memorial Church
Brooklyn AIDS Task Force
Burke Adult Center
Caring Hands Soup Kitchen @ Clinton Avenue United Methodist Church
Cathedral Emergency Services
Cathedral Social Service
Catholic Charities Chemung/Schuyler/Tioga Counties Justice and Peace Ministry
Catholic Charities of the Diocese of Albany
Cattaraugus County Women Infant Children's Program
Central Harlem Sobering Up Station
Central New York/Utica Citizens in Action
Chenango County Catholic Charities
Chiz's Heart Street
Christ Church Food Pantry
Church of St. Vincent de Paul
Citizen Action of New York
Clinton Avenue United Methodist Church
Clinton County WIC Program
ComLinks, Community Action Partnership
Community Caring Food Pantry
Community Food Pantry
Coney Island Hospital WIC Program
Copes Network Center Inc
Cornell Cooperative Extension, Schenectady County
Council of Jewish Orgs of Staten Island
CypressHills Child Care Corp.
Daily Bread Soup Kitchen
Emergency Food & Shelter Program
Empire Justice Center

Family of Woodstock, Inc.
Food Bank Association of NYS
Food Bank For New York City
Food Bank of Central New York
Food For All
Food Pantries for the Capital District
FoodChange
Fox House
Friendly Hands Ministry
Full Gospel Tabernacle/Bedstuy Campaign Against Hunger
GardenShare
Grassroots Gardens of Buffalo
Haber House Senior Center
Hamilton County Community Action Agency
Hands Across Long Island
Harlem Tenants Council
Health & Welfare Council of Long Island
Helping Hands Food Pantry
Holy Cross Head Start
Homeless Alliance of Western New York
Hoosick Area Food Closet
Hope Center Development Corporation
Immaculate Heart of Mary Food Pantry
Interfaith Food shelf
Island Harvest
Jewish Family Services of Ulster County
Journey To Life Center
Journey to Life Ministries
Justice & Peace Office-Catholic Charities
Lenox Hill Neighborhood House
Linger Tours
Living Resources
Love Reaches Out Food Pantry
Meals on Wheels of Syracuse, New York Inc.
Medical and Health Research Association of New York City, Inc.
Neighbors Together
New Jerusalem Community
Nutrition Consortium of NYS
Nutritional Counseling Service
NYC Coalition Against Hunger
NYS Coalition for the Aging, Inc.
Orleans Community Action Committee/Child Care Resource & Ref
Pearl River SDA Church Food Program
Pro Action of Steuben and Yates Inc
Project Hope Food Pantry
Queens North Community Center
Reach Out Food Pantry
Reaching-Out Community Service
Regional Food Bank of Northeastern New York
Rescue Ministries Inc.

Schuyler Center for Analysis and Advocacy
Secular Franciscan Order
Sisterhood of Temple Beth Am
Society of Jesus, NY Province
Solidarity Committee Capital District
St Augustine Food Pantry
St. Andrews Mission Food Pantry
St. Mary's Episcopal Church Soup Kitchen
St. Paul's Food Pantry
St. Rose Food Pantry
Stapleton U.A.M.E. Church
The Committee for Hispanic Children and Families
The Father's Heart Ministries
The HopeLine
The Poughkeepsie Farm Project
The Regional Food Bank of Northeastern New York
The Salvation Army
The WIC Association of NYS, Inc.
Tompkins County WIC New York
Town of Colonie Senior Resources
Ulster County Department of Social Services
United Way of New York State
Urban Justice Center
Village Temple Soup Kitchen
West Side Campaign Against Hunger
Whitney M. Young Jr. Health Center
Williams Enterprises
Women of Reform Judaism
Women of Reform Judaism of Temple Beth El
Young Women's Christian Association of Cortland, NY
YWCA
YWCA Elmira and the Twin Tiers
YWCA of the Adirondack Foothills
YWCA Syracuse & Onondaga County
YWCA Troy-Cohoes
YWCA-WNY

North Carolina
Halifax-Warren Smart Start
Legal Services of Southern Piedmont
NC Justice Center
New Hanover County Health Dept
North Carolina Association of Local Nutrition Directors
North Carolina Fair Share
Onslow Community Ministries Soup Kitchen
Second Harvest Food Bank of Northwest NC
Sisters of Mercy
St. Brendan the Navigator Loaves and Fishes Pantry
St. Brendan the Navigator Social Concerns Committee
St. David's Episcopal Church

The Advocacy for the Poor
The Servant Center, Inc.
Tri County Community Health Center WIC Program
Urban Ministries of Wake County

North Dakota
1st Presbyterian Church
Central Dakota Ministerial Food Pantry
Community Action Program Region VII, Inc.
Community Action Regio VI
Community Emergency Food Pantry
Family Recovery Home
Great Plains Food Bank
Hazen Food Pantry
Hillsboro Food Pantry
HIT, Inc.
Lansford Food Pantry
Living Waters Family Worship Center
Lutheran Disaster Response/Lutheran Social Services ND
Lutheran Social Services
Lutheran Social Services of ND
McLean Family Resource Center
McLean Family Resource Center
MHA/Fargo Social Club
Minot Community Supper
Minot Housing Authority
Nokomis Child Care Centers I & II
North Dakota People.Org
Our Lady of Grace Food Pantry
Parshall Resource Center
Red River Valley Community Action
Richland Wilkin Emergency Food Pantry
SMP Health System
The Episcopal Church
The Lord's Cupboard Food Pantry & Taste of Heaven Soup Kitchen
The Salvation Army
Women's Action and Resource Center
YWCA
YWCA Cass Clay
Zion Lutheran Church

Ohio
Call to Renewal of Summit County
Catholic Charities
Cleveland Foodbank, Inc.
Coalition on Homelessness and Housing in Ohio
Council on Older Persons
Cuyahoga County WIC Program
Dominican Sisters of St. Mary of the Springs
Faith Ministries Food Pantry

First Congregational UCC
Goodwill Industries of Lorain County
Hamilton Living Water Ministry, Inc.
Hitchcock Center for Women, Inc.
LaGrange Lions Community Foundation
Lutheran Social Services
Management Assistance for Nonprofit Agencies
Mid-Ohio FoodBank
Miller Avenue United Church of Christ
Neighborhood Housing Association
Ohio Association of Second Harvest Foodbanks
Ohio Empowerment Coalition
Ohio Jewish Communities
Ohio Partners for Affordable Energy
Padua Center
Plymouth-Shiloh Food Pantry
Primed Physicians
Project Hope
Results-Columbus
Sanctuary Community Action
Second Harvest Food Bank of Central Ohio
Second Harvest Food Bank of North Central Ohio
Second Harvest Food Bank of the Mahoning Valley
Sisters of St. Francis, Sylvania, Ohio
Southview Baptist Church Food Pantry
St. Rita Hunger Program
St. Vincent de Paul Food Pantry
The Center for Community Solutions
The Foodbank, Inc.
The Love Center Food Cupboard
Toledo Area Ministries
Toledo NW Ohio Food Bank
Young Women's Christian Association of Hamilton
YWCA Eastern Area
YWCA Great Lakes Alliance
YWCA of Alliance
YWCA of Greater Cincinnati
YWCA of Hamilton
YWCA of Salem

