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Human Resources Committee

General Assembly

STATE OF IOWA

STATE HOUSE

Des Moines, Iowa 50319

REPORT OF THE FOOD STAMPS SUBCOMMITTEE OF THE JOINT

SENATE AND HOUSE COMMITTEES ON HUMAN RESOURCES

PHONE: (515) 281-5268

Under the Food Stamp Act of 1964, as amended, designated agencies in the several states are responsible for administering in their respective states the federal food stamp program, under which low-income persons may improve their diets by increasing their food purchasing power. In Iowa, the food stamp program is administered by the Department of Social Services.

Food stamps, which are used in lieu of cash when buying food items at participating stores, may be obtained at a cost which is always less than face value but which varies with the income and circumstances of the purchaser. The cost of the bonus in food purchasing power represented by the difference between face value and cost to the purchaser of food stamps, is paid entirely by the federal government. One-half of the cost of administering the program is paid by the federal government and the other half must be paid from non-federal sources.

The Senate and House Committees on Human Resources established the joint Subcommittee on Food Stamps for the 1977 legislative interim, in part out of concern over indications that the rate of participation in the program by eligible Iowans is quite low. A more specific concern, in the spring and summer of 1977, was issuance to the Department of Social Services of an informal warning on April 18, and a formal warning on June 29, that Iowa was not in compliance with certain federal requirements governing administration of the food stamp program. The warnings raised the prospect that Iowa would be denied funds for the federal share of the cost of administering food stamps in this state if the deficiencies were not corrected.

Utilization of the Food Stamps Program in Iowa

Earlier in 1977, the U. S. Department of Agriculture (hereafter USDA--the agency responsible for the food stamp program at the federal level) ranked Iowa among the lowest ten states in terms of the proportion of persons presumed to be eligible who are actually obtaining food stamps. The Department of Social Services (DSS) questions that ranking, although it readily concedes that the program is less effective in Iowa than is desirable.

Estimating the percentage of effectiveness of the food stamps program, either in the state generally or in a given county, is a somewhat uncertain proposition at best. It can readily be determined how many persons are participating at any time, but it is not possible to know with certainty how many more are eligible but not participating for one reason or another. One of the important features of the program is its availability to the "working poor," to elderly persons living on limited incomes, and to other low-income persons not eligible for or not receiving cash assistance grants. However, persons currently receiving low incomes may be ineligible if they have in the past accumulated resources equal to or exceeding specified amounts.

Thus, even with considerable knowledge about income levels of residents of a given area, it is still uncertain how many low-income persons have resources which make them ineligible for food stamps. DSS asserts that USDA's figures purporting to show Iowa very low in percentage of effectiveness of the food stamp program, appear to disregard the resources factor entirely.

Regardless of one's conclusions about the percentage of effectiveness of the food stamp program in Iowa, there appears to be little disagreement that the program is being utilized by substantially fewer people than are legally eligible for its benefits. Some of the apparently significant factors in this situation will be briefly discussed.

1. Cash purchase requirement - It is presently necessary for a user of food stamps who is required to pay some portion of the face value of food stamps to make that payment in cash at the time the stamps are obtained. In some cases, this requirement has imposed serious difficulties on families or individuals who purchase food stamps at intervals of two weeks or more. However, under the 1977 amendments to the federal food stamps law, stamps equivalent to the amount of bonus value to which a user is entitled may be issued without a cash purchase requirement. Hopefully this change will help to improve the effectiveness of the program in Iowa when it takes effect July 1, 1978.
2. "Welfare stigma" - Discussion at this Subcommittee's meetings indicates that some stigma is attached to use of food stamps. Some participants apparently feel, or believe others feel, that they are "on welfare" and that in some cases the assistance is undeserved. While it is unfortunate that any person whose circumstances compel him or her to seek or to receive benefits of public assistance is thereby stigmatized, it is particularly distressing that such an attitude should hamper implementation of the food stamps program. The program is specifically designed to aid not only recipients of cash public assistance payments, but also those low-income persons not eligible for or who choose not to seek cash grants. For many such persons, caught between fixed or limited incomes and the effects of inflation, the food stamps program offers assistance in maintaining a measure of economic independence.

The food stamps program tends to promote consumption of agricultural products and to increase food store sales. Accordingly, there appears to be every reason for farm and retail grocery groups, in particular, to assist in efforts to counteract whatever stigma may attach to use of food stamps.

At its meeting on November 21, the Subcommittee approved submission to the full Human Resources Committees, for their consideration, of a proposed concurrent resolution placing the General Assembly on record as deploring the attachment of any stigma to acceptance and use of food stamps. (The proposed resolution appears as Appendix A to this report.) It is recognized that the resolution by itself will achieve little, but formal recognition that the problem of stigma exists may be a first step toward overcoming that problem.

