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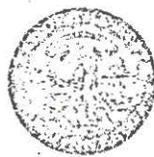
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HOUSE HEALTH AND
WELFARE COMMITTEE

ON

1935
sub
file



TO: Members of Subcommittee on Health
Senate Health, Welfare and Corrections Committee

FROM: Stephen Grochala
Research Assistant

DATE: February 7, 1975

RE: The Food Stamp Program in Minnesota

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STATE OF MINNESOTA

1 MINNESOTA'S POOR ACCOMPLISHMENTS

2
3 Minnesota has not succeeded in meeting the intent of Con-
4 gress when it established the Food Stamp Program. With between
5 37.3 and 44.5% of eligibles participating in the program, the
6 state has not yet achieved the goal of supplying those with low
7 incomes a way of improving their nutrition. Minnesota shares
8 with 39 states the distinction of having less than 50% of its
9 eligible people participating in the food stamp program.

10 Valid statistics of the number of people eligible to receive
11 food stamps are difficult to develop. Those above came from prob-
12 ably the best report. While most statistics are created using a
13 rough estimate of those under the Department of Labor poverty
14 line, this study of Participation Rates in the Food Stamp Pro-
15 gram by Gary Bickel and Maurice MacDonald used two assumptions
16 to determine a range of eligibles. Assumption A assumes no
17 deductions are made from gross income before the Food Stamp net
18 income level is applied. This is a highly unrealistic assumption
19 and greatly undercounts the number of persons eligible. But it
20 represents a rock bottom figure. For Minnesota that means that
21 at the least 413,658 people were eligible for food stamps in
22 1974. The states participation rate with the least possible
23 number of eligibles reaches only 44.5% participating.

24 Assumption B, still quite conservative, assumes a 9% average
25 deduction level from gross income. Bickel and MacDonald cite
26 figures that the deduction level could be as high as 19%. These
27 are deductions from gross income for withholding and employee

Table I

1974 FOOD STAMP PARTICIPATION RATES, BY STATE

State	Estimated Number of Persons Eligible for Food Stamps, 1974 Average Monthly Level***		Peak Monthly Number of Food Stamp Participants, Jan.-Sept, 1974	September, 1974 Food Program Participation Levels		Peak Monthly Food Stamp Participation Rate, January-September, 1974	
	"Assump-tion A"	"Assump-tion B"		Food Stamps	Commod-ities	"Assump-tion A"	"Assump-tion B"
	(1)	(2)		(3)	(4)	(5)	(3)÷(1)
Alabama	840,943	950,000	338,762	338,507		40.3 %	35.7 %
Alaska	36,231*	41,021*	21,769	14,065		60.1-	53.1
Arizona	295,437	342,257	111,520	107,892	39,234	49.8 st	43.0 st
Arkansas	536,212	608,199	249,514	245,940		46.5	41.0
California	2,061,026	2,463,220	1,404,824	1,354,645		68.2-	57.0
Colorado	284,448	337,846	138,567	131,776		48.7-	41.0
Connecticut	200,085	242,165	145,313	139,916		72.6-	60.0
Delaware	59,352	69,815	19,361	19,361		32.6	27.7
D.C.	106,558	121,998	117,830	112,750		110.6-	96.6
Florida	1,216,832	1,384,362	514,847	514,847		42.3	37.2
Georgia	939,556	1,064,085	413,084	413,084		44.0	38.8
Hawaii	77,051*	91,106*	66,493	66,238		86.3-	73.0
Idaho	112,620	131,966	33,794	33,794		30.0	25.6
Illinois	1,132,189	1,265,177	878,455	840,574		77.6-	69.4
Indiana	529,781	639,638	194,791	193,319		36.8	30.4
Iowa	351,467	422,172	116,020	106,389		33.0	27.5
Kansas	293,584	350,017	51,531	51,531		17.6	14.7
Kentucky	738,650	835,263	401,992	398,007		54.4-	48.1
Louisiana	915,320	1,023,277	530,589	502,279		60.0-	51.9
Maine	145,872	176,190	84,824	84,824		58.2-	48.1
Maryland	388,111	458,903	258,710	245,344		66.6-	53.5
Mass.	507,551	588,459	85,687	85,244		16.9	14.6
Mich.	803,946	944,400	581,754	575,550		72.4-	61.6
Minn.	413,658	493,605	134,142	170,920	1,291	44.5	37.3
Miss.	721,943	792,585	351,117	348,321		48.6	44.3
Mo.	751,140	874,100	290,932	286,758		38.7	33.5
Mont.	101,775	121,939	33,393	33,393	6,818	39.5 st	33.0 st
Neb.	206,958	246,157	50,447	44,334		24.4	20.5
Nevada	50,224	56,845	21,850	20,617		43.5	36.4
N.H.	69,724	86,236	32,000	32,000		45.9	37.1
N.J.	576,559	683,450	406,323	406,323		70.5-	59.4
New Mex.	250,750	283,877	161,695	154,757		64.5-	60.0
N.Y.	1,940,953	2,238,298	1,199,870	1,199,870		61.8-	52.4
N.C.	1,051,150	1,197,990	327,038	324,012	497	30.8	27.3
No. Dak.	107,510	126,820	21,666	18,371	6,572	23.2 st	19.8 st
Ohio	1,079,640	1,225,301	778,856	748,700		72.1-	63.6
Okla.	483,835	561,542	150,081	150,081		31.0	26.7
Ore.	239,428	284,609	171,903	167,390		71.8	60.4
Penn.	1,259,881	1,461,733	746,567	745,693		59.3-	50.4
R.I.	101,256	116,593	74,947	74,016		74.0-	64.3
S.C.	616,186	693,020	370,991	354,484		60.2-	53.5
S. Dak.	143,367	166,359	29,637	29,637	13,942	31.0 st	26.7 st
Tenn.	884,938	1,008,195	351,579	329,331		39.7	34.9
Texas	2,121,721	2,435,175	1,104,190	1,055,960		52.0-	45.3
Utah	129,339	157,552	60,939	43,153		47.1	38.7
Vt.	56,758	67,851	40,345	38,165		71.0-	59.5
Va.	723,518	836,024	217,575	217,575		30.1	26.0
Wash.	329,199	387,849	261,592	238,532	9,769	79.2-	67.5
W. Va.	381,851	441,205	244,615	213,888		64.1-	55.4
Wisc.	461,511	541,664	132,313	128,685		28.7	24.4
Wyo.	42,812	51,679	11,018	9,272		25.7	27.9
Total U.S.	27,881,796	32,260,849	14,491,048	14,280,104	78,123	52.0-	44.3