Oklahoma
Osage Monastery
Regional Food Bank of Oklahoma

Oregon
Community Action Directors of Oregon
Community Information Center, Inc
Congregation Beth Israel Sisterhood
Non Profit Funding Solutions
Oregon Action

Oregon Hunger Relief Task Force
ROSE Community Development
Salem/Keizer Coalition for Equality
Women's Rights Coalition

Pennsylvania
Bernardine Center
Borough of Leetsdale Fire Department
Brethren Housing
Catholic Charities
Catholic Charities of the Diocese of Greensburg PA
Catholic Social Services
Central PA Food Bank
Central Pennsylvania Food Bank
Centre County Food Bank Network
Chester County Cares
Community Action Committee of the Lehigh Valley
Corner Cupboard Food Bank
Ebenezer Church
Enhanced Care Coordination Management
Erie Tenant Council
Family Health Council of Central Pennsylvania
Family Planning Council, Philadelphia
Family Services of NW PA
First Presbyterian Church of Towanda, Pa
Five Barley Loaves Food Bank
Friends Neighborhood Guild
Greater Pittsburgh Community Food Bank
GreyNuns of the Sacred Heart
Hanover Hospital
Health Promotion Council
Hunger Nutrition Coalition of Bucks County PA
Information & Referral of South Central Counties, Inc.
JCCs Klein Branch
Jewish Federation of Greater Philadelphia
JSPAN, Jewish Social Policy Action Network
Just Harvest
Lebanon County Christian Ministries
Maternity Care Coalition
Mision Santa Maria, Madre de Dios
Montco Community Action Development Commission
Montgomery County Community Action Development Commission
Montour County Human Services
Most Holy Trinity Church
Nutrition Action Group, Huntingdon PA.
PathWaysPA
Pennsylvania Association of County Human Services Administrators
Pennsylvania Association of Regional Food Banks
Pennsylvania Council of Churches
Pennsylvania Hunger Action Center

Pennsylvania Partnerships for Children
Philadelphia Health Management Corporation
Pleasant Valley Ecumenical Network
Pocono Healthy Communities Alliance
PrimeTime Health
Rainbow Kitchen Community Services
Rankin Christian Center
Second Harvest Food Bank of Lehigh Valley and Northeast PA
SHARE Food Program, Inc.
Sisters of Mercy
Sisters of St. Francis of the Providence of God
Social Justice Committee, Wayne Presbyterian Church
Trinity Soup Kitchen
UBCA Community Trust for Family Life Improvement, Inc.
United Neighborhood Centers of Northeastern Pennsylvania
Urban Nutrition Initiative
Wayne County Food Pantry
Westmoreland County Food Bank
YMCA/YWCA of Hazleton
YWCA of Hanover
YWCA of Lancaster
YWCA of Pottsville
YWCA Philadelphia

Rhode Island
CHA
Farm Fresh Rhode Island
George Wiley Center
RI Ocean State Action
University of Rhode Island

South Carolina
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The Black Children's Institute of TN
West Tennessee Legal Services

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Capital Area Food Bank of Texas
Center on Public Policy Priorities
Cooper Securities
Covenant Health System
Daughters of Charity
Food Bank of West Central Texas
God's Army/Praying Women in Action
La Fe Policy and Advocacy Center
National Association Diocesan Ecumenical Officers
North Texas Food Bank
RESULTS-Austin
San Antonio Food Bank
South Plains Food Bank
United Way of San Antonio
West Texas Food Bank
Williams-Russell & Johnson, Inc.
Women's International League for Peace and Freedom
Woodland City Alliance of Tenants

Utah
Coalition of Religious Communities
Crossroads Urban Center
Disabled Rights Action Committee
Peace & Justice Commission
Primary Children's Medical Center
Salt Lake Community Action Program
Slow Food Utah
The Anti-Hunger Action Committee
The Golden Rule Mission
Utah Community Action Partnership Association
Utahns Against Hunger

Vermont
Vermont Campaign to End Childhood Hunger
Community & Economic Development Office
AmeriCorps* VISTA
Interfaith Summer Lunch and Recreation, Middlebury
Rock Point School
United Way of Chittenden County
Lamoille Valley Peer Navigator
Richford Health Center
Vermont Protection & Advocacy, Inc.
Salvation Farms
Coordinate Statewide Housing Services of Champlain Valley Office of Economic Opportunity
Northern Tier Center For Health
St. Dunstan's Episcopal Church
Bellows Falls Community Garden
Winooski Recreation Dept.
Food Works
Northgate Housing, Inc.
Vermont Coalition for Disability Rights
Hartford Housing Authority
Vermont FEED
A Sense of Wonder Childcare
Opportunities Credit Union
Champlain Valley Agency on Aging
S. Burlington High School
Vermont Center for Independent Living
Chittenden Community Action
Pittsford Foodshelf
Project Haiti VT
United Church of Christ
United Way of Bennington County
Housing Vermont
Bennington Housing Authority
Project Against Violent Encounters
Lunenburg / Gilman / Concord Senior Citizens Inc
Springfield Housing Authority
WomenSafe
United Way of Southern Windsor County
Montpelier Housing Authority
North Country Coalition for Justice & Peace
Highgate Non-Profit
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Child Care Resource
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Montpelier Food Pantry
Another Way
South Burlington High School
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Vermont Conference of the United Church of Christ

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Early Childhood Council of Windham County
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University of Vermont
Vermont Affordable Housing Coalition
Addison County Parent/Child Center
Healthy City Youth Farm
Oxbow Senior Independence Program
Rockingham Area Community Land Trust
Randolph Area Community Development Corporation
Malletts Bay Congregational Church
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Global Community Initiatives
Warren United Church
Women Helping Battered Women, Inc.
Johnson Food Shelf
Friends of Burlington Gardens
United Way of Lamoille County
Umbrella
River Arts of Morrisville, INC
Parent/Child Center Network
Laraway Youth & Family Services
Vermont Achievement Center
First Congregational Church of Christ
V-Line Transportation, LLC
Northgate Residents' Ownership Corp.
Vermont Community Loan Fund
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Vermont Parent Information Center
MacWorks
Central Vermont Council on Aging
Springfield School District

Voices for Vermont's Children
Vermont Legal Aid, Inc.
Spectrum Youth and Family Services
Economic Services, Agency of Human Services, State of Vermont
Heineberg Senior and Community Center
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Rutland County Women's Network & Shelter
Darling Inn Senior Meal Site
King Street Youth Center
Montpelier Sr. Meals Program
Community Health Center of Burlington
Meals on Wheels of Lamoille County
Milton Family Community Center
Woodbury Calais Food Shelf
Morningside Shelter
Vermont Foodbank
Franklin County Senior Center
Springfield Family Center
Nativity/St.Louis Foodshelf
Lamoille Community Food Share
Grace's Kitchen
University of Vermont Extension
Learning Works
Winooski Police Department
Cafe Services
Washington County Youth Service Bureau, Boys & Girls Clubs
Orange County Parent Child Center
St. Francis of Assisi Church
Barton Senior Center
Champlain Valley OEO
Episcopal Diocese of Vermont
People of Addison County Together
PeaceVermont