3. Inadequate outreach - One of the federal requirements for state agencies administering the food stamps program is that the agency initiate and monitor effective, comprehensive and continuing efforts to inform low-income households of the availability and benefits of the program. Concern has been expressed about the adequacy of outreach efforts in Iowa. Only in the past few months has DSS had a person at the state level assigned full-time to oversee this important responsibility.

The American Friends Service Committee, with the cooperation of DSS, has recently surveyed county food stamp workers in Iowa and has concluded that two major problems are community attitudes (i.e., stigma) and lack of sufficient personnel to administer the program. These problems are believed to have adversely affected workers' morale in some cases.

DSS concurs that availability of only one or a few persons to carry on the food stamp program, sometimes on a part-time basis, has hindered the program in some counties. It is often difficult for these persons to take sufficient time from their day-to-day administrative work to conduct effective outreach, and it is also sometimes difficult to be enthusiastic about outreach when the worker knows that to the extent such efforts are successful that worker will be further burdened by an increased caseload.

The Subcommittee agreed on November 21 to urge the Budget Subcommittee on Social Services to consider funding a few carefully designed pilot projects in food stamps outreach, and in particular that consideration be given to a program such as that being conducted by the Tri-County Anti-Hunger Coalition in Ringgold, Decatur and Wayne Counties. The effectiveness of the pilot projects should be carefully evaluated.

Federal Funds for Food Stamps Administration

The April 18, 1977 informal warning that federal funds for administration of the food stamps program in Iowa might be withheld, cited four specific deficiencies in Iowa's implementation of the program. These were:

1. Failure to conduct the required outreach program.
2. Failure to maintain performance review and reporting system as required by federal regulations.
3. Failure to conduct a satisfactory quality control system.
4. Performance of eligibility determinations by county-paid personnel not meeting the federal requirements relative to hiring through a merit system.

At the Food Stamps Subcommittee's November 21 meeting, DSS reported that the threatened cut-off of federal funds had been averted by various corrective actions. These actions were described and discussed at the meeting.

A full-time state outreach coordinator (Mr. Vernon Woodard) has been designated within DSS, he has reviewed the state outreach plan of action for compliance with federal requirements, and is monitoring outreach efforts to verify that the plan is being carried out. While these steps apparently have satisfied the federal government, there is continuing concern about the adequacy and effectiveness of outreach in some areas of the state. Obviously, the basic goal is not to satisfy a set of federal guidelines but to inform people who are eligible for and need the benefits of the food stamp program of the program's existence and how they may utilize it.

DSS has employed two persons to do performance reviews in the food stamps program. Following one-week training sessions provided by USDA, these persons are at work in the field.

Earlier in the year, the Department established and filled eight additional positions within the Quality Control Unit in the Division of Management and Planning. The unit is charged with validating the household eligibility and level-of-assistance determinations made by food stamp workers in the field. (This step was approved by USDA in late June.)

Perhaps the most difficult issue to resolve has been the USDA's dissatisfaction with the status of some county-level food stamp certification workers. The roots of the problem date back several years, to a time when DSS lacked both the personnel needed to implement the food stamps program and the funds or authority to employ the needed people. An arrangement was worked out under which counties employed certification workers who functioned as state employees for purposes of the food stamp program, on either a full-time or part-time basis. (Some of these workers also devoted a part of their time to duties in connection with the county general relief programs, etc.)

This arrangement has continued until the present time, and DSS asserts USDA formerly accepted it. In its April 18 informal warning, however, USDA stated that because these workers were not employed under the state Merit Employment System, they did not meet requirements of the U.S. Civil Service Commission which USDA is obliged to enforce as part of the food stamps program.

Subsequently, DSS and the Iowa State Association of Counties (ISAC) worked out an agreement intended to permit DSS to achieve compliance with federal guidelines without the necessity of seeking additional appropriations for that purpose either for the rest of the fiscal year ending June 30, 1978, or for the following fiscal year. Key points of the DSS-ISAC agreement are:

1. The establishment of the equivalent of 151 new full-time merit positions within DSS for food stamp certification workers, before January 1, 1978, and the transfer of the present county-employed food stamp workers into these positions.
2. Charges back to the several counties by DSS for their respective portions of the non-federal share of the cost of paying the workers so

transferred to the state merit system.

3. Agreement by the Commissioner of Social Services to seek and to support state assumption of the non-federal share of those workers' salaries, effective in the fiscal year beginning July 1, 1979.

As this report is written, the first point of the agreement apparently will have been implemented by December 31, 1977. Presumably, then, point two will come into operation on January 1, 1978.

