

**REPORT OF THE  
JOINT SUBCOMMITTEE STUDYING**

# **Hunger and Malnutrition in the Commonwealth**

**TO THE GOVERNOR AND  
THE GENERAL ASSEMBLY OF VIRGINIA**



## **Senate Document No. 13**

**COMMONWEALTH OF VIRGINIA  
RICHMOND  
1985**

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## SENATE

January 16, 1985

To the General Assembly:

Last Year you expressed your concern about the growing number of hungry people in the Commonwealth by authorizing a Joint Subcommittee to study the Extent and Cost of Hunger and Malnutrition in Virginia. The response throughout the Commonwealth was broad based and overwhelming. Each public hearing was packed with "standing room only" crowds.

During the hearings, the Committee learned about the fiscal and human costs of hunger. Items of special significance included:

1. The tremendous efforts of the private sector. Eighteen organizations alone distributed over 655,000 meals in 1984, conservatively valued at \$1.2 million. There are at least 1500 more organizations doing an equivalent amount.
2. The medical consequences and costs of hunger and malnutrition in all age groups. Over 70% of an infant's brain development occurs prior to its birth and in its first year of life. Many medical studies have documented the direct relation between mental retardation/learning disabilities and malnutrition in an infant's first year of life.
3. The routine underexpenditure and return of federal funds designated to feed mothers and children who have been diagnosed as nutritionally at risk.
4. State tax laws which act as disincentives to private sector efforts and which tax food benefits intended to feed the hungry.
5. The gross inadequacies of Virginia's ADC benefits.

January 16, 1985

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Two things became abundantly clear. Hunger exists in Virginia, and we in the General Assembly can do something about it.

This report documents our findings and sets forth 13 multi-faceted legislative initiatives to diminish hunger in Virginia.

Very truly yours,

A handwritten signature in cursive script that reads "Bobby Scott". The signature is written in black ink and is positioned above the typed name.

Robert C. Scott

RCS:bs

**Report of the Joint Subcommittee Studying  
Hunger and Malnutrition in the Commonwealth  
To  
The Governor and the General Assembly of Virginia  
Richmond, Virginia  
January, 1985**

To: Honorable Charles S. Robb, Governor of Virginia  
and  
The General Assembly of Virginia

**HUNGER AND MALNUTRITION  
AN OVERVIEW**

It is well known that large numbers of people were hungry in the 1960's and malnutrition was the natural result for many. America responded in a bipartisan fashion during the following years through the institution and expansion of programs such as food stamps, school lunch and breakfast programs. Hunger did diminish to a great extent, although it did not disappear altogether. In 1984, hunger had returned to America.

The poor have always been thought of in terms of the "always poor" who have been struggling for years to support themselves. It is only now that we see the "new poor," those laid off from jobs they thought were secure, or forced out of work by illness or factory closings, who now must rely on government assistance for the first time. These people are young and old, men and women, children and the elderly, and come from both the cities and rural areas as well as some more affluent neighborhoods.

Hunger is not only a problem of immigrants, minorities, deinstitutionalized people, and alcoholics. All available evidence indicates that hunger not only exists in virtually every city and rural area, but it is increasing at an alarming rate. Many studies have shown that chronic and acute malnutrition among children under six years of age is increasing and could number 500,000 in the United States at this time. Children and parents now tend to outnumber single people and alcoholics in many feeding programs.

The re-emergence of hunger crept up almost unnoticed. Suddenly, in 1981, the number of bread lines and soup kitchens tripled and quadrupled throughout the Commonwealth. Most emergency food programs that we see today have come into existence since 1981. The USDA reports that most nationwide programs have seen a "dramatic increase in emergency food distributed from 1981 to 1982," that the number of hungry people "is increasing at a frenetic pace, and that the emergency food available for distribution is quickly depleted."

The Center on Budget and Policy Priorities, an independent and widely respected research organization which specialized in analyses of domestic problems affecting low and moderate-income families, conducted a survey on emergency food programs in the United States. They were joined in their efforts by Second Harvest, a nationwide network of some 60 food banks that solicit food donations from industries and distributes them to local non-profit feeding programs. The study found that eight out of ten programs reported increases in demand between 1982 and 1983. One-third of the foodbanks experience annual expect a 100% increase, while some reported a 200% increase in one year. Other programs have reported increases of 200%, 300%, and even 400% in the numbers of people they serve. Virginia's foodbanks participated in this study. People receiving emergency food include both those left out of government nutrition programs as well as those for whom assistance is simply not enough. Unfortunately these figures reflect the known hungry - how many are being totally left out?

