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MAY 09 1977



The Honorable Cardiss Collins
House of Representatives

RELEASED

Dear Ms. Collins:

In accordance with your August 10, 1976, request, we inquired into complaints you had received from some elderly food stamp recipients. They complained that they received food stamp authorization-to-purchase cards later in the month than Federal Supplemental Security Income checks. You said that many of them buy food for the entire month after receiving their supplemental security checks and that, because they do not have enough money left to buy food stamps when they receive the authorization-to-purchase cards, they are being deprived of the food stamp program benefits to which they are entitled. You asked that we inquire into whether:

- Food stamp authorization-to-purchase cards are being sent regularly to supplemental security recipients in Chicago, Illinois, about the middle of the month and, if so, why.
- It would be feasible to mail the cards so they would arrive about the same time as the supplemental security checks.

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We made our review at the Department of Agriculture's Food and Nutrition Service Regional Office in Chicago and at the Illinois Department of Public Aid offices in Chicago and Springfield. We reviewed program records and interviewed regional office and State agency officials. We also interviewed 19 randomly selected supplemental security/food stamp recipients in your district. We did not obtain written comments on this report from Federal and State officials; however, we discussed our observations and recommendations with Food and Nutrition Service headquarters officials.

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RESULTS OF RANDOM SAMPLE

Of the 19 randomly selected supplemental security/food stamp recipients we interviewed in September 1976, 15 said they usually received their Federal supplemental security

checks on the first of the month; the other 4 indicated that they received their checks on or by the third of the month. Federal supplemental security checks for the Chicago area are mailed from the Treasury Department's disbursing center in Chicago.

When asked if the date they usually receive their authorization-to-purchase cards created a hardship, the 19 recipients responded as follows.

<u>Day of month authorization card usually received</u>	<u>Number</u>	<u>Creates hardship</u>	
		<u>Yes</u>	<u>No</u>
6 to 7	3	2	1
8 to 9	12	5	7
10 to 11	1	-	1
12 to 14	-	-	-
15 to 16	<u>3</u>	<u>1</u>	<u>2</u>
Total	<u>19</u>	<u>8</u>	<u>11</u>

The eight who cited a hardship said it was caused by the time difference between the receipt of their Federal supplemental security checks and their authorization-to-purchase cards--as you had indicated. Of the eight, seven said that the timing made it harder for them to budget both money and food. Seven also said that they had to purchase some food with money from their supplemental security checks before their authorization-to-purchase cards arrived. Although all 19 recipients said they were able to purchase all their food stamps, 2 said they sometimes had to borrow money to do so.

Of the eight who cited a hardship, four said their households received only supplemental security income; the other four households had additional income from other sources.

MAILING OF AUTHORIZATION-TO-PURCHASE CARDS

The Illinois Department of Public Aid, which administers public assistance programs in the State, has established 20 schedules for each month for mailing authorization-to-purchase cards and other public assistance documents, such as State medicaid cards, State supplemental security checks, and public assistance payments, to eligible recipients. All State documents going to a recipient are mailed in the same envelope. The State Comptroller's office in Springfield handles the mailing.

The 20 mailing schedules spread the large monthly workload--about 1.3 million public assistance documents were mailed in September 1976--over the available working days. The scheduling is done alphabetically by counties, except that (1) State supplemental security recipients who are heads of households are scheduled, depending on where they reside in the State, either on the third schedule (outside Cook County) or fifth schedule (in Cook County) and (2) because of the large numbers involved, other recipients in Cook and St. Clair Counties (where Chicago and East St. Louis, respectively, are located) are scheduled alphabetically by recipients' names over several days.

According to State officials, schedules three and five were the first two light-volume schedules early in the month at the time the supplemental security program began. Mailings to recipients on schedule five are usually made, depending on weekends and holidays, from the fifth to the eighth of the month. The officials said there was no particular reason why Cook County supplemental security recipients were placed on schedule five rather than on schedule three.

FEASIBILITY OF CHANGING MAILING DATES

According to State officials, some problems would be created in changing dates for mailing food stamp authorization-to-purchase cards to supplemental security recipients because benefits would need to be prorated to prevent overlaps or gaps in the periods of benefit coverage. Under the State's system for issuing authorization-to-purchase cards, the period covered by the benefits conveyed by each card is related to the date the card is mailed. For example, if a card is mailed on the fifth of the month, the period covered by the card's benefits is the month between the card's mailing date and the fourth of the following month. Accordingly, benefits would have to be prorated in the month a change in the mailing schedule was made to prevent an overlap or gap in the period of benefit coverage.

Changing the mailing dates all at one time would be a substantial undertaking since there are over 47,000 supplemental security/food stamp households in Illinois. The actual calculations for prorating the benefits could probably be done by computer, but the change might lead to some confusion among recipients, resulting in a large number of inquiries to local food stamp offices.

Changing the mailing dates gradually as the individual recipients' eligibility periods expire could involve a lengthy transition period because some recipients are being certified for up to a year or longer. If the changes were made gradually, a special computer program would have to be designed for the transition period so that different supplemental security/food stamp recipients could receive their benefits through different mailing schedules. After all recipients were on the new mailing schedule, a permanent change would be made to the computer program. State officials believe that the use of a transition period would also be confusing for recipients and hard to control administratively.

