

STATEMENT OF SENATOR BOB DOLE
NUTRITION SUBCOMMITTEE HEARING ON THE FOOD STAMP PROGRAM
APRIL 30, 1984

THIS IS THE FIRST HEARING THAT THE NUTRITION SUBCOMMITTEE HAS HELD ON THE FOOD STAMP PROGRAM THIS YEAR, AND IT PROVIDES A GOOD OPPORTUNITY TO EXERCISE OVERSIGHT OF THIS PROGRAM AND TO HEAR TESTIMONY ON PENDING LEGISLATION. THE CHAIRMAN HAS BEEN DILIGENT IN HIS EFFORTS TO ADDRESS PROBLEMS IN THE PROGRAM AND HAS INTRODUCED TWO BILLS. SENATORS McCLURE AND ARMSTRONG HAVE ALSO INTRODUCED A COMPREHENSIVE FOOD STAMP BILL. WE RECEIVED THE ADMINISTRATION'S LEGISLATION LAST WEEK, AND REPRESENTATIVES FROM THE U.S. DEPARTMENT OF AGRICULTURE'S FOOD AND NUTRITION SERVICE WERE THE PRIMARY WITNESSES AT A FULL COMMITTEE HEARING LAST WEDNESDAY. AT THAT TIME WE HEARD FROM ASSISTANT SECRETARY MARY JARRATT, THE INSPECTOR GENERAL AND GAO.

IN RESPONSE TO THE RECOMMENDATIONS OF THE PRESIDENT'S TASK FORCE ON FOOD ASSISTANCE, I PLAN TO INTRODUCE FOOD STAMP LEGISLATION THAT WOULD IMPLEMENT MANY OF THE CONSTRUCTIVE RECOMMENDATIONS CONTAINED IN THEIR REPORT. I UNDERSTAND THAT SENATOR HUDDLESTON MAY ALSO INTRODUCE FOOD STAMP LEGISLATION SOON.

PROGRAM PROGRESS AT THE STATE LEVEL

LAST FALL, THIS SUBCOMMITTEE HELD AN OVERSIGHT HEARING TO DETERMINE HOW THE STATES WERE IMPLEMENTING VARIOUS PROGRAM REFORMS PASSED BY THE CONGRESS SINCE THE 1977 AMENDMENTS. MANY REFORMS TO STRENGTHEN THE PROGRAM WERE ENACTED DURING THE RECONCILIATION PROCESS OF 1981 AND 1982. IN FACT, WE ACHIEVED ABOUT \$7 BILLION IN SAVINGS IN THE FOOD STAMP PROGRAM OVER THE THREE-YEAR PERIOD FY 1982-1985. THIS BIPARTISAN COOPERATIVE EFFORT RESULTED IN CHANGES THAT IMPROVED THE TARGETTING OF BENEFITS, AND THIS HAS BEEN PARTIALLY ACHIEVED, AS DEMONSTRATED BY THE INCREASED NUMBER OF RECIPIENTS BEING SERVED FROM 1980 TO 1983. PROGRAM PARTICIPATION WENT FROM ABOUT 21 MILLION TO OVER 23 MILLION PEOPLE. THE GOVERNMENT INVESTED \$12.8 BILLION ON THIS PROGRAM DURING THE PAST FISCAL YEAR. PRIMARILY BECAUSE OF THE IMPROVEMENT IN THE ECONOMY, FOOD STAMP EXPENDITURES ARE EXPECTED TO DECREASE DURING THIS FISCAL YEAR BY ABOUT \$500 MILLION.

STATE ERROR RATES

IN 1982, I PROPOSED LEGISLATION TO STRENGTHEN THE STATE ERROR RATE SANCTION SYSTEM, AND IT APPEARS THE CHANGES ARE WORKING. LAST WEDNESDAY, ASSISTANT SECRETARY JARRATT TESTIFIED THAT THE LATEST USDA FIGURES INDICATE THAT ERROR RATES ARE DOWN TO AROUND 8 PERCENT NOW. THIS REPRESENTS A SIGNIFICANT IMPROVEMENT IN PERFORMANCE. THE OVERPAYMENT ERROR RATE DROPPED

FROM 10.4 PERCENT IN 1981 TO 8.2 PERCENT IN 1983 -- A 20 PERCENT REDUCTION IN TWO YEARS. THE FINAL TARGET FOR 1985 IS 5 PERCENT, AND I BELIEVE THIS IS A REALISTIC ONE.

FOOD STAMP REFORMS

SINCE THE FOOD STAMP AMENDMENTS OF 1977, THE CONGRESS HAS ENACTED JUST ABOUT ALL OF THE REFORM MEASURES THAT HAVE BEEN RECOMMENDED IN HEARINGS TO ADDRESS PROBLEMS OF FRAUD AND ABUSE. IN 1981, SENATOR LEAHY AND MYSELF, ALONG WITH MANY OF OUR COLLEAGUES, INCLUDING SENATOR COCHRAN, INTRODUCED THE FOOD STAMP ACCOUNTABILITY ACT OF 1981. MOST OF THIS HAS SINCE BECOME LAW. IN 1982, WE AGAIN INTRODUCED LEGISLATION THAT CONTAINED COMPREHENSIVE PROGRAM REFORM MEASURES. JUST ABOUT ALL OF THESE HAVE NOW BEEN IMPLEMENTED BY USDA IN REGULATIONS. WE HAVE ATTEMPTED TO PROVIDE THE NECESSARY TOOLS TO ENABLE LAW ENFORCEMENT OFFICIALS TO GO AFTER THE SERIOUS PROBLEMS OF FRAUD AND ABUSE THAT EXIST, AND, TO THE BEST OF MY KNOWLEDGE, IT IS NOW A QUESTION OF ALLOWING THESE TOOLS TO DO THEIR JOB WITH THE PROPER RESOURCES.

USDA AND LAW ENFORCEMENT AUTHORITIES HAVE BEEN CRACKING DOWN ON LARGE-SCALE FRAUD AND BLACK MARKET ACTIVITIES, WITH A LOT OF SUCCESS. AS MOST PEOPLE ARE AWARE, THE MAJOR FRAUD AND ABUSE IN THE FOOD STAMP PROGRAM DOES NOT OCCUR AT THE RECIPIENT LEVEL. THERE ARE MANY DESERVING LOW-INCOME AMERICANS WHO ARE

BEING HURT BY THE NEGATIVE IMAGE THAT THIS PROGRAM CONTINUES TO PORTRAY TO THE AMERICAN PUBLIC, BUT I HOPE THAT THE REFORMS ENACTED SINCE THE 1977 AMENDMENTS WILL EVENTUALLY HAVE A POSITIVE EFFECT ON THE PROGRAM'S IMAGE.

LOW-INCOME AMERICANS SHOULD BE ABLE TO PARTICIPATE IN THE FOOD STAMP PROGRAM IF THEY ARE IN NEED WITHOUT HAVING TO FEEL THAT THEY ARE SOMEHOW BEING ROBBED OF THEIR DIGNITY BECAUSE OF THE PROGRAM'S UNPOPULAR IMAGE. THE FOOD STAMP PROGRAM SERVES A WORTHWHILE PURPOSE IN PROVIDING FOOD ASSISTANCE TO DESERVING LOW-INCOME FAMILIES AND INDIVIDUALS. HOWEVER, WE MUST CONTINUE TO EXERCISE OVERSIGHT TO MAKE CERTAIN THAT THE PROGRAM IS WORKING AS EFFECTIVELY AS POSSIBLE.