1 taxes, not the even greater deductions allowable in determining
2 food stamp net income. Calculations using assumption B estimate
3 493,605 eligible people in Minnesota in 1974. The participation
4 rate was 37.3%.

5 The participation rate is determined by taking the peak
6 monthly food stamp participation level divided by the estimated
7 number of eligibles under the alternative assumptions A and B.
8 The table shows the results for both Minnesota and all other
9 states. Nationally the study analyzes the number of eligibles
10 further, accounting for the added deductions permissible in
11 determining food stamp net income. These calculations come up
12 with estimates between 34 and 39 million people who are eligible
13 for food stamps. This compares with a peak participation at
14 15 million people, considerably less than 50%.

15 The Bickel and MacDonald figures nationally are corroborated
16 by other studies. An attempt by HEW to determine eligibility
17 levels for Food Stamps in 1973 came up with a figure of 37 million
18 potentially eligible people in the country. Another process
19 assumes all households with gross incomes below 125% of the 1970
20 census poverty level are now eligible. This process provides a
21 figure of 36.9 million people. The general agreement of these
22 three methods allows use of the 125% of poverty level criteria to
23 determine food stamp eligibilities in smaller areas of the country
24 such as counties. Mr. Robert Greenstein, director of the Com-
25 munity Nutrition Institute, recommends this method to determine
26 an eligibility base for counties. Then county food stamp par-
27 ticipation rates can be determined.

1 County rates in the Minnesota program vary greatly. James
2 Sheldon, Food and Nutrition Service (FNS) Area Director, in the
3 August 1974 hearing before this committee cited a range of 16%
4 of those eligible to 100%. - Robert Baird, income maintenance
5 division director, DPW, gave county variations between 25 and
6 88%.

7 While many would like to explain low participation rates by
8 referring to the state's citizens as independent people who wish
9 no handouts, the more likely reason is the almost negligible man-
10 ner in which the program operates at the county level and the
11 small direction and support it receives from the state.

12 Unless changes are made at both these levels, they will be
13 undermined by the great number of new families entering the eli-
14 gible income levels. The present state of the economy means a
15 large influx of new needy. The state and county food stamp pro-
16 grams are ill equipped to deal with present demand and could
17 collapse under the pressure of many new eligibles.

18 19 THE PROGRAM AT THE STATE LEVEL

20
21 The food stamp program in Minnesota begins with the Depart-
22 ment of Public Welfare (DPW). This is the designated state agency
23 under the food stamp program. The Federal partner is the USDA
24 Food and Nutrition Service (FNS). The state's responsibility is
25 to develop food stamp project areas in each county, an effective
26 outreach program, a quality control program, a manual of oper-
27 ations, hear appeals, train county personnel, provide overall

1 direction and supervision, and process reports and financial in-
2 formation for the program. Except for quality control and the
3 financial aspects of the program, these activities are the res-
4 sponsibility of the state food stamp supervisor. His staff con-
5 sists of himself and a secretary.

6 While food stamp programs exist now in each of the counties,
7 the outreach program is non-existent, quality control is per-
8 formed by county personnel, the manual has not been updated since
9 1972, county personnel receive no training and very little written
10 direction from the state and financial information is scattered.
11 Also while appeals both formal and informal are heard, no records
12 are available as to their extent.

13 The DPW has moved too slow to add staff to the program.
14 Robert Baird, income maintenance director, stated in the August
15 14th hearing that the program was negotiating with state OEO to
16 find funds to hire one person for staff training. As of Feb. 1,
17 1975 no one has yet been hired, though the OEO money for two
18 people has been available since December. Not only has the
19 department possibly lost use of part of the OEO grant, but 50%
20 Federal matching would have been available also for that period.
21 For all that, no training has begun and no program has been dev-
22 eloped because they are waiting for staff.

23 The state program is responding with one staff and one
24 secretary almost totally to crisis situations. Instructions are
25 given on a verbal basis to county staff who phone with questions.
26 Ramsey County office received only two instructions from the
27 state office in the past year, both dealing with how to order

1 stamps from the USDA and none concerning the changing regulations
2 on certification and eligibility.