ALTERNATIVE SOLUTION

State officials believe that the supplemental security recipients' problem could be solved other than by changing the mailing schedules of authorization-to-purchase cards. Food stamp recipients in Illinois have the option of receiving one, two, or four authorization-to-purchase cards a month--all mailed at the same time--with the total allotments and purchase requirements for each card proportionately reduced. In the past, the State had provided this option to recipients who requested it but has made no special effort to advise recipients that it was available.

State officials believe that increased use of this option would be a better solution than changing the mailing schedules. They said they would be willing to undertake an outreach effort to advise supplemental security/food stamp recipients that this option is available and to explain its advantages.

To find out what supplemental security/food stamp recipients thought about this proposed solution, we reinterviewed five of the eight recipients who had cited a hardship because they received their authorization-to-purchase cards several days later than their Federal supplemental security checks. The other three were not home when we called or their telephones had been disconnected.

The five recipients were asked whether receiving four authorization-to-purchase cards a month would be helpful. Three said that receiving four cards for each month would probably help with the timing problems they had experienced, but they would have to try it for a while to be certain. The other two said their timing problems were not very serious and they would not need four cards a month. They thought

that their personal budgeting habits were sufficient to resolve any problems they might have. Four recipients said that buying food stamps and food more than once a month--which would be necessary to take advantage of receiving more than one card each month--would not present any problems for them.

CONCLUSIONS

Changing the State's mailing schedules to alleviate the timing problems some supplemental security/food stamp recipients are having could be done and, although some extra State effort would be necessary to effect the change, we can foresee no serious problems. However, the alternative solution suggested by State officials--giving supplemental security/food stamp recipients the option of receiving more than one authorization-to-purchase card monthly--seems to have merit.

If the recipient received more than one card, one could be used to obtain food stamps with the money from the supplemental security check received about the first of the month. This would require that the recipient save one card until the supplemental security check for the following month arrived and that food stamps and food be bought at least twice each month. The recipients we were able to interview did not regard this as a drawback.

The State's proposal should be tried before any changes are made in the mailing schedules. If the State's proposal is to solve the problem, however, appropriate outreach efforts will be needed to advise supplemental security/food stamp recipients that they may receive more than one authorization-to-purchase card for each month and that this could help alleviate the problems they may be having.

The effectiveness of sending more than one authorization-to-purchase card to supplemental security/food stamp recipients should be evaluated after several months. If it is not successfully alleviating the recipients' problems, the State should be requested to change its mailing schedules.

RECOMMENDATIONS TO THE SECRETARY OF AGRICULTURE

We recommend that the Secretary of Agriculture instruct the Administrator, Food and Nutrition Service, to:

- Request the Illinois Department of Public Aid to undertake an outreach effort to advise food stamp recipients receiving supplemental security benefits

of the option to receive more than one food stamp authorization-to-purchase card monthly and to explain how this could help alleviate any supplemental security/food stamp timing problems they may be having.

--Evaluate, after several months, whether receiving more than one authorization-to-purchase card monthly is alleviating the supplemental security/food stamp recipients' timing problems.

--Request, if it is not successful, that the Illinois Department of Public Aid change its mailing schedules so that food stamp authorization-to-purchase cards are received by supplemental security/food stamp recipients closer to the day of the month on which Federal supplemental security checks are received.

As you know, section 236 of the Legislative Reorganization Act of 1970 requires the head of a Federal agency to submit a written statement on actions taken on our recommendations to the House Committee on Government Operations and the Senate Committee on Governmental Affairs not later than 60 days after the date of the report and to the House and Senate Committees on Appropriations with the agency's first request for appropriations made more than 60 days after the date of the report. As previously agreed with your office, we plan to release the report to the Department of Agriculture in about 2 business days so our recommendations to the Secretary can be considered and the requirements of section 236 can be set in motion.

Sincerely yours,



Comptroller General
of the United States

REVIEW OF DELAYS IN
ISSUANCE OF FOOD STAMP
AUTHORIZATION-TO-PURCHASE
CARDS IN CHICAGO, ILLINOIS
FOOD AND NUTRITION/SERVICE
DEPARTMENT OF AGRICULTURE

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Report to Congresswoman ^{Jarvis} Collins pursuant to her request. Some elderly people had complained that they received their food stamp authorization-to-purchase (ATP) cards too long after their Federal Supplemental Security Income (SSI) checks and they had to purchase food before the ATP card arrived and, thus, did not have enough money left to buy food stamps. We ^{replied} ~~concluded~~ that changing the State's mailing schedules to alleviate the timing problems some SSI/food stamp recipients are having could be done and, although some extra State effort would be necessary to effect the change, we could foresee no serious problems. However, the alternative solution suggested by State officials--giving SSI/food stamp recipients the option of receiving more than one ATP card monthly--seemed to have merit.

We recommended that the Secretary of Agriculture instruct the Administrator of the Food and Nutrition Service to

- request the Illinois Department of Public Aid to undertake an outreach effort to advise food stamp recipients receiving SSI benefits of the option of receiving more than one food stamp ATP card monthly and to explain how this could help alleviate any SSI/food stamp timing problems they may be having,
- evaluate, after several months, whether receiving more than one ATP card monthly is alleviating the SSI/food stamp recipient's timing problems, and
- if the multi-card option is not successful, request that the Illinois Department of Public Aid change its mailing schedules so that food

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stamp ATP cards are received by SSI/recipients closer to the day of the month on which Federal SSI checks are received.

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Food Programs

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