Virginia
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Blue Ridge Independent Living Center
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Federation of Virginia Food Banks
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Virginia Community Action Partnership
Virginia Poverty Law Center
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Greater Seattle Dietetic Association
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Lifelong AIDS Alliance
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MultiCare Health System
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North Whidbey Help House
Northwest Harvest
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OPERATION: Sack Lunch
ReachOut Food Bank
Rotary First Harvest
Sea Mar Community Health Center
Seattle Food Committee
Sexual Assault Center of Pierce County
Solid Ground
South Sound Outreach Services
St. James Family Center
St. Vincent Center
Statewide Poverty Action Network
The Food Connection
The Gleaners Coalition
Thurston County Food Bank
Toppenish Community Chest Food Bank
University District Food Bank

Volunteers of America Western Washington
WA State Anti-Hunger and Nutrition Coalition
WA State Food and Nutrition Council
Washington Association of Local WIC Agencies
Washington Community Action Network
Washington State Coalition for the Homeless
Washington State Farmers Market Association
Western Region Anti-Hunger Consortium
YWCA Wenatchee Valley

West Virginia
Direct Action Welfare Group
Harrison County Democracy for America
Rosey Futures Social Work Services, Inc
Statewide Independent Lining Council
Ursuline Sisters
Verizon Engineering
West Virginia Citizen Action Group

Wisconsin
16th St. Community Health Center WIC
9to5 Poverty Network Initiative
Caritas
Citizen Action of Wisconsin
Clark County DSS
ECHO, Inc.
EINPC
ESA
Hunger Prevention Council of Dane County Wisconsin
Hunger Task Force
Racine Dominicans
St. Bede Monastery
Wisconsin Community Action Program Association
Wisconsin Council of Churches
Wisconsin Council on Children and Families

National CSFP Association

Website: www.csfpcentral.org

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Written Testimony
The Role of Federal Food Assistance Programs
In Family Economic Security and Nutrition
United States Senate
Committee on Agriculture. Nutrition, and Forestry
328A Senate Russell Office Building
Washington, DC 20510-6000

Submitted by
Frank Kubik
President
National Commodity Supplemental Food Program Association

The COMMODITY SUPPLEMENTAL FOOD PROGRAM

The Commodity Supplemental Food Program, CSFP, was the nation's first federal food supplementation effort with monthly food packages designed to provide protein, calcium, iron, and vitamins A and C. It began in 1969 for low-income mothers and children and preceded the Special Supplemental Nutrition Program for Women, Infants, and Children known as WIC. Pilot programs in 1983 added seniors to the list of eligible participants.

The USDA purchases specific nutrient-rich foods at wholesale prices for distribution to those eligible for CSFP. Within states, agencies such as the Department of Health, Agriculture or Education are designated to operate CSFP. These state agencies contract with community and faith based organizations to warehouse, certify, distribute and educate individual participants every month. The local agencies build broad coalitions between private non-profits, health units, and area agencies on aging so that seniors can quickly certify and receive their monthly supplemental food package along with nutrition education to improve their quality of life. This design of a public-private partnership effectively reaches even homebound seniors.

Foods such as canned fruits and vegetables, juices, meats, fish, peanut butter, cereals and grain products, cheese, and other dairy products increases healthy food consumption among these low-income populations.

The CSFP is an important outlet for the types of food commodities supported under various farm programs, as well as an increasingly important instrument in meeting the nutritional and dietary needs of special low-income populations.

CSFP – Reach and Coverage

In FY2006, the CSFP operated through 150 non-profit agencies and over 1,800 sites located in 32 states, the District of Columbia, and two Indian reservations (Red Lake, Minn. and Oglala Sioux, SD).

13 states do not have the program at all, despite the existence of malnutrition and hunger as well as growing senior populations in those states. The limited numbers of projects and states operating CSFP has made it difficult to provide nutrition support and hunger relief to many seniors with inadequate diets and income.

Originally created to serve low-income pregnant and postpartum women, infants and young children as part of the nation's war on poverty, CSFP participation has shifted over the years in response to changing needs and expanded services delivered to this target group through other programs (notably WIC).

Currently 90% of the CSFP national participation is seniors. This proportion varies considerably by state. Variations among the states in the proportion of seniors served are based on historical service patterns and the enforcement of priority service and funding requirements that make it difficult for projects in some states to serve the needy seniors in their areas. The shift to senior caseload in the CSFP is a consequence of several factors, including the growing numbers of low-income seniors with poor nutrition and health conditions.

In a recent CSFP survey, senior participants in a household of one, more than one-half reported an income of less than $750 per month. Of those in a household of two who responded to the survey, more than half reported an income of less than $1,000 per month.

Currently priority is set for women and children nationwide, while each state's CSFP serves needy populations in their project area that may vary substantially with respect to age. Given the changing demographics of needy populations, broader access to WIC and other maternal and child health programs, and disparate need among states, it may be time to change the current law priority.

All low-income seniors should have the advantage of direct nutrition assistance in the form of proper foods with nutrition services and education. A national program, available to all states would address this growing need. And, it would help garner support for farm commodity and price support programs that are an integral part of U.S. agriculture policy.

Six out of the top ten states with the highest concentration of persons aged 65 and over (Arkansas, Connecticut, Florida, Maine, Rhode Island and West Virginia) do not have a CSFP.

With the aging of America, CSFP should be an integral part of the USDA Senior Nutrition Policy. Emphasis and attention now need to turn toward seniors' quality of life and productivity.

Measures to show the positive outcomes of nutrition assistance to seniors must be strengthened. A 1997 report by the National Policy and Resource Center on Nutrition and Aging at Florida International University, Miami, Elder Insecurities: Poverty, Hunger, and Malnutrition indicated that malnourished elderly patients experience 2 to 20 times more medical complications, have up to 100% longer hospital stays, and incur hospital costs $2,000 to $10,000 higher per stay. Proper nutrition promotes health, treats chronic disease, decreases hospital length of stay and saves health care dollars.

CSFP would benefit by new initiatives to:

- Demonstrate individual and program outcomes of CSFP;
- Restore financial guidelines for seniors to the original level of 185% of poverty;
- Set "greatest need within a project area" as the priority for service or let each state set its priority for service under a plan approved by the Secretary of Agriculture;
- Implement programs in the 5 states that already have approved plans to operate CSFP (Arkansas, Delaware, New Jersey, Oklahoma, Utah).

This program continues with committed grassroots operators and volunteers. The mission is to provide quality nutrition assistance economically, efficiently, and responsibly always keeping the needs and dignity of our participants first. We commend the Food and Nutrition Service of the Department of Agriculture and particularly the Food Distribution Division for their continued innovations to strengthen the quality of the food package and streamline administration.

Respectfully Submitted by:

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CSFP Background Information:

The CSFP is authorized through FY2007 under Section 4(a) of the Agriculture and Consumer Protection Act of 1973, as amended by the 2002 Farm bill (P.L. 107-171).

In 2000, 35 million (or about 1 of every 8) Americans were aged 65 or older;

After reaching an historic low of 3.2 million in 1999, the poverty rate among the elderly increased from 3.2 million in 1999 to 3.4 million in 2001;

According to the U.S. Census Bureau, in 2001, 2.2 % of the elderly population lived in severe poverty (less than 50% of poverty threshold)

The close connection between poverty and hunger suggests that many of America's senior citizens are at risk of food insecurity and hunger;

Non-discretionary demands such as high health care costs and special dietary needs associated with aging present special problems for the elderly living on low-and fixed incomes. The CSFP provides food packages geared to the special needs of its elderly population.

