

Food Stamps Are Now Big Business

(First of a three-part series.)

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On the first and 15th of every month, a long line grows at the Santa Cruz Post Office.

Students, young mothers and their children, men on the down-and-out and an occasional oldster stand side by side, waiting for their bi-monthly allotment of food stamps.

The line is slow, but each

comes away with coupons that will provide them and their families with food to last the month — at a fraction of the regular price.

The food stamp program, handled by the U.S. Department of Agriculture, had a meager beginning in 1961 under the Kennedy administration and has since mushroomed into a project which will feed 14 million people in the United States this year.

In Santa Cruz County, food

stamps helped some 14,800 people buy food for the month of June and had a value of \$529,280.

Yet the program has received criticism of citizens, merchants and officials alike.

It is a complex program, and one that encompasses a wide segment of the community.

Although the project is handled under the auspices of the Department of Agriculture, it ties in a number of other public and private agencies. The Coun-

ty Social Welfare Department, post offices, banks, stores and the Federal Reserve are all part of the huge food stamp machine.

The program begins simply — with an application and eligibility interview for those wishing food stamp aid.

Anyone can apply for food stamps, according to David Singleton, director of the county's Social Welfare Department. However, to qualify the applicant must meet certain

income criteria set by the federal government.

If there is only one person in the household, he must make under \$194 per month to qualify for food stamps. Two persons must make under \$273, while a family of four must earn less than \$500 per month to get food stamp assistance. A family of 10 could receive up to \$999 per month before it is disqualified from the aid.

Income determination is made through a complicated

formula of allowable deductions and payments which is made by the eligibility worker from the social welfare department.

Medical expenses, tuition, alimony payments and rent are just a few of the allowable deductions that are used to determine the applicant's net income and his eligibility, said Singleton.

Bankbooks, check stubs, rent and earning statements and other proof of income and expenses are required by the

department to insure against fraud, said Singleton.

The determined income is then set in a formula with household size and the amount of food stamps the applicant will receive is determined.

While people with little or no income will receive food stamps free, others must pay for their stamps. However, they still receive the coupons at a fraction of the cost of the food from a retail store.

For example, a family of four

(Continued on Page 3)

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Weather

MONTEREY BAY AREA — Fog night and morning but fair otherwise through Saturday. Little temperature change. Highs Saturday in the 70s to low 80s. Lows tonight in the 50s. Westerly winds 10 to 20 mph.

Temperatures for the Santa Cruz area for the 24-hour period ending at 8 a.m. this morning: High 73, Low 54



JUNIORS
PARKING
STAMP
YOUTH
CHILDREN'S S.S.
TEENS
INFORMATIC
SPANISH DEPT.
S.S. WORKSHOP
PARKING
REST ROOM
SPANISH YOUTH

Food Stamps Here Are Now A Big Business

(Continued from Page 1)

with a monthly income of \$200 per month will receive \$150 worth of food stamps for \$53. The stamps, used just like money in any grocery store, essentially will give him \$97 of free food.

The same size family with an income of \$400 per month would have to pay \$113 for the same \$150 worth of food stamps. Thus, he would only get a bonus of \$37.

The difference between the actual cost of the stamps and the value in terms of what they will buy is paid by the federal government.

More than \$175,000 was taken in by the county in food stamp sales for the coupons that had a retail value exceeding \$529,000 for the month of June.

The individual scale for food stamp amounts runs from \$46 per month for a single recipient to \$300 for a group of 10.

According to Singleton, those who receive food stamps for free must be certified each month, while those who pay for the stamps are recertified every three to six months.

Other requirements for stamp eligibility include:

Declared residency in the county, a place to cook food, registration with the state employment department for those who are employable, and less than \$1,500 in resources.

Once the applicant receives his authorization to purchase the stamps from the welfare department, he must go to a post office which sells stamps and claim his coupons.

Most people choose to receive their coupons bi-monthly, according to Singleton — thus the long lines on the first and 15th of each month.

There are approximately 5,000 transactions per month at Santa Cruz's main branch office, according to Inez Carney, postmaster.

Carney estimated that her office sells between \$58,000 and \$68,000 in food stamps per month with an actual value of \$220,000.

