

The original documents are located in Box 45, folder “1975/05/13 - Dunham and O'Neill” of the James M. Cannon Files at the Gerald R. Ford Presidential Library.

Copyright Notice

The copyright law of the United States (Title 17, United States Code) governs the making of photocopies or other reproductions of copyrighted material. Gerald Ford donated to the United States of America his copyrights in all of his unpublished writings in National Archives collections. Works prepared by U.S. Government employees as part of their official duties are in the public domain. The copyrights to materials written by other individuals or organizations are presumed to remain with them. If you think any of the information displayed in the PDF is subject to a valid copyright claim, please contact the Gerald R. Ford Presidential Library.

9:30 AM - Food Stamp meeting
Dunham and O'Neill

Tuesday, May 13, 1975

THE WHITE HOUSE

WASHINGTON

May 12, 1975

Abuses

7

MEMORANDUM FOR: JIM CANNON
FROM: ART QUERN
SUBJECT: Food Stamp Meeting

Attached materials are for your use in the meeting at 9:30 a.m. on May 13th to discuss Food Stamps. A much longer draft decision memorandum has been circulated but to simplify your preparation I have attached only

1. A proposed agenda for the meeting
2. A working paper for your review outlining the decisions in question

Should you have any questions, I am available at your convenience.



Attachment

AGENDA

FOOD STAMP MEETING

Tuesday, May 13, 1975

9:30 a.m.

PURPOSE OF MEETING

Review decisions and alternatives to be addressed in presenting food stamp issues to the President.

DECISIONS

- I. Should basic reform of food stamp program proceed now, or should it await comprehensive welfare reform
- II. If we proceed now,
 - A. We must make decisions on
 - strikers
 - addicts and alcoholics
 - college students
 - B. We must decide if we should
 - choose one specific plan for income eligibility
 - recommend one type of plan (i.e. standard deduction) and let Congress determine specific dollar level
 - simply offer all six plans that we have developed and let Congress select a plan
 - C. If we decide to select and recommend one specific plan, we must select from:
 1. Set a \$100 national standard deduction for all families
 2. Set a \$100 national standard deduction which varies by family size with special addition for aged of \$50.

3. Set a single \$100 national standard but continue categorical eligibility for public assistance recipients with special deduction for the aged of \$50
4. Set \$100 national standard deduction, deny categorical eligibility but add \$25 special deduction for aged
5. Create a progressive chart of income eligibility and bonus values
6. Put dollar limits on amounts which can be deducted under current law.

Decisions Outline

- A. We (OMB, Agriculture, and Domestic Council) have developed twelve specific proposals to simplify administration, tighten accountability, and penalize and retard abuses. These are relatively clear and, in general, non-controversial and need only be reviewed (see attached list).
- B. Three specific items need decisions by the President:
1. Strikers - all recipients of food stamps can lose eligibility if they refuse to accept employment. Under current law being on strike is not grounds for denying eligibility
 - we have proposed that strikers must wait 60 days before becoming eligible for food stamps.
 2. Addicts and Alcoholics - all eligible food stamps recipients must use their stamps to purchase food they or someone in their household cooks. This denies eligibility to residents of institutions. Current law exempts drug addicts and alcoholics in institutional treatment programs enabling them to be eligible for food stamps
 - we have proposed eliminating this exemption.
 3. College Students - Two elements of the current law affect eligibility of college students for food stamps
 - a. law denies eligibility to students who are claimed as a tax deduction by families who are not eligible
 - this is somewhat confused and difficult to enforce.
 - b. students eligible to participate are excluded from requirement to accept employment

-- we offer two approaches:

- (1) clarify tax dependency exclusion and extend work requirement to students, or
- (2) clarify tax dependency but continue exemption from work requirement.

C. Income Eligibility

This complex issue boils down to three elements which relate to the plans we have developed to change income eligibility approach:

1. Should we choose one specific plan for reforming eligibility.
2. Should we recommend a type of income eligibility plan and let Congress select the dollar levels.
3. Should we offer all six plans and let Congress choose.

The plans developed deal with:

- deductions, currently a complex and arbitrary system permits people to deduct a number of items from their gross incomes to enable their becoming eligible even though their gross income may be well above poverty line.
- automatic eligibility for welfare recipients no matter what their actual cash and in kind income is
- minimum bonus which guarantees a minimum bonus to anyone eligible even though calculation of their bonus by regular formula might result in a much lower bonus.

The plans developed:

1. Set a \$100 national standard deduction for all families
2. Set a \$100 national standard deduction which varies by family size with special addition for aged

3. Set a single \$100 national standard but continue categorical eligibility for public assistance recipients with special deduction for the aged of \$50
4. Set \$100 national standard deduction, deny categorical eligibility but add \$50 special deduction for aged
5. Create a progressive chart of income eligibility and bonus values
6. Put dollar limits on amounts which can be deducted under current law.

TWELVE ADMINISTRATION RECOMMENDATIONS

1. Limit variable purchase to 50% or 100%
2. State option on withholding of Food Stamp Purchase requirement from public assistance checks
3. Lower maximum fine to \$1,000
4. Permit Secretary to levy money penalties
5. Clarify exclusion of illegal aliens
6. Eliminate \$25 countable for employer supplied housing
7. Permit demonstration projects
8. Greater accountability by states for coupons
9. "Reduce" definition of negligence
10. Allow lump sum payments where benefits are wrongfully denied
11. Authorize cash payments where mechanical failures prevent issuance of stamps
12. Lower maximum work requirement age to 60