3 While the need for more staff is the obvious answer to the
4 above problems, the disorganization in the office functions today
5 leads to inefficiency. The DPW itself has been at fault by not
6 taking advantage of staff money from OEO. State level staff
7 itself, however, is not necessarily the answer to state food
8 stamp problems.

9 One of the arguments used by both state and federal food
10 stamp personnel to support the need for more staff at the state
11 level has been the large staffs in other states. Nebraska and
12 Iowa have specifically been mentioned as two states which have
13 less population and greater state staffs to operate the program.
14 The implication has always been that this increased staff com-
15 ponent is an improvement to the program. However, when analyzed
16 against the goals of the food stamp program such arguments are
17 found wanting.

18 The main goal of the program today is to upgrade the nut-
19 rition of needy and low-income people. Obviously one of the
20 ways to do this is to enroll them in the food stamp program and
21 assure them of use of food stamps. The test therefore of the
22 usefulness of a large state staff is to examine its success in
23 reaching eligible households and getting them enrolled in the
24 program. Under the above assumption, Iowa and Nebraska should
25 have better success at attracting eligibles into the program
26 than Minnesota.

27 Information given in the Bickel-MacDonald study shows

1 participation rates in each of the several states. Their tables
2 show that Minnesota had January-June 1974, between 44.5% and 37.3%
3 of its eligible people participating in the program. Iowa in the
4 same period showed a participation rate between 33.0% and 27.5%
5 Nebraska was between 24.4% and 20.5%. Obviously large state
6 staffs have no relationship to improved participation rates among
7 the potentially eligible people within a state.

8 This is not to discount possible need for staff at the state
9 level but to explain its priority. While state staff may be
10 needed to improve administration at that level, it must take a
11 secondary priority to improving situations which would lead dir-
12 ectly to increased utilization of the program. When resources
13 are limited, as the state's commitment to this program seems to
14 be, then these resources must be used first in those areas which
15 directly improve the ability of eligible people to use the food
16 stamp program. To justify added employees, the state level pro-
17 gram must show how these staff members will increase program
18 participation.

19 Presently three new staff in any county in Minnesota are
20 likely to have greater impact on participation rates than any
21 staff at any other level. What is needed immediately is per-
22 sonnel to service people applying for the program. When these
23 are provided, then resources can be used to beef up state ad-
24 ministration. The state DPW must show that people in the state
25 office can increase the numbers receiving food stamp benefits.

26 With or without staff, the program at the state level must
27 begin to reorganize along the lines of a concerted effort to

1 deal with the large numbers of people now applying for stamps.
2 Its greatest success lies in the direction of a push to the
3 counties to bolster the local programs.

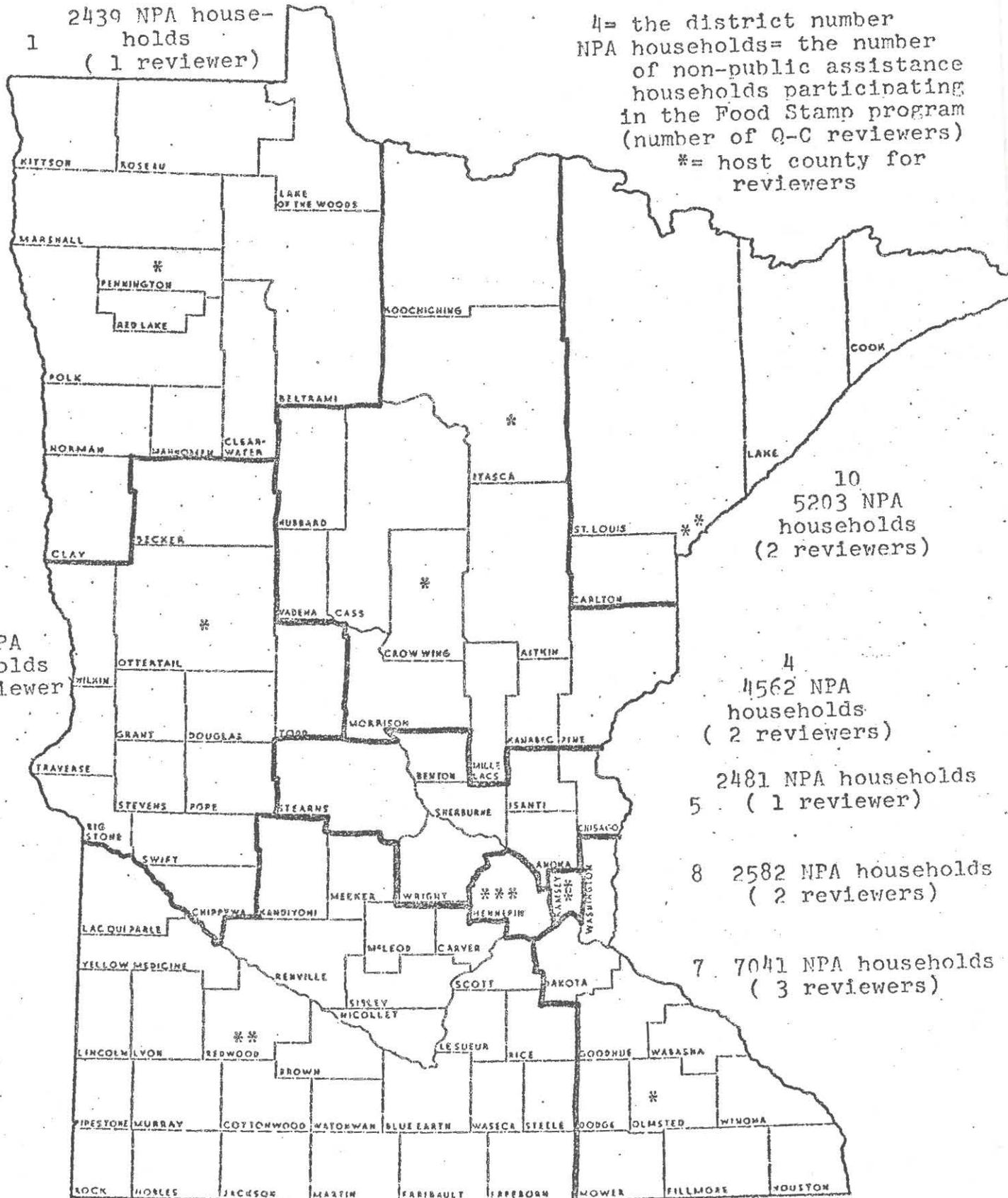
4 The food stamp quality control program is responsible for
5 assuring proper county activity in certifying recipients and
6 distributing food stamps. These personnel are to assist the
7 county programs to improve their operations and reduce errors
8 in decisions concerning eligibility.