The coupon booklets, sold in increments of 50 cents, \$2 and \$5, are sold between 10 a.m. and 3 p.m.

Since "stamps are stamps and there can be no discrimination of special lines for the sale of food stamps,"

said Carney, lines are often long and many times there are complaints from those standing in line to mail letters and packages.

Although the post office does get a fee for handling the stamp sales, Carney said she did not know the exact amount since it was an agreement entered into by the Department of Agriculture and the Federal Post Office.

Once the coupons are obtained from the post office, the recipient takes them to any store which accepts stamps and may redeem them for food.

There are restrictions as to what they can buy, according to Singleton. Cigarettes, alcoholic beverages and non-edible commodities are among the items that cannot be purchased with food stamps, and it is up to the recipient to separate these items before he comes to the checkstand.

Since their inception in November of 1972, food stamps in Santa Cruz have become an integral part of the market's business.

Approximately 15 per cent of all downtown Albertson's business is done in food stamps, according to LaVar Swenson, manager of the store.

Smaller stores in the area estimate about five per cent of their business is handled through food stamps.

It is the store's responsibility to separate, count and stamp each coupon "paid" before sending it to one of the area's banks — a routine that is often time-consuming, according to several grocery store bookkeepers in the area.

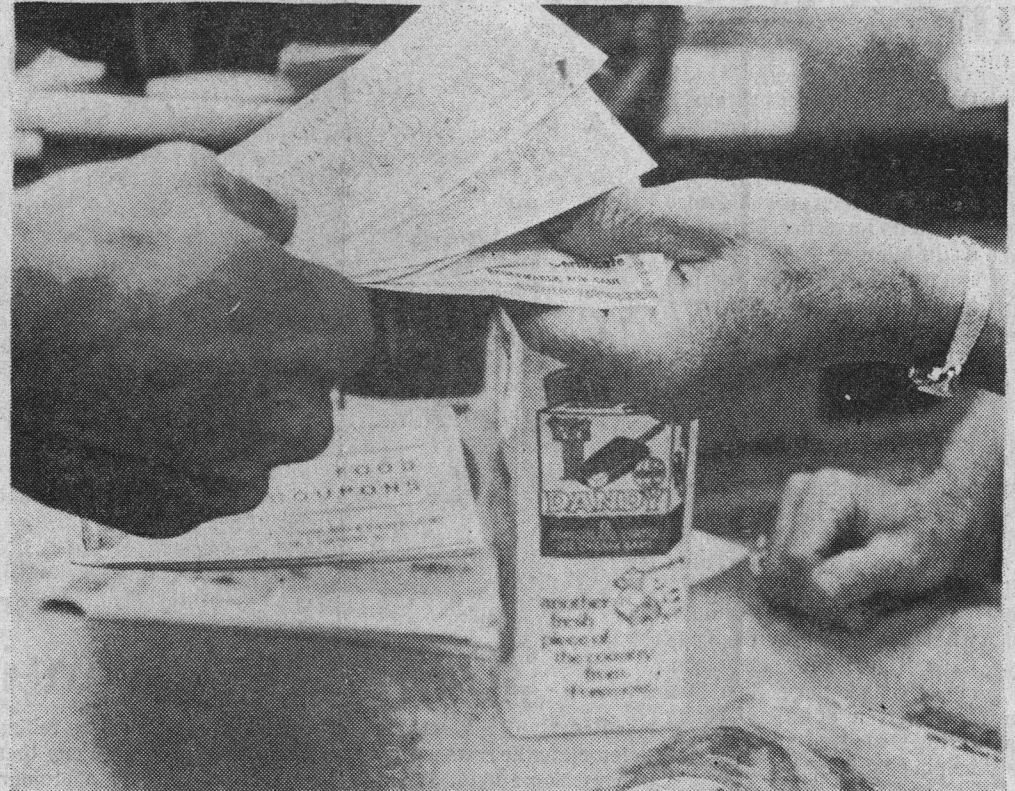
Once the coupon reaches the bank, a whole new process of verification and counting begins again. Tellers must check that each coupon has been stamped and recount the stamps.

"It's quite a bit of work for us," said Shirley Murphy, operations administrator for County Bank.