Chronic hunger can affect a person in a variety of ways. It can create stress and corresponding social and mental disorders. It can create a multiple of adverse health situations. The impact of malnutrition depends on the age, sex, and health of the individual. It can cause an impaired immune function, deficiency diseases, lethargy, weakness and could eventually lead to death. Pregnant women, infants, young children and the elderly are the most susceptible and suffer the greatest harm when food is inadequate.

During pregnancy, not only is the mother's health jeopardized by maternal anemia and toxemia due to inadequate calories, vitamins and minerals, but the infant's health may also be directly compromised as well. Risks include premature births and low birth weight babies. These infants are likely to experience respiratory stress syndrome and are highly susceptible to infection.

A low birth weight baby faces 30 times the normal likelihood of dying before the age of one. This accounts for more than half the infant deaths in the United States. It accounts for 75% of the deaths in infants under one month of age and it is the eighth leading cause of death in this country.

Those low birth weight babies that do survive present future problems. These infants are three times more likely to have birth defects; ten times more likely to be mentally retarded; and, are more likely to have trouble seeing or hearing, have sensory or nervous system disorders, epilepsy or cerebral palsy. Some will require institutionalization at an estimate cost of \$2 million. These babies frequently require treatment in neonatal units where basic costs are \$500 to \$1,000 per day and usually result in treatment costs of \$15,000 to \$100,000. Every pound which a low birth weight baby must gain in a hospital costs approximately \$5,000.

In Richmond there were 4,000 babies born in 1982 and the percentage of babies with low birth weights was higher than in 1981 for both White and Black babies; for Black babies it was the highest in five years. Virginia also ranks 32nd in the nation in its infant mortality rate. Our national infant mortality rate 11.2 per thousand live births places us 18th in the world, worse than some third world countries.

The consequences of malnutrition adversely impact older children as well. Diminished brain growth, deficiency diseases including anemia, stunting (defined as low height-for-age), wasting (defined as low weight-for-height), increased susceptibility to infection and infectious diseases, and increased vulnerability to environmental toxins including lead, which affects the brain are all results of inadequate food intake.

At the other end of the spectrum, the elderly greatly suffer from the effects of hunger, too. Many have conditions which affect their food intake. These include: chronic conditions which call for special dietary requirements; deficiency diseases which increase requirements for certain nutrients; conditions which impair digestion or absorption of nutrients; infections; and, other non-medical factors such as difficulty in shopping and chewing some foods and lack of appetite due to social isolation and resultant depression.

One of the basic causes of hunger is that people simply do not have enough money to purchase an adequate diet. Poor people are those people who live below the government's poverty line, and that line, according to the government's own standard, is based on a diet that is nutritionally inadequate.

Some years ago the USDA developed a meal plan, the "Thrifty Food Plan," to help people make the best nutritional use of inadequate food. Nutritionists cautioned that it was only a short-term answer to an emergency and that longer use could lead to malnutrition.

To establish its official poverty line, the government multiplies the Thrifty Food Plan by three (poor people spent an average of one-third of their income on food). If the poverty line provides inadequate funds for nutrition, what of the tens of thousands who are known to live below the poverty line?

Hunger affects not only the body but also the mind. It profoundly affects self-esteem because it is a tendency of this society to equate the worth of an individual with economic success. A problem frequently associated with hunger is alcoholism. Social agencies report that 99% of their cases involve alcoholism which is related to economic stress. Child abuse and sexual abuse is reported to be on the rise. Increases may be due somewhat to better reporting, but child protective service agencies report that an increased proportion of their clients face economic hardship.

Families are separating, due partly to government policies. AFDC regulations make assistance for two-parent families an option and 27 states, including Virginia, do not allow it. Spouses are

forced to leave their families so they might obtain aid. Family stability is needed in situations such as this, but the question remains as to whether to eat or stay together. At this time the Commonwealth is conducting a pilot program in sixteen counties and cities to determine the exact effects of allowing two-parent families to receive aid.

