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United States Senate

COMMITTEE ON
AGRICULTURE, NUTRITION, AND FORESTRY
WASHINGTON, D.C. 20510

July 18, 1979

Dear Colleague:

When S. 1309, a bill amending the Food Stamp Act reaches the floor, we intend to offer an amendment in the nature of a substitute. The substitute will contain all the provisions of the bill reported by the Committee; the four amendments Senator Helms intends to offer; a Stafford-Dole amendment to extend benefits to handicapped persons living in community living centers; and one other -- repeal of the food stamp authorization ceiling for fiscal years 1980 and 1981. (The program expires in 1981.)

The substitute amendment has the support of Chairman Talmadge.

The food stamp program is a matter of great interest and the very mention of the program evokes strong misstatements or inaccuracies. The food stamp program is not out of control. It is growing because of changes in the economy and the fact that people who have always been eligible to participate have only recently been able to participate due to the elimination of the purchase requirement.

The food stamp program provides minimal benefits -- 33¢ per person per meal -- to poor people. According to figures released in June by the Department of Agriculture, over 50% of all food stamp households have gross incomes under \$3,600 per year; 73% have incomes under \$4,800; and 85% have incomes under \$6,000.

The food stamp program has been subjected to closer and more rigorous oversight than perhaps any other program has experienced. Congress has been very sensitive to needed modifications in the program. S. 1309 is only the latest manifestation of this sensitivity.

The Senate has labored long and hard on the food stamp program. In recent months we approved the first concurrent budget resolution for fiscal year 1980 that provides for program expenditures that are substantially in excess of the statutory ceiling. When we considered the supplemental appropriations bill for fiscal year 1979, we voted to appropriate sums substantially in excess of the cap for this fiscal year, after defeating soundly two amendments that would have reduced the amount recommended by the Committee on Appropriations.

We have included in the substitute the amendments intended to be offered by Senator Helms because we believe they are acceptable. We feel it is important, however, to remember that three of these four provisions are contained in S. 1310, the Administration's bill that was introduced by Senator Talmadge by request. Senator Helms has carefully chosen the provisions of title I of S. 1310 that are most attractive. If we are going to adopt those provisions, we should also adopt the funding provision that is contained in title II of S. 1310.

There are several misconceptions about what the effect of removing the specific dollar ceiling for authorizations for appropriations will be. It will not return the program to the entitlement status it enjoyed prior to enactment of the Food Stamp Act of 1977. The language of sections 4(a) and 18(b) of the 1977 Act, which conditions the amount of benefits to be received by households certified as eligible to participate in the program on the availability of appropriated funds, is untouched. Congress, through the appropriations process, will still determine what the level of program spending should be.

Adopting the substitute will not terminate consideration of cost-saving provisions or modifications in the food stamp program. Indeed, adoption of the substitute can result in a more thorough investigation of all suggested proposals without the pressure of the need to attach these proposals to a bill dealing with the authorization ceilings. The Subcommittee on Nutrition is committed to holding hearings on these issues and bringing responsible legislation to the Senate floor.

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Removal of the ceiling on the authorization for appropriations will not open "the floodgates" of the program. The existing income eligibility, assets requirements, and work registration provisions are left intact. These are the provisions, along with the cost of food, and the rate of unemployment, that determine the program's cost.

Questions may be raised as to why the substitute does not contain a sum certain for 1980 and 1981. The simple reason is that the food stamp program is deliberately designed to react quickly to changing economic conditions. We were not able to estimate a "right" number for this year until it was three-quarters over. In all likelihood that "right" number will not be known in the future until we are well into the respective fiscal year. The Senate has continuously shown its intent for full funding for the food stamp program. It should be remembered that the Food Stamp Act of 1977 as passed by the Senate did not contain the "cap" or other provisions accepted in conference that altered the entitlement nature of the program.

The appropriations and budget processes are more than capable of determining what the level of funding should be. It works for other non-entitlement programs. It will work for food stamps.

We urge our colleagues to join us in supporting this substitute.

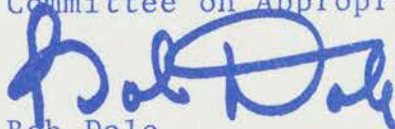


Warren G. Magnuson
Chairman
Committee on Appropriations

Sincerely,



George McGovern
Chairman
Subcommittee on Nutrition



Bob Dole
Ranking Minority Member
Subcommittee on Nutrition

Enclosure

Provisions in S. 1309, Substitute

S. 1309 - Original Talmadge, Dole, McGovern bill

1. Raise cap for 1979

Added in Committee

2. Senator Talmadge, anti carryover provision
3. Senator Lugar, reporting requirements and anti pro rata reductions
4. Senator Stone, deductions for the elderly and disabled

Expected Floor Amendments - Senator Helms

5. Use of Social Security numbers for income verification
6. Repayment for fraudulent conduct
7. State share of recoveries
8. Allow States to supplement USDA verification requirements

Proposed Substitute, McGovern, Dole, Magnuson

- All 8 provisions, plus
9. Stafford-Dole, extension to handicapped persons
 10. Repeal of the 1980 and 1981 authorization levels
(The food stamp program expires in 1981)