Thank you very much for the opportunity to discuss issues related to access to the Food Stamp Program today. My name is Jim Ohls, and I am a Senior Fellow with Mathematica Policy Research, a private research organization which frequently conducts policy evaluations in nutrition policy and other research areas under contract with the federal government. In my work at Mathematica, I have been studying various aspects of the Food Stamp Program for more than 15 years, and, with my colleague, Harold Beebout, I am the author of a book about the program. I am also Mathematica’s Area Leader for nutrition policy, which means that I have overall responsibility for coordinating our work in this area.

The basic issue that I’m going to be discussing today is effective access to the Food Stamp Program by people who are eligible for it. I believe that the intent of Congress in establishing the program was to create a broad food safety net for low-income people. A useful measure of how well that intent is being met is the program participation rate.

Under a contract with the U.S. Department of Agriculture, Mathematica has for many years routinely generated estimates of the percentage of eligible people who receive benefits from the Food Stamp Program at any given time, which I’ll call the “participation rate.” These estimates are widely used, not only within USDA but throughout the government in assessing participation in the program. Overall, our numbers indicate that, in 1998, at any given time only about 59 percent of people who were eligible for food stamps actually participated. They also indicate that this participation rate has decreased substantially since before the passage of the welfare reform legislation in 1996. In 1994, for instance, the rate was about 71 percent—thus, it has declined a little over 10 percentage points over the 1994-1998 period.

Furthermore, estimates done on a state-by-state basis show considerable variation between states. While there is greater margin for error in the state-by-state data, the best estimates we have suggest that the participation rate ranges from about 47 percent in the five lowest states to more than 88 percent in the five highest.

So, these data tell us that there are a lot of people out there who are eligible to get food stamps but who aren’t receiving them. Whether or not this should be a source of concern depends on why they aren’t receiving benefits. Some people, even those with incomes low enough to qualify for food stamps, may feel that they can get by adequately without food assistance; and the nonparticipation of these households may not be a policy concern. Of greater concern, however, is the possibility that some people who need food stamps may not be getting them because they don’t know they are eligible or because of procedural barriers inadvertently set up by the program itself.
As you know, the program is administered through a partnership between the federal government, which implements legislation by setting up broad regulations concerning how the program is to be run, and the states and counties which actually operate the program on a day-to-day basis. Therefore, to the extent that barriers to participation exist, it is useful to consider whether they arise at the federal level or the state and county levels.

In what follows, I’d like to first discuss what we know about the reasons for nonparticipation. Then I’ll summarize some recent findings concerning the consequences of nonparticipation among households who need program benefits. Finally, I will suggest possible ways of increasing access by making application and participation easier.

**Reasons for Nonparticipation**

There are basically two ways that researchers have studied reasons for nonparticipation in the Food Stamp Program. One is based on survey methods—we’ve identified people who apparently were eligible and not participating and have asked them questions about why they were not participating and about their knowledge and attitudes toward the program. This type of survey has been done several times. Most recently, in 1997, I directed a survey by Mathematica which asked questions like these. The results of the various surveys that have been done are quite consistent and show that there is no single reason for nonparticipation. However, the most common reason given for nonparticipation is that many eligible households are unaware of their eligibility. This is particularly common among workers with low-paying jobs who may think that their jobs make them ineligible. But it is also true for households who own houses and think that that makes them ineligible, as well as for households with other forms of income or assets.

Several other reasons for nonparticipation are also apparent in the survey data. Some households say that they simply don’t need the assistance. Others indicate that they believe that complying with the Food Stamp Program’s application and administrative requirements is too burdensome. Still others mention the transportation problems or potential embarrassment at receiving food stamps.

These survey findings are supported by the second general type of research on participation, which is focus groups based on discussions with small groups of eligible nonparticipants. In a set of focus groups conducted in 1996 with selected groups of eligible nonparticipants, my colleague at Mathematica, Sheena McConnell, also found that many did not think they were eligible. Others, gave reasons similar to those found in the surveys. Some examples are:

“I always thought that the food stamps were for people on welfare and for people that were very poor….I wasn’t on welfare so I guess I though I wasn’t eligible.”

“I really prefer not to [participate] because of the stuff you have to go through.”

“It’s the process that keeps people from going to apply for them. That’s the major thing. That and the environment. You go up there and sit for four or five hours, people don’t have the patience to do that.”
“You go down half of the time and you sit up there all day sometimes and they say come back tomorrow.”

These are not representative of all nonparticipants. Indeed, later in the testimony, I will present some data that suggest that a substantial majority of people who receive food stamps are reasonably satisfied with their interactions with the program. But these quotations help illustrate the kinds of experiences which sometimes serve as a deterrent to participation.