Although the individual reasons for hunger vary, poverty is the primary problem. Some families are unemployed and cannot find work. Others who can get a part-time or minimum wage job cannot afford the necessary transportation and child care expenses. Benefits are frequently too low to cover actual costs. Benefit policies often hinder movement from the welfare rolls to lines of independence. Fifteen percent of Virginia's citizens live below the federal poverty level. The initiatives recommended in this study will not eliminate hunger in Virginia. If enacted, however, they will diminish the problem significantly.

This introduction to the topic is a generalized overview of the phenomenon of hunger and malnutrition in our society today. The data comes from national statistics as well as recent studies done in other localities, but it is felt that the resulting information is relevant to most other areas with only minor variations.

### **HISTORY OF JOINT SUBCOMMITTEE**

The Joint Subcommittee to Study the Extent and Cost of Hunger and Malnutrition in the Commonwealth was established by Senate Joint Resolution No. 50 of the 1984 Session of the General Assembly in reaction to the severe and evergrowing problem of hunger being experienced by citizens of Virginia. Hunger is a nationwide problem and the Commonwealth is not immune to its ravages. This study has attempted to:

1. document the extent of hunger in Virginia;
2. to ascertain exactly which population groups are hungry;
3. assess the health effects of hunger;
4. analyze why hunger is a problem today;
5. make recommendations to remedy the problem; and
6. determine the costs of hunger and malnutrition.

The subcommittee held two meetings and four public hearings in Richmond (2), Newport News, and Wytheville. The problems were basically the same everywhere, although the causes varied to some degree between urban and rural areas. The results of this study are many and varied but all attempt to address the basic finding, that there are many citizens of this Commonwealth who have too little to eat, and various nutrition related illnesses or problems. All these things cost the Commonwealth and her people ultimately in one form or another - pure hunger, expensive medical treatment for hunger related maladies, and a loss of faith and lack of basic human dignity, the pangs of which can be more painful and devastating than hunger itself.

### **FINDINGS OF JOINT SUBCOMMITTEE**

During the process of the public hearings, the subcommittee heard from approximately eighty-three speakers, many of whom represented larger groups of individuals, and received testimony from numerous other individuals who were unable to speak. The following is a condensation of many of the problems perceived in this area by those who work in the field or who are recipients of various programs who provided testimony to the Joint Subcommittee. It is by no means inclusive or detailed, but meant to be as concise as possible given the complex nature of the problems. In addition, many of the problems and programs mentioned are federally funded and controlled and the state only provides administration.

### **PERCEIVED PROBLEMS**



- More free meals and applications for food or other types of assistance are received toward the end of the month when other sources have been exhausted.
- Virginia's Aid to Families with Dependent Children (ADC) payments rank about 37th in the nation.
- Food stamps are not increasing with inflation.
- Nutrition education is not being addressed and utilized and many low-income persons lack the skills in budgeting, basic shopping and food preparation in order to provide nutritious meals at a low cost. Convenience foods are easy but not necessarily the most nutritious and are high in cost. Also many individuals lack the basic equipment such as refrigeration and stoves to prepare food they might have.
- Local food distribution efforts by the private sector have not been well coordinated. This provides overlap in some areas and "cracks" in others.
- Banks in Virginia impose an excessive check cashing fee for cashing state and federal checks if one does not have a personal account at that bank. This consumes a disproportionate share of the buying power of assistance money.
- ADC payments have increased approximately only 20% while the Consumer Price Index has risen 109%.
- Recipients of commodities from USDA must be qualified as recipient of a Social Services program in some localities.
- Manufacturers, wholesalers, and retailers who donate food to organizations who provide for the needy have to pay a state sales tax on their donations since they are defined as the "ultimate consumer." This provides a disincentive for donations since it is cheaper to destroy the goods.
- Families are lumped together as single units to determine eligibility for food stamps, solely because they reside in the same domicile.
- Subsidized housing is scarce and increases in rent have not equalized by increases in aid.
- Migrant workers fall through all kinds of loopholes. They are not residents, minimum wage is not enforced, Social Services hours compete with work hours and eliminate many who are eligible, and language is a barrier. The average salary for a migrant worker is \$3,300 a year. Although there are still many problems which plague migrant workers, there are some special programs provided by both the private and public sector which have been developed and put into place in Virginia to help to meet these special needs.
- The question arose as to the requirements regarding case loads for social workers and a complaint was lodged that in some localities workers see only one client per hour.
- In April, 1982, the Bureau of Labor Statistics stated that "in 1981 a typical urban family of four needed: \$15,323 to live on a minimum austere budget; \$25,407 to maintain a middle-income standard; and \$38,060 to afford a few simple luxuries.
- In contrast, the cut-off for the 1984 official poverty line was \$10,178 for a family of four. The 1981 poverty line was \$8,450.
- Those served by food kitchens and pantries have increased 25% to 400% over the last 2 to 3 years.
- There is a lack of progressiveness in state tax policies which require a sales tax on food, a sales tax on food donations, and do not provide incentive programs to encourage farmers to participate in gleaning programs.