In 2000, nearly half of ALL older Americans lived in 9 states – California, Florida, New York, Texas, Pennsylvania, Ohio, Illinois, Michigan, and New Jersey. There is no CSFP operating in two of those states (FL, NJ), and California and Texas are unable to serve many of their elderly through the CSFP because of caseload restrictions.

CFFP –Funding and Participation

The House passed agriculture appropriations measure for FY2007 (H.R.5384) would fund the CSFP at a total of $118.3 million; the Senate Appropriations Committee markup (Senate Report 109-266) would fund it at a total of $108.3 million. Currently the program is being funded under Continuing Resolution (H J 102).

For FY2006 CSFP participation was 462,000 (91% elderly and 9% women, infants and children).

The program was originally operated by the Secretary of Agriculture under the authority of the FY1969 Department of Agriculture and Related Appropriations Act (P.L. 90-463), and subsequent annual appropriations laws. These laws allowed the use of Section 32 funds and government held commodities to supplement the diets provide of needy mothers and children, until 1977. The Agriculture and Consumer Protection Act of 1973 authorized direct appropriations for the CSFP, which have been its major funding source since 1977. AK, AZ, CA, CO, DC, IL, IN, IO, KS, KY, LA, MI, MN, MO, MS, MT, NC, ND, NE, NH, NM, NV, NY, OH, OR, PA, SC, SD, TN, TX, VT, WA, WI, RL/MN, OS/ND currently operate CSF programs.

Funding for the operation of a CSFP for the low-income elderly began with the authorization of two 2-year pilot projects for the elderly under the 1981 Farm bill (later expanded to three projects). The 1985 Farm bill extended the pilot project authorization and permitted all CSFP agencies to add elderly to their caseload if they had funds sufficient to serve all eligible mothers and children. The 1990 Farm bill addressed problems associated with determinations of excess funding for service to eligible elderly persons. The 1990 Farm bill maintained the priority for service to women and children, but authorized a new, separate CSFP for the elderly. The changes did not alter the allowance for regular CSFPs to convert caseload to elderly service when sufficient funds and USDA conditions permitted.

NEW AMERICA FOUNDATION

ASSET BUILDING PROGRAM

NEW AMERICA FOUNDATION

Testimony of

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Committee on Agriculture, Nutrition and Forestry U.S. Senate

Hearing on
"Federal Food Assistance Programs"

January 31, 2007

Thank you for providing me with the opportunity to testify before the Committee on Agriculture, Nutrition and Forestry on the Food Stamp Program. My name is Rourke O'Brien and I am a Policy Analyst with the Asset Building Program at the New America Foundation, a non-partisan think tank here in Washington, D.C. The focus of my testimony is on the asset test for eligibility in the Food Stamp Program

The asset test is the provision of current law which requires applicants for major income-support programs to demonstrate that they posses little in the way of savings or assets in order to qualify for assistance. The asset limit for determining eligibility varies widely across programs. The federal government sets the asset limit for food stamps, SSI, and Medicaid, while states retain (and exercise) the flexibility to set asset eligibility guidelines for TANF and S-CHIP.[1] **My main message to the Committee is the asset test in the Food Stamp Program creates many more problems than it's worth.**

Based on research conducted by myself and others, it is clear that asset limits negatively affect the economic behavior of low-income families by discouraging saving. Asset limits penalize the poor who save with a reduction or loss of benefits. This policy leads many low-income families to avoid formal financial institutions, and forces families to deplete retirement and education savings accounts before qualifying for assistance. In short, it is bad policy that needs to be changed.

The Farm Bill presents an opportunity for the Federal Government to address these problems and get it right.

Eliminating assets from consideration for food stamp assistance would provide families with the ability to save without jeopardizing their eligibility for assistance down the road. Removing the asset test would also reduce the administrative burden of caseworkers and begin to reverse the perception that government programs prohibit savings. Several states have already taken this step and others are in the process of following suit to liberalize asset tests in major income-support programs.

Beyond the outright elimination of the asset test, a series of other reforms could also make a sizeable difference. These include raising the asset limit, indexing the limit to inflation, and excluding all accounts deemed inaccessible. Enacted in concert, these proposals could enable low-income families to save for retirement and higher education without suffering a loss in food stamp assistance.

Asset Tests Undermine Essential Asset Building Activities

Over the last decade an emerging consensus has developed among researchers, policymakers, and practitioners around the importance of enabling low-income persons to save and build wealth.

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[1] For more on asset limits in government programs, See: Parrish, Leslie. *To Save or Not to Save? Reforming Asset Limits in Public Assistance Programs to Encourage Low-Income Americans to Save and Build Assets.* New America Foundation: May, 2005.

This is based on a recognition that assets are more than simply suspended income or a means to smooth consumption over time. According to the Center for Social Development, the presence of savings and even small asset holdings by a household is associated with a range of positive outcomes, including increased economic stability, educational attainment and performance, and health and psychological well-being.[2] Assets provide families with the ability to weather income shocks resulting from illness or unemployment. Savings also provides individuals the opportunity to invest in higher education and skills training to increase their economic competitiveness. Increasing the number of households that save and the amounts that they save will allow more Americans to achieve greater control, security, independence, and choice in their lives.

The government should be encouraging all American, especially low-income Americans, to save. Yet, with limited exceptions, the rules of our nation's public assistance programs aimed at such persons—Food Stamps, Medicaid, and TANF, for example—send the exact opposite message: Don't save. To enable the poor to achieve economic security these outdated asset limits should be revised or repealed while still employing other means—namely, an income test—to ensure that public assistance reaches only those who need it.

Without substantial reform, asset limits will remain a source of a confusing mixed message. On the one hand, lower-income people are told that they must save to get ahead but on the other hand, their savings will count against them as they seek assistance to do so.

THE EFFECT OF ASSET LIMITS

A growing body of evidence in a number of areas indicates that asset limits actively discourage low-income families from saving.

Banking

A consistent segment of the American population remains outside the financial mainstream often times relying on costly check cashing and lending institutions: 11% of households do not have a checking account and 9% do not have a transaction account of any kind (Federal Reserve, SCF).[3] Qualitative evidence conclusively demonstrates that low-income individuals avoid relationships with formal banking institutions, in part out of fear that owning a bank account would jeopardize their eligibility for public assistance (Edin 1993, O'Brien 2006).[4] As one man who receives public assistance explained, "well

[2] See *Key Questions in Asset Building Research,* Center for Social Development, http://gwbweb.wustl.edu/csd/

[3] See: http://www.federalreserve.gov/

[4] Edin, Kathryn. *There's a Lot of Month Left at the End of the Money: How AFDC Recipients Make Ends Meet in Chicago*. New York: Garland Press. 1993.
O'Brien, Rourke. Ineligible to Save? Asset Limits and the Savings Behavior of Welfare Recipients. New America Foundation: October, 2006

my reason [for not having a bank account] is you can't have so much money and get public assistance, and that's a way they can keep track of it, and you don't want the government finding out, ya know…you can only have so much money and get welfare." Asset limits discourage low-income families from saving in formal financial institutions, forcing them to turn to fringe financial institutions which charge substantial user fees.