9 The quality control (Q-C) program is a mandated require-
10 ment for the states. The state is to have a staff which can
11 examine the actions of the county food stamp program to insure
12 accuracy and correct mistakes in decisions on eligibility and
13 allocation of stamps. In the past the DPW had not budgeted to
14 include food stamp quality control staff at the state level.
15 When pushed by USDA, last year, to provide Q-C personnel, the
16 DPW worked out an arrangement with several county governments
17 to host (i.e., employ) a staff person who would serve as the
18 Q-C staff for that county and several surrounding counties.
19 These other counties would share the costs. These staff, num-
20 bering 15 positions are spread around the state. They are
21 employees of a particular county, but are supervised by the
22 state personnel who also supervise the state AFDC quality control
23 program. Two state employees are responsible for this super-
24 vision among other duties. One other person, hired by Hennepin
25 County operates at the state level to supervise Q-C personnel
26 in Hennepin and Ramsey Counties. Ramsey has two Q-C reviewers;
27 Hennepin has three; Redwood County "hosts" two Q-C staff to

FOOD STAMP QUALITY CONTROL DISTRICTS

1 2439 NPA house-
holds
(1 reviewer)

4= the district number
NPA households= the number
of non-public assistance
households participating
in the Food Stamp program
(number of Q-C reviewers)
*= host county for
reviewers



10
5203 NPA
households
(2 reviewers)

2
2404 NPA
households
(1 reviewer)

4
4562 NPA
households
(2 reviewers)

5
2481 NPA households
(1 reviewer)

8
2582 NPA households
(2 reviewers)

7
7041 NPA households
(3 reviewers)

3 4665 NPA households
(2 reviewers)

9 2445 NPA households
(1 reviewer)

1 serve 29 counties in southwestern Minnesota. St. Louis County
2 also hosts two reviewers. The other areas of the state are
3 covered by one Q-C worker for several counties as shown in the
4 attached map.

5 The DPW budget for FY 1976-77 requests 22 new professional
6 positions in the DPW quality control program. The state DPW
7 was attempting to incorporate the quality control program into
8 the state budget. The request will provide for 20 quality con-
9 trol reviewers, 2 supervisors and two clerical staff. Accord-
10 ing to the budget request the greater number of reviewers is
11 required to meet federal standards based on the caseload for
12 the program in the state. However, the Governor's Budget did
13 not agree to the extra personnel. The state food stamp super-
14 visor had no knowledge of this and assured me the personnel
15 will be added in July.

16 The lack of quality control personnel at the state level
17 may endanger the program's acceptability to the USDA. Definite
18 assurances from the USDA are necessary before this procedure of
19 county employed staff is continued. The costs to the state would
20 be minimal since the federal government will pick up 50% of the
21 cost of these new personnel. This cost should not be allowed to
22 endanger a program affecting as many residents in Minnesota.

23 THE COUNTY FOOD STAMP OPERATION

24
25
26 The county programs themselves are not without problems.
27 As mentioned earlier, participation rates of eligibles in Minne-

1 sota counties varies considerably. This demonstrates an important
2 factor of the Food Stamp Program. It is county operated with
3 great flexibility and discretion. The level of operation in each
4 county is the prerogative of the welfare board. Theoretically
5 the county program receives guidance and regulations from the
6 state office, including the services listed earlier. But it is
7 the county that determines the level of operation within the
8 county. Without strong state level leadership and direction,
9 the counties are free to offer food stamps as they please.

10 Federal and state regulations state basically how a program
11 should certify applicants and sell stamps. The regulations do
12 not set standards for the extent of the operation. Whether a
13 county has 1/2 person or 50 persons in the staff, the regulations
14 only say what the staff should do, not how many members there
15 should be, or how many people they should be servicing. The
16 staff should not only be told how to certify the client and sell
17 stamps but also how many should be certified or where stamps
18 must be sold. While requiring outreach, the regulations give
19 little guidance and less requirements for performance. The
20 guidelines only state that if certain functions are performed,
21 this is how they will be performed. No minimum levels of per-
22 formance are given or necessary items required.