She estimated that her bank handles \$115,000 to \$120,000 in food stamps each month.

"We thought it was just a small project at first, but it got too big for one person to handle," she said.

In order to accommodate the large amount of stamps, the



The federal government's food stamp program has grown tremendously over the past 10 years, reaching 14 million Americans this year. In Santa Cruz County, the number

approaches 15,000 people each month. The stamps, used like money in most grocery stores, allow the recipients to purchase food at a fraction of the regular price.

bank has set up a central computer area for gathering and bundling the stamps which are sent to the Federal Reserve.

Although she said the bank has not had to hire someone specifically to handle the food stamps, County Bank has hired extra people to accommodate the added workload.

Her bank does not get a reimbursement from the federal government for this service, she said.

Vice President and manager of the Bank of America in Santa Cruz, R.F. Christie, said "processing food stamps is costly, simply because it is an added function."

He added "I don't know why banks were singled out to do this. Why aren't savings and loan associations and other institutions in on this?"

His bank handles \$50,000 per month in food stamps, however Bruce Mapes, operations manager there said, "stamps aren't that big of a problem, they're just part of our job. They are time-consuming, but it is a service we offer to our merchants."

He said the stamps were more of a problem to the merchants who had to stamp each one.

Yet, these problems are only a minor portion of the complaints lodged against the program, which has experiencing phenomenal growth since 1967.

While once there were only 632,000 people on food stamps 10 years ago, the number has swelled to a projected 15.8 million for the United States in 1975.

In California alone, the food stamp program has jumped from serving 136,000 people to 1.3 million recipients.

Total cost for the statewide program is \$420 million each year.

Santa Cruz' growth has stabilized over the past months to approximately 6,500 cases per month serving on the average of 15,500 people, according to Singleton.

The numbers vary, however, with winter months having a higher number of cases and summers experiencing a drop-off.

Singleton said he expects a

slow growth for the program over the coming years as unemployment rises along with food costs.

Already, there is an increasing percentage of people on public assistance — who automatically get the assistance — using their authorizations, he added.

And, as the program grows, abuses and complaints grow with it.

Store owners complain that food stamp holders buy only the finest cuts of meat and the most expensive produce, while recipients say the stamps don't last through the month even with careful shopping.

Older people under the new Supplemental Security Income complain because they were cut from the food stamp roles and residents lament because they are paying taxes for all of this.

Sunday's article explores the abuses, complaints, and inequities associated with the food stamp program, along with cases where food stamps have been a welcome help to those families experiencing "hard times."

Strike Won't Cut SC Phone Service

(Continued from Page 1)

headquarters to go to outlying areas — Santa Cruz is one — to fill the service gap.

In a related matter, new telephone rates effective Aug. 18 were announced by Pacific Telephone as follows:

SANTA CRUZ — 1 - party residential, \$5.70; 2 - party, \$4.75; 4 - party, \$3.85; 1 - party business, \$15.15; 2 - party business, \$11.35.

DAVENPORT — 1 party

Hostages

HUNTSVILLE, Tex. (AP) — Bargaining with rebel convict Fred Gomez Carrasco "continues to increase in sensitivity and detail," a prison spokesman said today, but there was no indication an end to his 10-day standoff was near.

residential, \$7.65; 2 - party, \$5.80; 4 - party, \$4.60; 1 - party business, \$17.10; 2 - party business, \$12.40.

APTOS — 1 - party residential, \$6.10; 2 - party, \$5.15; 4 - party, \$4.25; 8 - party, \$4.75; 1 - party business, \$15.75; 2 - party business, \$11.95.

BEN LOMOND — 1 - party residential, \$6.30; 2 - party, \$5.35; 4 - party, \$4.45; 8 - party, \$4.95; 1 - party business, \$16.30; 2 - party business, \$12.50.

BOULDER CREEK — 1 - party residential, \$6.55; 2 - party, \$5.60; 4 - party, \$4.70; 8 - party, \$5.20; 1 - party business, \$17.05; 2 - party business, \$13.25.

The new rates reflect increases of 90 cents per month for 1 - party residential, 75 cents for 2 - party residential, \$3.30 for 1 - party business and \$2.50 for 2 - party business.