Precautionary Savings

As stated already, advocates of asset building believe that savings and assets must be added to the mix of benefits offered to low-income families – that savings should be encouraged, not discouraged. Many families are only a medical emergency, layoff, divorce, or other disruption away from falling into poverty Asset limits compound this financial insecurity problem by forcing families to spend down their savings before getting on assistance, and not allowing them to build up adequate reserves while on assistance to help them move towards economic security.

Retirement Savings

Asset limits are particularly confusing when they are applied to retirement savings, as different types of retirement savings are treated in vastly different ways. If a worker's employer offers a retirement plan, it is usually either classified as a defined benefit (DB) or a defined contribution (DC) plan. DB plans pay out a regular monthly benefit after retirement whereas defined contribution plans, such as 401(k)s, are structured through individual savings accounts and do not guarantee a specific benefit level upon retirement.

While the food stamp program currently excludes 401(k)s from the asset test, IRA accounts are counted. Individuals who face temporary hardship and are in need of food stamp benefits must spend down their IRA retirement savings before qualifying for assistance. Once this family establishes economic self-sufficiency, their long term financial outlook has been devastated. Forced to entirely deplete their retirement savings before receiving food stamp assistance, these individuals are left to rely solely on social security in retirement.

REFORMS IN RELATED PROGRAMS

Many assistance programs have already had some reforms introduced in the past few years, with policymakers and program administrators deciding to eliminate or liberalize asset limits under their jurisdiction. For example, Ohio and Virginia have eliminated asset tests entirely from their TANF programs. Not only have these reforms enabled residents to save without fear of losing benefits, Virginia has reported a net administrative savings of over $400,000 annually.[5]

Furthermore, most states have eliminated the asset test for children applying for Medicaid; all federally-funded IDAs have been excluded from asset tests; and nearly all

[5] Mark Golden, Asset Policy in Virginia, Presentation at Center for Social Development State Policy Conference (April 21, 2005).

of the states have raised the asset and vehicle limits in programs in which they have that discretion. Dozens of states have already liberalized the asset test in TANF and it's time for the federal government to follow suit in making food stamp eligibility compatible with saving.

OPPORTUNITIES FOR REFORM IN THE FARM BILL

Eliminate the Asset Test in the Food Stamp Program.

Eliminating the asset test allows low-income families to qualify for temporary food stamp assistance without having to eliminate their precautionary "safety-net" or retirement savings. Removing the asset test will also streamline the application process, reducing government hassle and administrative expense. A full repeal is also necessary to counteract the powerful perception among applicants and caseworkers alike that saving is penalized in public assistance programs (O'Brien 2006). My own qualitative research makes it clear that clients and caseworkers alike fail to understand the nuances of eligibility policy. Only through a complete repeal will low-income families get the message that the government encourages saving.

While a complete elimination of the asset test is the only way to ensure that food stamp eligibility policy is not encouraging negative economic behavior, a series of other reforms would go a long way in making savings compatible with food stamp assistance.

Raise the Limit

The current asset test in the food stamp program is $2,000 per family or $3,000 if there is a disabled or elderly household member. This means that if a low-income family has managed to save $2,001 in an IRA or a 529 college savings account, they would be ineligible to receive food stamp assistance. If it is not eliminated, the asset limit must be raised to allow families to keep some of their nest egg for emergencies, retirement or college tuition.

Index the Limit to Inflation

The current asset limit has not been increased since 1985. In the last 22 years, the need for personal savings has increased as the costs of higher education and healthcare have skyrocketed. $2,000 can no longer be considered a suitable nest egg for low-income families. In order to avoid the gradual, yet real devaluing of the asset limit, this figure should be indexed to inflation.

Categorically Exclude 'Inaccessible Accounts'

In order to allow families to save for the cost of higher education, healthcare, and retirement, account products that levy a tax or other penalty for early or improper withdraws should be deemed 'inaccessible' and categorically excluded from the food stamp asset test. If these accounts are depleted, low-income families will be forced to rely

on greater government assistance to afford higher education, adequate healthcare and retirement support.

CONCLUSION

In order to achieve economic independence, low-income families must accumulate savings. Unfortunately, the federal government has signaled that those who save are deemed ineligible for food stamp assistance. The farm bill reauthorization presents an opportunity to correct this inconsistent message and align food stamp eligibility policy with the stated goal of providing families with assistance on the path to self-sufficiency. If we expect low-income families to afford to send their kids or college or invest for retirement, we cannot penalize saving.

For More Information:

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Testimony
on
The Role of Federal Food Assistance Programs
in
Family Economic Security and Nutrition

Submitted for the Hearing Record
by
The Society for Nutrition Education

February 6, 2007

Society for Nutrition Education ■ 7150 Winton Drive ■ Suite 300 ■ Indianapolis, IN 46268
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The Society for Nutrition Education (SNE) is pleased to submit the following statement for the Senate Agriculture Committee record for the hearing on the Role of Federal Food Nutrition Programs in Family Economic Security and Nutrition. As the Committee begins work on critical issues in the 110th Congress, you and your colleagues have the opportunity to protect and enhance the vitality of citizens by supporting initiatives to educate Americans on living healthful lives. SNE urges you to support public policies that promote effective nutrition education in an environment where this education can lead to health for all.

SNE believes the food and nutrition assistance programs such as the Food Stamp Program (FSP); the Special Supplemental Nutrition Program for Women, Infants and Children (WIC); the Farmer's Market Nutrition Programs for WIC and seniors; the School Meal Programs including Team Nutrition; the Fresh Fruit and Vegetable Program; and the Commodity Supplemental Food Program (CSFP) are all front line defenses in preventing hunger and food insecurity among families, especially children, older adults and families at highest risk, and also promote nutritional health.

As Congress reauthorizes the Farm Bill in 2007, SNE urges you to support a strong Nutrition title that reauthorizes and improves the Food Stamp Program and Food Stamp Nutrition Education (FSNE). We urge increased support for USDA's Expanded Food and Nutrition Education Program (EFNEP), in the Research Title. We also urge increased support for the Farmer's Market Nutrition Programs, the Fruit and Vegetable Program and the Commodity Supplemental Food Program. These programs are national priorities for the health of low income families and older adults. Please assure that the Farm Bill and the Fiscal Year 2008 Budget Resolution reflect these national priorities.

These recommendations and Congress's actions with the Farm Bill are made in the context of a United States where lifestyle-related diseases, such as obesity, diabetes, cancer and hypertension cost the economy over $117 billion annually, causing an ever increasing burden on tax payers and private industry. Nutrition education is critical to lowering risks for these diseases and saving our economy these escalating costs.

Also important to this context is the fact that the U.S. food supply is rife with nutrient-poor, inexpensive food choices while nutrient-rich choices, such as fresh fruits and vegetables are expensive, especially for low income individuals. At the same time, local producers have difficulty competing for market share in the current industrialized food system. Further, our agricultural production, and thus our food supply, is out of balance with the 2005 Dietary Guidelines for Americans. According to a recent report by the USDA Economic Research Service, "For Americans to meet the fruit, vegetable, and whole grain recommendations, domestic crop acreage needs to increase by an estimated 7.4 million harvested acres." Current agricultural subsidies favor a select and narrow set of commodities being grown that predominantly support large scale livestock operations and a highly processed food diet while not supporting fruit and vegetable production.