23 As a result, food stamp programs have suffered at the
24 county level from an inability to reach many of the eligibles in
25 the county. Those who do discover the program more than keep
26 busy the minimal staff. Hardly any efforts are made to reach
27 out to new applicants. The present staff is too busy and new

1 staff is not forthcoming. Even Ramsey County which is adding 10
2 new staff members to the present 22, will not be increasing out-
3 reach but just catching up with applicants who now must wait 4
4 weeks for an interview. Red Lake County runs a one staff member
5 stamp program for a county with 14% unemployment. The staff con-
6 sists of 3 part time people whose time adds up to one full time
7 equivalent (FTE). This staff must certify applications, sell
8 stamps, reach out to and service 451 people or 104 households.
9 The social services director, Charles Stephens, estimated only
10 30% of those eligible are participating in the program. Hennepin
11 County is opening two new centers, but this is hoped to rid the
12 main center of lines of people outside each morning.

13 Such an examination of various county programs gives the
14 feeling that the local food stamp programs have not heard of
15 their responsibilities under the state outreach plan which is
16 now two years old. Mr. Savard, director of Ramsey County Food
17 Stamp Program, states he has never received any official or
18 written notice of county responsibilities in the area of outreach.

19 While no direction has yet come from the state, presumably
20 the new federal reimbursement regulations will encourage the
21 counties to increase their food stamp staffs. Beginning
22 October 1, 1974 the federal government will reimburse the counties
23 (and state) programs 50% of roughly all costs of administration
24 of the program. The state food stamp program, and others in
25 Minnesota expect this change to improve the chances that county
26 boards will grant increases in staff. However, this must be
27 weighed against the fact that the state has picked up considerable

1 amounts of the cost since the beginning of 1973. Such reimburse-
2 ment has not amounted to increases in staffing. In fact many
3 people contacted including the Ramsey Food Stamp Director, the
4 Red Lake Social Services Direction, and Curtiss Johnson, the
5 State Food Stamp Director were not aware that the state reim-
6 bursed food stamp costs at all.

7 In FY 1974 total county administrative expenditures for the
8 food stamp program reached \$1,759,341. Of this approximately
9 \$500,000 was allowable under federal reimbursing standards for
10 specific certification and eligibility reporting activities.
11 Following the 67 and 1/2% rule, the USDA reimbursed the county
12 food stamp programs a total of \$398,839. Under the new reg-
13 ulations it is likely the counties would have received, at 50%
14 of all expenditures, \$800,000 for the same rate of expenditures.
15 These figures do not include state level expenditures.

16 Besides the federal reimbursement, the state reimburses
17 50% of the remainder of certain administrative costs in the pro-
18 gram. This is accomplished under DPW Rule 56 pursuant to Minne-
19 sota Statutes Chapter 256D.22. (The General Assistance Act)

20 This law provided across the board 50% reimbursement for
21 certain administrative costs of all public assistance programs
22 and food stamp programs in the county. In FY 1974 the state
23 reimbursed county welfare departments approximately \$531,000 for
24 these costs. This share (now 1/3 of the costs) will drop as the
25 new Federal reimbursement picks up a larger share. Then the share
26 of expenses for administration of the food stamp program in the
27 average county will break down roughly to these categories:

1 50% federal grant through USDA, 25% state through the DPW and
2 25% paid by the local county government.

3 The major reservation in the state general reimbursement
4 law was a limitation on the number of staff which a county may
5 add after the law. Only an increase in the case load per staff
6 member above an average in the base year 1973, is a valid reason
7 for adding staff. Such increases must be approved by the state
8 DPW merit system staff before inclusion with the allowable ex-
9 penses for state reimbursement. However, county employed food
10 stamp quality control staff are excluded from this limitation.

11 The provision of a much more extensive federal reimburse-
12 ment, and continuation of the state reimbursement should mean
13 very little expense accruing to the county for added workers in
14 the food stamp program. The increasing demand for food stamps
15 by citizens should provide the increasing case loads necessary
16 to win approval for state reimbursement of new staff positions
17 in this area.

18 Ramsey County offers one example. Presently the Ramsey
19 County food stamp program has 22 full time staff. Rather than
20 take people on a first come - first serve basis (which has
21 resulted in several news articles on the long lines at Hennepin
22 County food stamp center) Ramsey takes appointments which are
23 now running a month behind. Mr. David Savard, the director, has
24 received authority to hire 10 more workers. His goal is to re-
25 duce the waiting time to 5 working days by April One.

26 Ramsey has only one location at which applications are
27 taken and recipients interviewed. They do, however, have inter-

COUNTY COSTS AND REIMBURSEMENTS

FOOD STAMP PROGRAM

FY 1974

Food Stamps	Total County Administrative Expense	USDA Reimbursement	State Reimbursement
Quarter 1	\$ 384,159	\$ 95,229	\$132,775
Quarter 2	\$ 329,636	\$102,432	Average
Quarter 3	\$ 493,505	\$ 97,158	Per
Quarter 4	\$ 552,341	\$104,019	Quarter
TOTAL	\$1,759,641	\$398,839	\$530,000

1 mittent visits to senior citizen high rises to enroll older people
2 and sell stamps. Twenty-two locations around the county are open
3 to sell stamps primarily during the first week of each month. Two-
4 thirds of their sales are during that week.

5 Such an overload of applicants will be evidence of need for
6 new staff. There should be little problem with approval for the
7 staff to be included in the state reimbursement for Ramsey County.