One set of reasons for nonparticipation that warrants particular attention has to do with the interface between food stamps and other assistance programs—most importantly, TANF. There has been considerable concern that many states have focused their attention on the successful implementation of TANF and may not have been careful to ensure that people applying for TANF were also given full information about their Food Stamp Program eligibility. One concern, for instance, has been that households applying for TANF may sometimes be tracked into work-diversion programs so quickly that they do not receive appropriate information about food stamps. Similarly, households leaving TANF because of employment or other reasons may sometimes not be told that they may still be eligible to receive food stamp assistance. In some instances, state computer management information systems may not even be set up to alert clients leaving TANF about their continuing eligibility for other forms of assistance. A recent report done for USDA by Vivian Gabor and her colleagues at Health Systems Research documents these types of problems, based on a series of local office case studies.

Consequences of Not Receiving Food Stamps

The evidence suggests that many of the nonparticipant households who are eligible for food stamps have a substantial need for food stamp assistance. Mathematica’s analysis of participation rates, which I mentioned earlier, shows that, of the roughly 12 million eligible people who are not receiving food stamps, more than half are living in households below the poverty line. A different study, which I directed in 1998, found that about 34 percent of eligible nonparticipants were food-insecure, based on USDA’s food insecurity scale, and about 14 percent were experiencing some degree of hunger.

Similar conclusions are suggested by a recent study by Anu Rangarajan and Phil Gleason of households who left the Food Stamp Program in Illinois in the period after the implementation of the 1996 welfare reform changes. Some of these households had exited from the program due to changes in the program resulting from the legislation, while others had experienced changes in income or other factors that caused them to leave. The Rangarajan-Gleason study found that many of these program leavers were experiencing considerable hardship at a point about two years after leaving the program. More than a third had household incomes below 50 percent of the poverty level, and more than a third were classified as hungry, based on the USDA food security scale. Thirty-eight percent reported significant health problems, and 14 percent reported significant problems finding adequate housing. These data are similar to those found by several other researchers in parallel studies sponsored by USDA. They suggest that there is a population out there which is in substantial need of assistance both from the Food Stamp Program and from other sources, but which is not receiving it.
Potential Program Changes

Summarizing thus far, there is considerable evidence that the Food Stamp Program is not working fully as intended by Congress. A substantial number of households who are eligible for food stamps, and who need food stamp assistance, are not receiving these benefits. Some of these people are undoubtedly making a conscious choice not to apply for various reasons. But it is likely that many—probably most—of the eligible nonparticipants are prevented from participating either by their not realizing they are eligible or by various administrative aspects of the program.

What, then, could be done to increase participation by those who need food stamp assistance? Unfortunately, there is no single answer. As I indicated earlier, there are many different reasons for nonparticipation, and, as a result, there are many different potential remedies. Here, though, are a number of possibilities which I believe should be considered.

Continue and increase extensive outreach. Because many eligible households do not realize that they are eligible, it is important to find whatever means may be available to get the message out that low-income people, including workers and people with homes, should investigate their eligibility. USDA currently undertakes extensive programming in this area, but more effort may be useful. Here’s an example. An obvious group of people who may be in need of public food assistance are the clients of emergency kitchens and food pantries in the Emergency Food Assistance System. But the latest published data available, which relate to 1997, show that a majority of clients at these places are not receiving food stamps and fewer than one-third of pantries and kitchens are systematically counseling their clients to seek food stamp help. Now, USDA is aware of this and has actively distributed literature on the Food Stamp Program to the regional food banks which support the local kitchens and pantries. Overall, however, it is not clear that the message has actually gotten to most of the local agencies who have contact with the clients. It may be that, with more resources, these agencies could be directly contacted with outreach material. I use this example because it happens to relate to some research I am currently doing for another purpose. It is also likely the case that there are ways outreach could be increased for larger groups of food stamp eligibles, such as the working poor and the elderly.

Implement easier application procedures. A recent study that I directed suggests that it takes 5 hours, on average, to apply for food stamps and that complying with periodic recertification requirements which take place as frequently as every three to six months can require another two and one-half hours each time. If we could streamline application procedures, we could ease these burdens and thus facilitate participation. My own favorite candidate in this regard it to encourage greater use of the telephone for applications and recertifications. Current regulations require in-person visits for almost all clients. To be sure, there are provisions for telephone applications in certain hardship circumstances, but they are quite restrictive and are seldom actually used, even when they are applicable.

However, in our overall society, we’ve moved to an environment where virtually all services are available by phone. You can do your banking by phone; you can buy your clothes by phone. You can even order your groceries by phone. Recently, public programs have also gone in this
direction, a good example being the Unemployment Insurance system, which, as I understand it, is currently trying to phase out local offices and move to a largely telephone-based system.

In this environment, it may be time to revisit, in some systematic way, the issue of whether a person should be able to get assistance by phone. This might, incidentally, be a particularly important change for low-income people with jobs, who cannot get off work during normal business hours, when most food stamp offices are open.

**Restructure fiscal sanctions in the quality control system.** A key concern among state and local food stamp officials as they perform the day-to-day activities of their jobs is minimizing error rates. This concern stems, in substantial part, from the pressures of the program’s Quality Control (QC) system and sanctions. The QC system places pressure on the states which, in turn, place pressure on the local program offices. Overall, a surprising number of decisions are driven by this. Now, this obviously has desirable consequences in terms of program integrity. The recently announced lower official state QC rates are evidence that the QC system is having some effect.