Welfare grants are basically inadequate. Attempts must be made to live on a budget that is

less than 50% of the "poverty index" level and considerably less than 50% of the state's median income which is used to determine eligibility for Title XX programs. The national poverty rate is at its highest level in 18 years. Poor is classified as having a cash income of less than \$10,178 for a family of four in 1983. A family of four in Virginia in 1984 who receives ADC, receives \$379 a month of a total of \$4,548 a year. Although ADC was increased 5% in June, 1984, there is still a large gap.

- "Heat" or "eat" are often the choices low-income households must make. Pride, in many cases, dictate that medical and other bills must be paid before eating.
- The elderly poor suffer from unique problems such as physical impairments or frailties, lack of mobility, limited access to food, and lack of incentive or interest in preparing meals.
- The general policy of the state is to disallow ADC payments to families where both spouses are present.
- In 1982, Virginia's infant mortality rate, 12.9 per 1000 live births, was worse than 36 other states. The infant mortality weight for the non-white population is almost double that of the white population. Infant mortality is defined as death before the first birthday.
- Adequate prenatal care encompasses complete physical examinations at regular intervals, appropriate laboratory tests, accessible social services, and nutritional guidance.
- Information and referral systems attempt to match up problems. Requests have increased in Richmond about 25% from July, 1983 to 1984, but many had to be turned away for lack of resources.
- Outreach programs to reach those in need have not been developed and properly funded.
- Virginia's welfare system impedes those who try to rise out of poverty. There is no carry-through funding after employment is found but before a paycheck can be earned. Many entry-level jobs do not pay a subsistence living and one loses health benefits and support services if working, regardless of income amount.
- Many recipients who attempt to return to school to upgrade their skills are penalized when educational grant money (eg., Pell grants) is counted as available income in determining eligibility for Food Stamps. This is ironic since each Pell grant recipient must pledge to spend the grant money "solely for educational purposes."
- Food stamps are restricted to certain edible items. One can buy junk food but no chewable vitamins. No items for personal hygiene may be purchased. This policy is not conducive to personal dignity.
- The sales tax on Food Stamps reduces the amount available for food by 4%. This tax generated \$8.5 million for Virginia in 1984.
- Some Medicaid procedures are self-defeating. Eye exams are covered but there are no provisions for help on eye glasses.
- Application for Food Stamps can be an administrative nightmare. Rules governing procedure and eligibility constantly change, stigmas have to be overcome, and the possible number of forms which may have to be filled out to determine eligibility can number around 44. An applicant may have to then wait for a period of 30 to 45 days to find out if one is eligible.
- The WIC program does not have a specific outreach program to reach those eligible but not necessarily being served. Information on the program is posted in prominent places, such as grocery stores, to provide contact information should a person be interested. A public health department nurse or nutritionist evaluates each case and the recipient must be both nutritionally and financially at risk. Evaluations are done periodically and the program terminated when the recipient no longer meets both criteria. However, a physician can provide an opinion that the recipient is likely to return to an at-risk situation and thereby be continued on the program for at least one more period of time.