8 The counties in Minnesota need a more direct mandate from
9 the state concerning their responsibilities in this area. Information
10 should be made available, more clearly explaining the reimbursement
11 opportunities. The counties contacted were very unsure about the
12 type of money available from the USDA. Emphasis should be placed
13 on the ability of food stamps to increase the food purchasing power
14 in each county.

15 It is at this level where the direct service occurs that the
16 most immediate impact can be made. County programs must be required
17 to deal with eligible people who are already creating demand beyond
18 the abilities of the food stamp staffs.

19 REACHING MORE PEOPLE

20
21
22 Probably the most controversial aspect of the Food Stamp
23 program has been the federal regulation mandating an effective
24 outreach program to inform citizens of their eligibility to
25 participate in the program and to encourage their participation.
26 That regulation requires the states to develop a plan of operation,
27 "to inform low-income households of the availability and benefits

1 of the program and to encourage the participation of eligible
2 households." Section 271.8(4) and Section 270.2 (nn), Federal
3 Register 40:#6, Page 1882, January 9, 1975.

4 As more people feel the effects of the economic slump, a program
5 to reach out and inform them of the food stamp supplement becomes
6 more important. As the number of eligibles in the state increases
7 (probably now 100,000 more than the Bickel-MacDonald figures) the
8 state's failure to enroll people in the food stamp program becomes
9 even more evident. The outreach mandate was designed to assure that
10 these people would learn about the program.

11 This mandate has been one of the least practiced requirements
12 at either the State Food Stamp Office or its counterparts in
13 Minnesota's counties.

14 The State Food Stamp Program - Plan of Operation, September
15 1971, called for the insertion of an amendment detailing a state
16 outreach plan prior to May 1, 1972.

17 This plan was finally adopted on July 1, 1973, by the state
18 DPW commission and approved by the Regional Office of the Food
19 and Nutrition service. The goals of the outreach plan were:
20 "1) to insure that all low income households are aware of the
21 Food Stamp Program and its benefits, 2) to encourage eligible
22 households to participate in the program and 3) to help potentially
23 eligible households obtain and use food stamps in order that they
24 may have a more nutritious and adequate diet."

25 In actuality neither the state nor the county programs have
26 done any of these activities or met these objectives.

27 The "plan" itself does not represent the "effective program"

1 called for in the regulations. It is but a listing of activities
2 which could be loosely called promotion of information about the
3 program. The plan itself creates no plan of operation, sets no
4 timetable for accomplishment and designates no particular office-
5 county or state to be accountable for the outreach component of
6 the state food stamp program. The plan merely "expects county
7 welfare directors to direct outreach activities" with the state
8 food stamp supervisor "responsible for overall guidance". For
9 whatever the reasons such direction and guidance have not been
10 seen in the operation of the Food Stamp Program.

11 The confusion generated can be seen in comments on both sides
12 of the issue. Mr. Johnson the state food stamp supervisor states
13 that the outreach responsibilities were given to the counties.
14 County directors see outreach as a state function and county
15 governments have budgeted little enough money for the basic
16 program and none for personnel to advertise the program. The state
17 in turn has not attempted to seek compliance from the counties.
18 The county program directors in turn have received no official
19 statement telling them of their responsibilities under the act.

20 Figures from the Bickel-MacDonald study show at best a 44.5%
21 participation rate. Obviously any outreach program which may
22 exist is neither widespread nor very successful.

23 That observation has lead to legal action against the DPW
24 commissioner and the food stamp program. On October 11, 1974
25 U. S. District Court in Minneapolis ruled against Secretary Butz
26 concerning an attempt by the USDA to turn back \$280 million in
27 unused funds in the Food Stamp budget. He cited concerted

1 efforts to avoid outreach programs including "the approval of
2 state outreach plans which in no way approached the outreach
3 standards set by Congress, and required of the states no remedial
4 action to correct inadequacies in the outreach program." The
5 \$280 million had been unused due to a lack of growth in the
6 program. The judge argued that even a small outreach effort would
7 have more than created the demand for the funds.

8 The DPW was sued on September 24, 1974 for failing to develop
9 an outreach program. The plaintiffs argued that numbers of
10 recipients had actually declined in the previous six months. They
11 claimed that the state had not attempted to provide adequate
12 personnel and programs to create an outreach program nor to
13 claim from USDA available funds which would cover over 50% of the
14 costs incurred.

15 Local USDA Food and Nutrition Service (FNS) officials have
16 placed pressure on the DPW to develop an outreach program. DPW
17 have claimed it had no state funds to start a program. The Federal
18 monies, returned to the budget were only available for matching
19 local funds. The state OEO office offered to provide the DPW
20 with enough funds to gain a matching grant and hire two persons
21 at the state level to perform outreach functions. These people
22 were to be in place by January 1 and funding would last
23 through June 30, 1975. The OEO grant was \$14,117. This money
24 was also available for federal matching of 50%, providing a
25 considerable sum for outreach programs, for that six month period.

26 Thomas Fabel, assistant attorney general assigned to DPW,
27 stated that he would move for dismissal of the September 24 case

1 on the grounds of mootness. He cited the above agreement saying
2 that the Food Stamp program had begun hiring including a person
3 assigned to DPW through the Community Employment and Training
4 Act. He also felt the judge would not wish to attempt to
5 define exactly what an "effective" outreach program implies.