However, the concern is that if you push states too hard, you put them in a position where they cannot afford to take chances in implementing new procedures to accomplish other objectives. Lowering error rates is obviously a good thing, and as a result verification of information is also a good thing, in general. But, if you’re also concerned about program accessibility, making an applicant come back to the office with a rent receipt to make sure that the housing deduction is being calculated correctly may not be such a good thing. Going back to my suggestion to use the telephone more in case processing, it is safe to assume that the QC system would work against states trying out this innovation, because if it didn’t work well it could affect their error rates. My overall point here is that we need to strike the right balance between program accessibility and avoiding mistakes.

More broadly, our current QC system has arisen piecemeal through a series of ad hoc adjustments intended to solve particular problems. It may be time for a more broad-based analysis of the entire system in the context of the kinds of trade-offs I’ve illustrated.

**Consider different rules for workers and nonworkers.** Most food stamp recipients cannot be in the labor force, either because they are children (52 percent), because they are elderly (9 percent), or because they are disabled (9 percent). For the remaining participants who are able to work, a major thrust of assistance policy in the United States, particularly since 1996, is to provide strong incentives and rewards that encourage work.

However, the Food Stamp Program procedures that work best in servicing the working poor may, in some areas, be different from those that meet the needs of other groups, such as TANF recipients and the elderly. Furthermore, as part of our general social strategy to encourage and reward employment, we may, as a society, wish to treat workers differently in some respects and possibly strike a different balance on the trade-off that I just discussed between accountability and accessibility. As a result, it may make sense to create a “two-track” system to facilitate participation by low-income working households. Harold Beebout of Mathematica and Mike Fishman of the Lewin Group are currently studying this issue, and I think they may have some interesting ideas to propose in a few weeks.
**Restore eligibility for legal immigrants.** Another way of facilitating program participation would be to restore the eligibility of legal immigrants. Here, I’d like to distinguish between two issues. First, there is a value judgment as to whether these people should be in the program. While I happen to believe that they should be, I don’t claim any special expertise from my research background on this value issue. Then there is a second, more objective issue—that we could almost certainly increase the participation rate for American citizens by bringing legal, noncitizen immigrants back into the program. The reason for this is that many immigrant households contain both citizens and noncitizens. In many immigrant households, some members—particularly children born in the United States—are U.S. citizens, while other members—often the children’s parents—may not be. The practical effect of reducing eligibility for legal immigrants may be that many of these households have completely withdrawn from the program. Tabulations done by Mathematica suggest that the participation rate among citizen children of permanent resident noncitizen adults has decreased from 63 percent to about 38 percent since the 1996 welfare legislation. Thus, many of these children, who are fully American citizens, are not receiving the benefits they are entitled to. Restoring eligibility for legal immigrants would redress this problem.

**Do not block grant food stamps to the states.** Another program change that has recently attained some following is block granting food stamps or otherwise modifying the program in ways that give the states more discretion in how they operate the program and in how they coordinate the Food Stamp Program with TANF and other aspects of state policy. While the possibility of increased coordination with TANF certainly has some attractions, I believe that block granting food stamp would be a mistake. When the 1996 welfare reform legislation was enacted, there was some discussion of block granting food stamps as well as TANF. Ultimately, however, the decision was made to leave food stamps as a relatively uniform federal safety net. I believe that the logic for doing this remains strong and that some of the points I’ve made so far in this testimony highlight this position.

As I have noted, even though the Food Stamp Program is basically a federal program, under current rules, states still have considerable discretion in the specific operational aspects of how they operate their programs. This discretion has resulted in considerable variation in the program between states, as well as considerable variation in the degree of program access which eligible households are afforded, as illustrated by the substantial cross-state variation in program participation rates that I mentioned earlier. I believe that if we view food stamps as a safety net which should be available to everybody who the Congress has determined as eligible, then this points to a strong federal involvement. The difficulties some states seem to have had in making households leaving TANF aware of their possible continued food stamp eligibility also point in this direction.

**Conclusion**

In conclusion, I would like to note that despite the concerns I’ve raised above, overall, I believe that the Food Stamp Program is an extraordinarily successful social institution. Every month, it provides assistance to about 17 million people who need its help, and it does so with high levels of efficiency and program integrity. Further, despite the various important concerns about lack of access discussed above, overall, most people who participate in the program
believe that it operates extremely well. In a recent survey of program participants conducted by Mathematica, for instance, more than 85 percent of participants rated the application process as good or very good and, depending on the exact measure used, 80 percent or more thought that their Food Stamp Program caseworker was doing a good job.

More broadly, the Food Stamp Program addresses widely shared concerns about the food security of low-income people. With its twin strengths of efficiency and program integrity, it has consistently enjoyed strong bipartisan support in Congress. Much of the success of the program is due, I think, to Congress’s continued efforts over the years to allow the program to evolve with the changing environment, while still maintaining the fundamental character of the program. I believe that these hearings today represent an important part of this ongoing effort.

This concludes my testimony. I will be happy to answer any questions that you have.