- Area agencies for the aging are seen to be losing ground. In order to provide more homebound and congregate site meals, money from other programs is being used. This state is one of the lowest contributors to elderly feeding programs, (3rd from the bottom). Also, the present food stamp program does not take into account the special diet of many elderly people and the fact that such are inherently more expensive.
- Of the 156,000 estimated eligible for WIC in Virginia, only 64,000 are receiving benefits due to lack of funds. State money could be used to supplement federal funds. Funds are not available to determine the effectiveness of these programs in Virginia, and there is no cushion money in the program to enable the department to spend all the federal funds allocated to the WIC program. The WIC program is 100% federally funded, sponsored by the USDA and administered through every local health department. To be eligible one must be at or below 167% of the poverty line and nutritionally at-risk. WIC participants receive nutrition counseling (1/6 of all funds must be used on nutrition education each year) and participation in WIC has been associated with a 16% to 20% decrease in the proportion of low birth weight babies born to participants.
- More local control of programs and the determination of eligibility is needed and is felt would aid in eliminating much abuse of the system.
- Transportation programs in rural areas are scarce and some food programs even have a mileage limit, 5 miles for example, on the distance out of town one can live and still be served by certain food programs.
- The cut-off of commodities available to private food programs by USDA and new reporting procedures have greatly reduced the amount of commodities being distributed.
- The general public needs to be educated as to why people are hungry, and recipients need to be educated about nutrition and good consumer habits.
- Hungry people have dignity. Many are there due to various unfortunate circumstances, such as unemployment, ill health, desertion of spouse, or low or no job skills. Food stamps may buy only food, but other necessities such as soap and detergent for personal cleanliness is also needed for the welfare of an individual.
- Adequate amounts of food do not always provide the Recommended Daily Allowance (RDA) of essential nutrients. Food stamp amounts are based on the Thrifty Food Plan developed by the USDA which was designed to be a short term adequate diet, but it is not sufficient on a long-term basis. Inadequate diets results in illness and the inability to work or attend school and therefore creates the perpetual spiral.
- A potential savings of \$9.8 million in state expenditures for long term institutionalization for mental retardation could possibly be realized with the provision of adequate prenatal care.
- Osteoporosis, or weakening of the bones due to lack of calcium, affects 20 million Americans and costs this nation \$3.8 billion a year in medical bills.
- It costs approximately \$5,000 for every pound of weight gained by a low birth weight baby in an intensive care nursery.
- It has been established that to obtain 100% of the RDA of eleven essential nutrients it would require households to spend the equivalent of from 150-199% of the Thrifty Food Plan.
- There is no tax incentive for gleaning of food products. Gleaning projects can deliver food that is otherwise wasted by a grower. They harvest food that is left behind after a regular commercial harvest and distribute it to the needy. One such project that began in Virginia is now delivering 5.5 million pounds of surplus potatoes to 35 states. Total cost for the salvage and distribution has remained close to 3.5 cents a pound. The Tax Reform Act of 1976 added § 170(e)(3) to the Internal Revenue Code to provide for deductions for contributions of inventory and other ordinary income items by a corporation. Under this, a deduction is allowed for the fair market value of the property limited to the cost of the property plus 1/2 of the gross profit. However, the food that is utilized in gleaning is not considered

inventory.

- The majority of stillbirths, premature births, neonatal deaths, low birth weights, functional limitations, and congenital defects occur among infants born to mothers with poor prenatal diets and long term poor eating habits. Up to 50% of the fetally malnourished infants who survive are estimated to have congenital abnormalities, an indeterminate number suffering from permanent physical, neurological, or mental defects.
- Numerous client problems involving the complexity of applying for assistance, having to give up many of your assets which might otherwise enable you to work in order to be eligible, and the seeming "run-around" one encounters when dealing with the administering agencies are seen to be disincentives to utilization of programs.
- Families of the inmate population and their needs have not been addressed. The inmate is physically well cared for by the state but the family is not.
- The Cooperative Extension Expanded Food and Nutrition Education Program (EFNEP) serves low-income families. The Extension Service-USDA administers the program and establishes program policies and procedures. No state monies have been allocated in support of this program. It is basically an educational program to seek out and teach nutrition to low-income families.
- Mail issuance of Food Stamps needs to be increased in rural areas and for the homebound, handicapped and elderly.
- More distribution points and more frequent distribution of government surplus food are needed.
- The state needs to examine the federal program of paying to allow crop land to lie fallow in order to maintain certain price levels on certain foods.
- No state agency administers the federal program to feed children during the summer or to feed children in day care centers.
- Elderly persons, who are otherwise ready to return home, are retained in some medical facilities to guarantee that the patients will have meals. This increases health costs.
- More subsidized housing is needed for the elderly and handicapped.
- There is a great need for the state to make initial grants to school cafeterias to enable them to prepare nutritious, appealing food. It has been shown that it can be done, and as a result, food sales are up, food wasted is down, and the programs become self-sufficient.
- The single most important problem facing rural poor people in qualifying for ADC and Medicaid is the contiguous property rule. In both programs, a person's home and one acre are not counted and can be worth any amount and still not affect ADC or Medicaid eligibility. All remaining acreage, if any, is counted as a resource towards the resource limit of \$600 for ADC and \$1,500 (for one person) or \$2,250 (for two people) for Medicaid.