6 As of February 1, no personnel have yet been hired by the DPW,
7 though two people are being processed. The person hired through
8 CETA is not assigned to Food Stamps according to Curtis Johnson,
9 Food Stamp Supervisor. He now feels the people will be added
10 definitely by March 1 or earlier. He expects them at that point
11 to develop a plan of operation. Their major responsibilities will
12 be to "coordinate the outreach programs in each of the counties".
13 Mr. Johnson still sees the major responsibility for outreach as a
14 matter for the county programs. Probably at least another month
15 will lapse before the two new personnel will be in a position to
16 activate the program. Under such conditions an outreach effort
17 might begin by April.

18 The question now to be answered is whether these two people
19 represent an effective outreach program in the state. The first
20 point to be made is that their responsibility is to "coordinate
21 outreach programs at the county level." There are no county food
22 stamp outreach programs. Part of the staffs' responsibility will
23 be to attempt to encourage such programs, develop materials, and
24 collect information useful to outreach workers in the state. Since
25 the present staff are hired only through June it is necessary to
26 also look at the DPW request for personnel for the next biennium.
27 A look at the program budget shows a request for three new

1 personnel. The description of their duties shows a number of
2 responsibilities besides outreach coordination. Among other
3 duties the new staff will be asked to update the manual, train
4 county workers in all aspects of the program. One of the three
5 staff will be specifically assigned to administrative functions
6 of the office.

7 The state office needs to develop a true outreach plan
8 which analyzes the need, sets objectives, develops a timetable
9 to accomplish the good and evaluation and feedback to assess the
10 accomplishments against the need. The project needs to be
11 independent of the other needs of the department which are
12 secondary to adding people to the program.

13 This argument is explained well with an example from New
14 Jersey. Using the National Child Nutrition Project staff to
15 develop the program, the state created an outreach project which
16 covered the state with television and radio advertisements,
17 brochures in grocery stores and information in the store ads.
18 The Nutrition project staff also trained 34 new outreach certi-
19 fiers. Christine Van Lenten, one of the staff members felt it
20 absolutely essential that the outreach program take place at a
21 state wide level though not necessarily within the Food Stamp
22 program. While the county governments had no interest in improving
23 the food stamp program, the pressure created by applicants drawn
24 to the program because of state wide advertising forced counties
25 to greatly expand their programs. Staff increased 65% and centers
26 by 73% since July 1. Non-public assistance households participating
27 in the program showed a 43% increase in the first six months of

1 the outreach project.

2 The difference between this approach and the proposals of
3 the DPW is the direction of the project and the activities
4 assigned to the staff. A definite plan of action and timetable
5 was developed. The New Jersey project did not depend on county
6 programs to actually do outreach as Minnesota would. The state
7 project did the advertising, visited sites in the state and
8 encouraged applicants to the local centers. Here the staff would
9 only be coordinating the activities of county personnel not
10 providing a direct service function. Secondly the staff was not
11 a part of the state food stamp program. For all good intentions,
12 it is more likely the new staff in Minnesota will get caught up in
13 the administrative operations of the program and not in outreach
14 activities. The state program is understaffed. The very presence
15 of the new personnel in the office will force them to meet requests
16 as they come in from county personnel, to answer questions, process
17 reports, and serve the immediate needs of local personnel as they
18 attempt to seek guidance from the state office. Whether by
19 design or not, outreach will become secondary as both state and
20 local personnel get involved in just day to day operation of a
21 program already overburdened.

22 The best utilization of funds allocated to state personnel would
23 be to use the money to develop an independent state food stamp
24 advertising project and to require county welfare departments
25 to meet the staff needs of the food stamp program. A mechanism
26 using either the number of eligibles in the county or the waiting
27 period for application to the program could be developed as

1 criteria for the level of staffing in each county.

2 In order to meet their goal of doubling the number of Food
3 Stamp recipients the state must exercise greater control over the
4 programs at the county level. The state DPW does not have at
5 present the power to require counties to increase their staffs
6 of county food stamp programs. These increased staffs are
7 necessary to process people and enroll them as recipients.
8 Without county cooperation the state DPW cannot meet its own goals.

9 Minnesota, by not developing an outreach proposal has wasted
10 its chances to share over \$280 million in USDA funds available
11 for 50% matching. The food stamp program must move fast to gain
12 any of this money this fiscal year. At the same time many people
13 go without proper food because the state DPW and its food stamp
14 program wait for next year's appropriation when it can't even
15 hire fast enough this year.

16 17 RECOMMENDATIONS

18
19 1. The present state food stamp plan is not a plan but merely a
20 compliance agreement. It is certainly not a plan of action to
21 improve nutrition and alleviate hunger in Minnesota. What is
22 missing from the state food stamp program is a concise plan
23 assessing the need, delineating the goals of the program, a plan
24 of action, listing specific activities to be accomplished and a
25 timetable by which these activities will be completed. An evaluation
26 of these activities and feedback to the initial process are
27 necessary.

1 Only with this type of statement can DPW's request for new
2 staff be justified. The hiring of new personnel does not amount
3 to such a program. Neither does the program budget for FY 76-77
4 allow a valid look into the activities of the program.

5 2. The same is necessary with the required state outreach plan.
6 Presently there is no program to make a concerted effort to reach
7 people in Minnesota with information about the Food Stamp program.
8 There is certainly not a special Food Stamp Outreach program, only
9 the request to hire three new staff with numerous duties. The
10 delays evident in hiring people under the OEO grant shows a lack
11 of concern for the program. Considerable money in matching funds
12 from federal sources has been lost because of that delay. The
13 DPW Food Stamp goal to double the number of recipients is a
14 shallow one. If the present economic situation continues, it alone
15 will result in a doubling of the number of food stamp participants.
16 Goals must be formulated in terms of participation rates of
17 eligible persons in the state. Such criteria will allow the
18 legislature to evaluate the program's success.