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Lastly, in this context, hunger and food insecurity continue at unacceptable levels for a country with our wealth. Too many people in our community are living with hunger or on the edge of hunger. National surveys document that more than 38 million Americans live in households that experience food insecurity. Research has demonstrated that WIC and Food Stamp recipients receive more nutrients in their diets than their low-income counterparts who do not take part in the programs.

These issues are of great concern to SNE as an international organization of nutrition education professionals who conduct research in education, behavior, and communication; develop and disseminate innovative nutrition education strategies; and communicate information on food, nutrition, and health issues to students, professionals, policy makers, and the public. SNE is prepared to work with you and the members of the Committee to address health issues through public policies that support effective nutrition education in a health- promoting environment.

SNE urges Committee members to craft a 2007 Farm Bill and FY 2008 budget which invests resources to make the U.S. food and agriculture system better able to advance public health, provide food and nutrition education for low income families, protect the environment and strengthen community-based food systems.

SNE's 2007 priority areas as they relate to the farm bill include:

Food Security

The Food Stamp Program

The Food Stamp Program is a crucial and effective investment in meeting the urgent needs of older adults, people with disabilities, children, and low-income working and unemployed adults. It has reduced the terrible consequences of malnutrition and has helped prevent the problem of hunger from becoming worse in our communities. More than 80 percent of food stamp benefits go to families with children, allowing their parents to obtain food at grocery stores for meals at home. Much of the remainder goes to older adults and persons with disabilities. Through the nationwide use of Electronic Benefit Transfer (EBT) cards, program utilization has been streamlined for transactions for consumers and store clerks, and EBT has quantifiably reduced the chances of program abuse.

Food Stamps pay dividends for low-income consumers, food producers and manufacturers, grocery retailers and communities. As food stamp purchases flow through grocery checkout lines, farmers' markets and other outlets, those benefits generate almost double their value in economic activity, especially for many hard-pressed rural and urban communities desperately in need of stimulus to business and jobs.

The Food Stamp Program's basic entitlement structure must be maintained while greater resources are provided to the educational components of the program and provisions that fight hunger in our communities. There are several key areas for program investment:

- Improve adequacy of benefits. Neither the average food stamp benefit level of $1 per person per meal, nor the $10 per household monthly minimum benefit is sufficient to

help program participants purchase an adequate diet. With limited funds to buy healthy food, people rely on cheaper foods that are high in fat, sugar and salt and low in essential vitamins, minerals and fiber. This has contributed to obesity and poor nutrition and has a negative impact on health.

- Improve access to health promoting foods in low income neighborhoods by supporting innovative community food security programs that focus on local foods and by expanding support of FSP Electronic Benefit Transfer capabilities at Farmer's Markets.

- Improve access to food and nutrition education through Food Stamp Nutrition Education.

    - Allow Food Stamp Nutrition Education to assist community food security projects and better utilize social marketing strategies to impact nutrition behaviors from a community perspective.

    - Encourage FSNE programs to meet the nutrition education needs of older adults as a priority area of the Program.

- Expand access to the Food Stamp Program. The Food Stamp Program reaches on average only 50% of the estimated eligible population and only 30% of older adults estimated eligible for the program. And hundreds of thousands more are just above eligibility cut off points. People in need of food but excluded from the FSP include working poor families and older adults with savings slightly above decades-old and outdated resource limits, many legal immigrants, and numerous indigent jobless people seeking employment. These populations are in need of more streamlined access to the program and its benefits.

- Continue program simplification and streamlining for caseworkers and clients. While food stamp outreach and nutrition education are achieving important advances, these efforts need more resources, and enrollments are hampered by shortfalls in state technology and supports. Too many eligible people—especially working poor and older adults—are missing out on benefits.

The Commodity Supplemental Food Program

The Commodity Supplemental Food Program (CSFP) provides food to pregnant women, children and older adults. SNE supports the Commodity Supplemental Food Program. Specifically:

- Change income eligibility to 185% poverty for all participants

- Provide foods that are targeted to the nutritional needs of older adults

- Expand CSFP to all states.

The Fresh Fruit and Vegetable Program

The Fresh Fruit and Vegetable program, piloted in the 2002 Farm Bill, has been a success in the states where it is being used by 25 schools. It is getting fruits and vegetables into the diets of children of all income groups, but especially those that come from low income families. Unfortunately this success is reaching only a very small percentage of America's children who have a dreadfully low intake of fruits and vegetables and would benefit greatly from this program. SNE recommends:

- Expansion of the Fresh Fruit and Vegetable program to all 50 states.
- Use of incentives for schools to purchase locally and regionally produced fruits and vegetables in the program.

Health Promoting, Sustainable Food Systems

SNE members believe there are critical links between agricultural policy in the Farm Bill, nutrition, and the health of all Americans. Using the Farm Bill to increase access to health promoting and sustainably produced foods for all America's citizens, especially those of low income, is a priority of SNE.

The Farmer's Market Nutrition Programs

The Farmer's Market Nutrition Programs (FMNP) for WIC participants and for seniors have been very successful. They both give health promoting local foods to participants, while at the same time open markets for local farmers. SNE specifically recommends:

- Expand funding for the Farmer's Market Nutrition Educations Programs for WIC participants and for Seniors.
- Expand the FMNP to FSP participants as an opportunity for participants to purchase health promoting local foods at farmer's markets.
- Simplify the Senior FMNP to reduce administrative burden.

Health Promoting Food Systems

Adjust agriculture production policy to be more consistent with and supportive of the 2005 Dietary Guidelines for Americans. Specifically:

- Support increased fruit and vegetable production in the United States by possibly expanding the list of commodity crops to include specialty crops such as fruits and vegetables for human consumption.
- Simplify regulations to allow schools to buy food from local farms, make allowances for providing fair prices to farmers selling to local schools, and support school wellness policies with funding to ensure that nutrition education can be provided.

- Create new and expanded food systems programs to help communities develop retail food markets, urban agriculture projects, and marketing networks to address the needs of underserved neighborhoods.

- Provide incentives and assistance for organic methods used by farmers by expanding the National Organic Certification Cost-Share Program to encourage more farmers to transition to organic production.

Nutrition Education and Research

The Farm Bill addresses nutrition education in the Research Title VII, as part of the Cooperative State Research, Education and Extension System through the state land grant universities through the Expanded Food and Nutrition Education Program (EFNEP). EFNEP operates in all 50 states and several territories and has been recognized by the Government Accounting Office as the most effective federal nutrition education program. Cost-benefit studies in several states have shown that for every dollar invested in EFNEP, health care costs can be expected to decline by at least $3.63 up to $10.00. An independent study by the Produce for Better Health Foundation assessed how federal programs were addressing the gap between current consumption patterns of fruits and vegetables and the recommended levels of intake. They reported that EFNEP is by far the most effective Federal program in increasing consumption of fruits and vegetables. SNE recommends:

- Expanding USDA's Cooperative Extension Expanded Food and Nutrition and Education Program, which has been proven cost effective in improving the diets of families and youth by working with them face-to-face in low-income communities.

- Expanding research to address the role of health promoting food and nutrition education in the prevention and intervention of disease.

- Supporting research and education related to community food security, sustainable agriculture and organic production, the risks of biotechnology, and food safety threats related to the use of antibiotics and hormones in dairy and livestock production.