It is not certain that points two and three can be implemented without controversy. DSS takes the position that present law authorizes charges back to the counties as proposed under point two, but it is not certain that all counties will accept that interpretation even though ISAC apparently does. Any counties which do not accept it presumably would feel they have discretion not to ratify the DSS-ISAC agreement.

DSS has indicated it will consider taking action to force any recalcitrant county to reimburse the state for the non-federal share of the salaries of food stamp workers, although it was also indicated that other administrative options would be available. In any case, it is obvious that the refusal of any significant number of counties to go along with the DSS-ISAC agreement would compound the difficulties involved.

A letter dated November 21, 1977 and directed to Representative Gregory D. Cusack, as Chair of the Food Stamps Subcommittee, by Chairperson Richard Brannan of the Polk County Supervisors, states that the Board of Supervisors of Polk, Linn, Black Hawk and Pottawattamie Counties have agreed that they do not intend to levy property taxes to pay the non-federal share of food stamps workers' salaries after June 30, 1978. (See Appendix B to this report.) This letter in effect asks the General Assembly to begin paying that share of those salaries from the state treasury one year earlier than contemplated by the DSS-ISAC agreement. This amount would be \$1,368,650 per year.

HOUSE CONCURRENT RESOLUTION NO. _____

By COMMITTEE ON HUMAN RESOURCES

1 WHEREAS, the United States Congress has seen fit to
2 enact laws under which individuals and families meeting
3 certain criteria are entitled to obtain food stamps,
4 thereby increasing their purchasing power with respect
5 to food items; and

6 WHEREAS, food stamps are therefore a very legitimate
7 means for low-income persons to achieve a more nutritious
8 diet, and to partially offset the effects of the inflation
9 which has particularly burdened elderly persons who have
10 retired on fixed or limited incomes after a lifetime of
11 work and self-support; and

12 WHEREAS, available data indicates that the rate of
13 utilization of the food stamp program in Iowa by eligible
14 persons has been rather low relative to that of many other
15 states; and

16 WHEREAS, the food stamps program offers the opportunity
17 not only to enhance the diet of low-income persons but also
18 to increase consumption of agricultural products, thereby
19 benefitting farmers in this and other states; and

20 WHEREAS, the General Assembly is concerned that this
21 low rate of utilization may reflect both some degree of
22 stigma wrongly associated with the program and shortcomings
23 in the quantity and quality of administrative efforts to in-
24 form eligible persons about the food stamps program and to
25 facilitate their use of the program; NOW THEREFORE,

26 BE IT RESOLVED BY THE HOUSE OF REPRESENTATIVES, THE SENATE
27 CONCURRING,

28 1. That the General Assembly deplores the attachment of
29 any stigma to the acceptance and use of food stamps, and
30 urges that clients, food vendors and other concerned persons

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Room 123 Polk County Court House

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November 21, 1977

Honorable Gregory D. Cusack, Chairman
Interim Food Stamp Committee
Budget Office - Human Resources
Rules, Ways and Means
Iowa State House
Des Moines, Iowa 50319

Dear Mr. Cusack:

Representatives of the Boards of Supervisors of Black Hawk, Linn, Polk and Pottawattamie Counties met on 16 November 1977 to discuss mutual concerns with the Food Stamp Program.

It is our unanimous position that:

1. Counties should not be responsible for the non-federal match for food stamp employees transferred to the State Department of Social Services. It is not our intent, therefore, to budget property tax levies for these positions after 30 June 1978. We believe that the organization paying the employee should have the supervision of that employee. Such will not be the case after these current county employees are transferred to the state.
2. The State will receive an additional \$3.8 million each in federal funds in 1978 when the Social Security amendments pass Congress. This should be more than ample revenue to support this program.
3. It is our understanding that the State Department of Social Services is seriously considering mailing all food stamps under the changed food stamp program 1 July 1978.

Your Committee should be aware that such a plan will increase property tax expenditures in all 99 Counties for emergency food orders in the General Relief Program. Considering the legislative limit in counties' expenditures, we consider this an unfair and unnecessary additional burden.

Sincerely,


Richard Brannan
Chairman

RB:jrr

1 view the food stamps program as an effort to offset
2 inflation and to promote consumption of farm products.
3 2. That the Department of Social Services immediately
4 achieve and maintain compliance with all applicable federal
5 standards, and increase its efforts to inform eligible
6 persons of the food stamps program and to facilitate
7 their utilization of it.

8 3. That nongovernmental religious, civic, fraternal
9 and service agencies and groups are urged to assist and
10 reinforce the achievement of the goals expressed in sec-
11 tions one (1) and two (2) of this resolution.

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