19 3. The legislature must expand its mandate to counties in the
20 area of food stamps. The state is now paying at least 25% of
21 the costs with the federal grant picking up 50% through DPW. The
22 legislature should demand better use of its funds, requiring a
23 stronger county commitment to the program. Over \$34 million in
24 added purchasing power flows into this state through the food
25 stamp program. That figure could be much larger if county govern-
26 ments gave the food stamp program proper recognition and support as
27 an important supplement to the nutrition of residents and to local

1 economy.

2 4. In line with the new state plans for the entire food stamp
3 operation and for outreach, the state level program should
4 reorganize as a statewide promotion unit. The important
5 components of a food stamp program are county level direct service,
6 a state program of outreach, and promotion. State administrative
7 components are secondary and are already performed for the most
8 part by the auditing and recording activities of DPW. New
9 staff in the state program should be given specific job assignments
10 with the outreach plan and held accountable for these activities.

11 5. Information about and authority over the food stamp program
12 at the state level is diffused. The state supervisor does not
13 participate in budgeting activities, or directly with quality
14 control. No mechanism is available to pull information about the
15 program together to analyze it from a cost effectiveness point
16 of view. The development of a real state plan for FY 76-77 will
17 require centralization of information about participants and about
18 finances. The state director of the food stamp program must have
19 this information if the program is to function effectively.

20 6. If the choice must be made, increased employees at the county
21 level should take precedence over employees at the state level,
22 except in the case of an outreach plan submitted and approved
23 previous to the commitment of funds.

24 7. Overall these recommendations need impetus given by a new
25 legislative policy statement directed at the food stamp program.
26 Lack of awareness about the program and its potentials at this
27 level has led to its present situation. The above recommendations

1 incorporated into such a legislative policy would go a long
2 way to emphasizing this body's concern for the success of the
3 program.

4 8. While we hesitate to recommend another report to the
5 legislature, since DPW is still presenting those requested
6 last year, we still feel that some further check is necessary in
7 order to follow up the action of this body.

8 Therefore we recommend no action on the department's request
9 for further personnel until the state and outreach plans outlined
10 above are presented. These plans should contain in them prerequisites
11 for an effective program by which the legislature will be able to
12 evaluate the department's request for added personnel.

1 APPENDIX A

2 THE FOOD STAMP PROGRAM

3 The food stamp program in Minnesota provides an average of
4 165,000 residents with a bonus of approximately \$3,000,000 each
5 month. Due to the nature of the food stamp program this bonus is
6 restricted, along with the recipients own contribution, to the
7 purchase of food.

8 The program's original purpose was to utilize the great surplus
9 of food in this country in the late 50's and 60's and also to
10 upgrade the nutrition of needy and low income people. Now with
11 the advent of the present farm market the first goal has largely
12 disappeared, but the program still gains support on the basis of
13 its second goal and the fact that it does increase demand for
14 farm products, supporting their prices.

15 The mechanism on the face is simple. In order to receive the
16 bonus, a recipient household must dedicate a certain amount of
17 its resources toward food by exchanging currency for food stamps.
18 Depending on its size and income the household then receives a
19 bonus in extra stamps for food purchases. The stamps are redeemed
20 for food at participating grocery stores. Only retail grocery
21 stores are eligible to redeem stamps and only items which are
22 normally considered food for human consumption can be purchased
23 with the stamps.

24 The present schedule of payments and bonus stamps by house-
25 hold size and income is attached as part of this appendix. The
26 actual process involves computation of the household's income
27 after several types of deductions. The bonus stamps add up to an

1 increased agricultural purchasing power of \$36 million for
2 Minnesota in 1974. Bonus stamps are paid for by the federal
3 government.

4 The state's responsibility in the program centers on the
5 distribution and sales of the food stamps and determinations of
6 eligibility. The actual substantive functions are performed in
7 each county welfare department, with the state DPW holding
8 responsibility to see that the program is carried out effectively,
9 and the responsibility for certain functions to be performed at
10 the state level.

11 While bonus stamps are totally a cost picked up by the federal
12 government, the costs of administration of the program has been
13 borne by the counties and state. Counties in the state have been
14 slow to adopt the program and to provide adequate personnel to
15 determine eligibility, approve recipients, sell stamps, do the
16 record keeping, and advertise the program, (i.e. outreach), all
17 of which are federally mandated functions. Part of the reluctance
18 of county commissioners to support the program stems from the general
19 attitude toward what they consider a welfare program, especially
20 the mandate to advertise and encourage eligibles to participate.
21 This has resulted in very little commitment of local money to assist
22 the program. Until October 1974, the USDA participated marginally
23 in providing funds for administration. The federal government
24 would reimburse the county and state programs only for 67½% of
25 the cost of determining eligibility and certifying households
26 which were not also receiving public assistance. In Minnesota
27 non-public assistance households make up approximately 57% of the

1 total number participating in the food stamp program.

2 However, the reimbursement schedule has been changed.

3 Effective to October 1, 1974, the federal government will
4 reimburse the state and local food stamp programs, 50% of all
5 reasonable costs incurred (Federal Register 39 #243 page 43692).

6 It is expected that this change will encourage county programs
7 to increase the number of personnel involved in food stamp
8 distribution.

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