School Food

We understand school food is not generally the purview of the Farm Bill, but the Farm Bill indirectly affects school food through the commodity program and other related programs. SNE is concerned that children often encounter nutritionally poor food and beverage choices in their schools at the same time schools are educating about health through good nutrition in the classrooms. This gives the message that good nutrition is a theory, but not important in the real world. SNE supports policies that promote a health promoting food environment along with nutrition education in all schools. Specifically, SNE recommends:

- Limiting foods of poor nutritional value in schools which compete with school food.

- Expanding funding for food and nutrition education in schools.
- Expanding the fruit and vegetable program in schools as addressed above.

The Society for Nutrition Education is committed to working with the Committee to address the nutrition-related challenges facing our country. We look forward to your support during the year in advancing public policies that promote effective nutrition education in an environment where this education can save our nation money and lead to better health for all.

We appreciate your consideration of our views. If you have any questions about our positions, please contact Mary Ann Passi, SNE Executive Director at 317-328-4627.

QUESTIONS AND ANSWERS

JANUARY 31, 2007

Mr. Nilsen: How many agents from FNS and the states do you estimate are available to monitor the 160,000 or so stores that participate in the FSP? How exactly do FNS and state agencies coordinate their activities? Do you have an opinion about whether FNS is generally more effective than the states in investigating these cases?

SENATOR CASEY

Questions:

Mr. Dostis: The Fruit and Vegetable Snack Program has been offered in Pennsylvania since 2002, providing fresh fruits and vegetables to school children, while at the same time benefiting our nation's farmers through direct commodity purchases. While my state is one of 14 which has a permanent authorization for the Snack program, the current statute mandates that a *maximum* of 25 schools across each state may participate. Last year, over 1,000 schools in Pennsylvania submitted applications, and the number should only rise in my state of 12 million. How would you advise Congress to proceed when it considers expanding this program in the 2007 Farm Bill? What would be a good rate for expansion, and how should it take place? Should Congress aim to bring the program to more states, or to increase the cap on eligible schools in the existing 14 participating states?

Mr. Dostis: As you mention in your testimony, the impact of food insecurity on our nation's children is especially pronounced. Our healthcare system is strained by the fight against obesity, and at the same time our public schools and counseling centers are struggling to address the mental and physical ailments suffered by those newborns, toddlers, and young children who simply cannot get enough to eat. How can the FSP be improved to address these specific concerns, both for children whose families already receive some sort of benefit, and for those who might not qualify, but simply do not get enough food in their bellies on a daily basis?

SENATOR CASEY

Mr. Kubik: What has your experience been with the plight of seniors who either qualify for restricted food stamp benefits or are shut out of the program completely? They might own a home or have some other asset which sets them above the allowable limit, but collect only a meager pension or greatly reduced Social Security benefit. In some cases, seniors might have to spend their income on expenses which are not specifically deducted from the gross income calculation, although they might be used, for example, in their personal medical care. Do you have first hand experience of this having occurred? Do you have any insight as to how these pitfalls might be avoided or rectified?

SENATOR CASEY

Mr. Greenstein: You note that the purchasing power of food stamp benefits has fallen over the last 10 years. Others have testified that this decline has driven food stamp recipients to buy less healthy foods. Do you think this trend could be reversed through changes in the food stamp program which might encourage the purchase of healthy and nutritious foods? How could this be done?

SENATOR CASEY

Opening Statement and Questions for the Record

Senator Norm Coleman

U.S. Senate Committee on Agriculture, Nutrition and Forestry
Hearing on the Role of Federal Food Assistance Programs in Family Economic Security and Nutrition

Wednesday, January 31, 2007

Opening Statement

It seems unbelievable to me that the greatest nation in the world, an estimated 153,769 households in Minnesota live with hunger or the threat of hunger (USDA).

As a member of the Senate Foreign Relations Committee, I've spent a lot of time addressing the Nation's war against terror, but I couldn't agree more with President John F. Kennedy who once declared, "the war against hunger is truly mankind's war of liberation."

Responsible for a wide range of federal nutrition programs, the Farm Bill plays a leading role fighting this war. Farm Bill programs like the Food Stamp Program, the Emergency Food Assistance Program (TEFAP), the Commodity Supplemental Food Program (CSFP), among others, make up the foundation of the government's safety-net for those struggling to put food on the table.

I'm particularly concerned that as Farm Bill reauthorization moves forward, the cornerstone of our nutrition programs, the Food Stamp program is maintained and improved where possible. 259,937 Minnesotans use food stamps to buy food every month, which amounts to 5.1 percent of the Minnesotans -- clearly the Food Stamp program is making a real impact in my state.

And, the Food Stamp program isn't about handouts, but a humanitarian helping hand -- Minnesota food stamp households receive, on average, only 98 cents per person per meal in food stamp benefits. This isn't much, but

it's a lot for financially strapped families, and most do go to families – 80 percent to households with children.

Though the basic entitlement structure of the Food Stamp Program has proven effective in my state, I am concerned that the program does not reach all of the eligible Minnesotans who really need assistance. I'm told in Minnesota, only 57 percent of those eligible for food stamps receive them. Just think, by increasing the share of eligible households that participate in the Food Stamp Program by just five percentage points, Minnesota would provide food stamps to an additional 19,000 low-income Minnesotans.

I look forward to hearing your testimony about our nutrition programs – the role they play and ways they can be improved. I can tell you they make a huge difference in the lives of my constituents.

Questions

Panel I

#1
Federal commodities through the Emergency Food Assistance Program (TEFAP) are a significant source of food for Minnesota's six Second Harvest food banks. Last year, Minnesota received approximately 5 million pounds of federal commodities through TEFAP valued at $3.95 million for distribution to needy individuals and families. The State also received approximately 3.1 million pounds of "bonus" commodities valued at $2.84 million.

Do you have any suggestions about ways Congress can strengthen and improve TEFAP to better reach low-income individuals as well as support farmers?

#2
As I've mentioned in my opening statement, about 412,000 Minnesotans are eligible for the Food Stamp Program, yet only about 57 percent of those who are eligible actually access the program in Minnesota. USDA also estimates that if only five percent of currently non-participating eligible Minnesotans enrolled in the Food Stamp Program, approximately $24 million in economic activity would be generated in the State.

How could the Food Stamp Program can be strengthened to reach more eligible low-income individuals, including working families?

#3
I'm also concerned that though Food Stamps have been effective, seniors – especially rural seniors – are vastly underrepresented in the program.

How the Food Stamp Program can better secure the participation of seniors, particularly in rural areas?

Vermont Campaign to
End Childhood Hunger

Response to Questions from Senator Casey
by Robert Dostis, Executive Director of the Vermont Campaign to End Childhood Hunger
March 7, 2007

1. *How would you advise Congress to proceed when it considers expanding the Fruit and Vegetable Snack Program in the 2007 Farm Bill – should Congress aim to bring the program to more states, or to increase the cap on eligible schools in the existing 14 participating states?*

Given that this program is not offered in Vermont, I have little insight regarding its successes and challenges. However, I firmly believe that providing fresh fruits and vegetables to school children, particularly from local farms, offers significant health, educational and economic benefits. Ideally, the program would be expanded within the 14 states that are permanently authorized, as well as to states that have not yet had the opportunity to take advantage of the funds. If a choice must be made between the two options, it would seem fair to begin by extending this pilot to more states, thereby distributing these funds more widely to schools and farmers across the U.S.

