News from Senator

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FOR IMMEDIATE RELEASE
WEDNESDAY, APRIL 23, 1980

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DOLE, McGOVERN URGE EXTENSION OF FOOD STAMP APPROPRIATIONS

WASHINGTON -- Senator Bob Dole (R-Kan.) joined with Senator George McGovern (D-S.D.) today in calling on the Senate to "awaken to the consequences that suspension of food stamp benefits would have on people who are at the mercy of the system."

States may have to suspend benefits by June 1 if Congress has not authorized additional funding for the program by May 15, 1980.

"There is no reason why the legislative process cannot meet deadlines for action that would have dire consequences in the states," Dole said on the Senate floor. "Unless action is taken now, one of our most crucial domestic programs in combating hunger and malnutrition will come to a complete standstill -- all because Congress did not see fit to act in time."

The U.S. Department of Agriculture has already sent letters out alerting the states to possible ways of handling a funding reduction, should it occur. The Second Budget Resolution for Fiscal Year 1980 does not provide for additional appropriations of sufficient magnitude to forestall cutbacks, and the current level of appropriations will sustain food stamp benefits only through the month of May.

"Recent opinion polls indicate that Congress is generally held in low esteem, for its inability to take effective action in time of need," Dole said. "If we do not do something soon to indicate that we have the stamp crisis under control, and are acting responsibly to avert a funding catastrophe that will otherwise affect 22 million Americans on June 1, we will only reinforce these negative impressions of our legislative representatives.

"Since 1977, when Congress placed a cap on food stamp expenditures in an attempt to control this rapidly expanding program, estimates as to the level of funding that would be required proved to be highly inaccurate. During the period of 1977 through 1979, rising inflation in the cost of food exceeded the 9 to 12 percent that had been projected and soared to heights of 22 percent. Such food costs continue to rise out of sight and are projected to be 46 percent over the 1977 figures by 1981. The implications for such erroneous estimates are quite obvious. Therefore, it is little wonder that a Third Concurrent Budget Resolution is necessary to come to the rescue of one of our government's leading social programs.

"However, food costs account for only one-half of the shortfall. In addition, there is the rising unemployment factor which accounts for another one-fourth of the additional cost of the program. Unemployment was projected at 6 percent for Fiscal Year 1980 and 1981, but it is expected to be closer to 7.5 percent by 1981.

"Additional expenditures in the food stamp program arise from underestimating the increased participation due to elimination of the purchase requirement. Previously, there were many poor people -- among these high percentages of elderly in rural areas -- that simply did not have the money to purchase food stamps initially."

"One possible course of action we might take is to separate the revision of the Second Concurrent Budget Resolution from the Fiscal Year 1981 First Budget Resolution. This would permit us to take action on a supplemental appropriation while the House completes its action on S. 1309, which the Senate passed last year. The other course of action which we think appropriate would be to waive the rules to enable us to pass an emergency supplemental appropriation of $750 million for food stamps to tide us over until June, in order to let Congress have enough time to act appropriately through its usual channels."

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