2. *How can the Food Stamp Program be improved to address these specific concerns, both for children whose families already receive some sort of benefit, and for those who might not qualify, but simply do not get enough food in their bellies on a daily basis?*

The Food Stamp Program is the largest anti-hunger program in the country, providing a critical lifeline to over 26 million American struggling to put food on the table. Despite its tremendous success, there are several ways in which the program should be strengthened to better address the needs of children living in families that do not currently qualify for the program or that are enrolled in the program, but receive a minimal benefit.

In Vermont, the average food stamp benefit is $0.92 per person, per meal. On a national level, the average benefit is $1. In addition, the $10 minimum benefit has less than half the buying power it had when it was first set 30 years ago. These allotments are not adequate to provide households with consistent and reliable access to nutritious foods. To stretch food dollars, families are often forced to rely on inexpensive foods that are sustaining: typically foods high in fat and starch, robbing children of the vital nutrients needed to grow and thrive. Towards the end of the month, when benefits run out, even families currently enrolled in the Food Stamp Program often go hungry.

This low benefit amount can be traced back to the Thrifty Food Plan, on which food stamp allotments are based. This plan, slightly over $100 per week for a family of four, is what the USDA considers the minimum amount that a family can budget for food and still maintain a nutritionally adequate diet. According to the Food Research and Action Center however, USDA research shows that only 12% of low-income households that spend at the Thrifty Food Plan level get their recommended dietary allowances for 11 key nutrients. USDA research has also found that food expenditures by low-income households averaged 125% of the Thrifty Food

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Plan. This issue is amplified in states with rural areas such as Vermont and Pennsylvania, where higher than average fuel and transportation costs are passed to consumers through increased food prices and where many residents must travel a significant distance to reach a grocery store. To adequately address the needs of these families, food stamp allotments should be based on a more realistic assessment of food costs, such as those accounted for in the USDA's low and moderate cost food plans.

In addition to modernizing benefits for those currently enrolled in the Food Stamp Program, eligibility guidelines should be revised to provide benefits to hard working families living in poverty who are currently ineligible for the program. To qualify for Food Stamps, most households must have less than $2,000 in resources. This creates an unnecessary conflict, forcing many families to decide between receiving food stamp benefits and establishing financial security. At the Vermont Campaign to End Childhood Hunger, we hear stories of food insecure families losing their monthly benefits because in their efforts to save for a car or an apartment, or simply to have an emergency fund, they exceed the $2,000 resource limit. These limits should be increased to allow families to establish an economic safety net, vital for their transition out of poverty.

A strengthened Food Stamp Program will have a far reaching effect — beyond lowering incidences of obesity and nutrition related illnesses; beyond helping curb the rising cost of health care; beyond improving the cognitive development and education of children; beyond bolstering local economies and agriculture as families increase their consumption of fruits, vegetables, protein, and whole grains. A strengthened Food Stamp Program is a sound investment in our future and will help steer the course for the health and well-being of all Americans.

Vermont Campaign to
End Childhood Hunger

Response to Questions from Senator Coleman
by Robert Dostis, Executive Director of the Vermont Campaign to End Childhood Hunger
March 7, 2007

1. *Do you have any suggestions about ways Congress can strengthen and improve TEFAP to better reach low-income individuals as well as support farmers?*

TEFAP fills gaps for those in immediate need due to insufficient benefits from federal nutrition program or those not receiving other federal nutrition programs. It also supports the agricultural sector through nutritious commodity purchases and facilitates public-private partnerships in the fight to end hunger. First and foremost, it is vital to maintain TEFAP's mandatory USDA commodity purchases at $140 million and support $60 million (full funding) for TEFAP storage and distribution. In addition, we would like to see an increase in "bonus commodities" to states. The Vermont Foodbank has seen its bonus steadily and drastically decreased over the past few years, reducing the amount of food distributed to hungry Vermonters and increasing the distribution costs per pound. To keep costs down, provide greater support to the agricultural sector and ensure an adequate nutrition safety net for families struggling to put food on the table, bonus levels should be restored to pre-cutback amounts.

2. *How could the Food Stamp Program be strengthened to reach more eligible low-income individuals, including working families?*

Despite the enormous success of the Food Stamp Program, Vermont struggle with a participation rate of about 60%. As anti-hunger advocates, we work tirelessly to reduce barriers to participation, correct misconceptions about the program and educate low-income Vermonters about eligibility. Many obstacles to participation still remain. Thousands of households are unaware of their eligibility; many Vermonters are reluctant to ask for help, have difficulty finding transportation to the food stamp office, or do not feel that their benefit allotment justifies wages lost or time spent applying. In order to win the fight against hunger, it is imperative that we explore ways to strengthen the Food Stamp Program so that it is a resource that is in reach for all hungry families.

In Vermont, the average food stamps benefit is $0.92 per person, per meal. On a national level, the average is $1. In addition the $10 minimum benefit has less than half the buying power than it did when it was first set 30 years ago. These allotments are not adequate to provide families with consistent and reliable access to nutritious foods. Often, to stretch food dollars, families are forced to rely on inexpensive foods that are sustaining: typically foods high in fat and starch, robbing children of the vital nutrients needed to grow and thrive. Towards the end of the month, when benefits run out, even families currently enrolled in the Food Stamp Program often go hungry.

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A strengthened Food Stamp Program will have a far reaching effect — beyond lowering incidences of obesity and nutrition related illnesses; beyond helping curb the rising cost of health care; beyond improving the cognitive development and education of children; beyond bolstering local economies and agriculture as families increase their consumption of fruits, vegetables, protein, and whole grain. A strengthened Food Stamp Program is a sound investment in our future and will help steer the course for the health and well-being of all Americans.

3. *How can the Food Stamp Program better secure the participation of seniors, particularly in rural areas?*

Seniors are dramatically underserved by the Food Stamp Program. According to the Food Research and Action Center, it is estimated that 68% of eligible seniors do not participate in the Food Stamp Program, causing thousands of vulnerable elders to go without food. There are several ways in which the Food Stamp Program can be strengthened to address this important issue.

Response to Senator Coleman by Robert Dostis March 7, 2007

First, due to economic circumstances, many seniors only qualify for the minimum benefit of $10. This amount has less than half the buying power that it had when it was set 30 years ago. For seniors, applying for food stamps can be an arduous process. To proceed through the entire application/interview process and receive a benefit amount of $10 strongly discourages those eligible from applying. At a minimum, this allotment should be increased to reflect the buying power of today - $25.

Secondly, as with working families, many seniors are income eligible for the Food Stamp Program, but are unable to meet the resource test of $3,000. Seniors struggling to make ends meet should be encouraged to establish an economic safety net, particularly in an era when individuals are encouraged to rely on private savings to pay for retirement and medical expenses.

Finally, many struggling seniors are reluctant to ask for help and feel a stigma surrounding the receipt of public assistance. In an effort to modernize the image of the Food Stamp Program we strongly support the changing the name of the program to "Eat Better Today" (EBT), as suggested by many nationally. We believe that this change will help reduce social stigma, especially among elderly Americans who associate the benefit program with Depression Era conditions.

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