When a person owns a house and land in a city or town, the land rarely exceeds one acre. Thus, the house and land are totally exempt. When a person owns a house and land in the country, the land is frequently greater than one acre, and the excess over one acre counts as a resource. This results in thousands of rural poor people in Virginia being unable to get ADC or Medicaid.

### **RECOMMENDATIONS FROM THE PUBLIC**

These recommendations have been condensed and categorized according to the type of program or by programs in which the state may or may not take initiative.

#### **RECOMMENDATION BY CATEGORY:**

## A. Private Sector Initiatives

Five recommendations encouraged support of private sector initiatives through tax incentives to businesses, and financial assistance to private, nonprofits providing emergency food assistance to the needy. Elimination of the sales tax on donated food was particularly emphasized. Several speakers mentioned the Neighborhood Assistance Act, tax incentives for gleaning and overall support of foodbank activities.

Self Help and Resource Exchange (SHARE) was described as a new concept in supplying food at a minimum cost to low income people. It is sponsored by various willing businesses, organizations, and private individuals, and it is not on an emergency-only basis and it is not a hand-out. Host organizations collect money from each subscriber and buy food in quantity at wholesale. Participants can buy a unit of food worth \$25 to \$35 for approximately \$11 and agree to do 2 hours of church or community work per month.

The Community Garden Program helps people to grow their own food and for every \$1 spent on seed and fertilizer realized \$10 worth of vegetables.

Senior Garden Projects which supplies garden seeds and plants to low income senior citizens has almost doubled in requests.

## B. Food Assistance

Many people noted the need for the private and public sectors to address inadequacies in their current food assistance systems. Speakers stressed a need for state government to provide more food through increased distribution of surplus commodities, more local participation in the School Lunch and Breakfast programs and more money for elderly nutrition sites.

Commentors indicated that private nonprofit food providers should have more locations for food distribution and more food to distribute.

The evidence indicates that the private sector is making a hearty attempt to meet the short-term, emergency needs of the hungry, but is increasingly being asked to move beyond that, and supplement peoples' diets on a regular basis. Speakers for most private organizations stated that this is impossible.

## C. More Resources Are Necessary

Most speakers indicated that people are hungry because they don't have enough money to provide for basic necessities. Consequently, families often pay for electricity, heat or medicine and have nothing left for the purchase of food.

Recommendations centered on increasing the benefits in various assistance programs and removing the sales tax on food or food stamp purchases. A specific breakdown of suggestions appropriate for state action follows:

### 1. ADC

- Increase the Standard of Need and Assistance payments;
- Prohibit banks from charging a fee to cash an ADC check;
- Expand ADC eligibility requirements to include two parent households;
- Eliminate the contiguous property rule which prevents needy rural mothers and their children from receiving ADC.

### 2. WIC

- Increase the state's contribution to WIC so the program can be expanded.

### Medicaid

- Eliminate the contiguous property rule which often prevents needy rural citizens from receiving Medicaid;
- Revise eligibility rules to allow a reasonable setaside (\$1500) for funeral expenses.

#### Elderly

- Increase the state's contribution to the elderly nutrition programs.

#### Sales Tax

- Remove the sales tax on food stamp purchases;
- Remove the sales tax on food.

#### D. Nutrition Education

Advocates of increased nutrition education suggested an increased emphasis on consumer education and program outreach. Properly nourished people are sick less often, for shorter periods of time, and with less incidence of recurrence. They miss fewer days work, are more productive, and less accident prone. The well-nourished elderly maintain independent living and working status longer, and senility can often be reversed by an improved diet. Several speakers encouraged a program which would educate the general public about hunger and malnutrition.

A specific breakdown follows:

#### Consumer Education

- Increase the state's contribution to EFNEP, the Co-op Extension Program which teaches budget and nutritional skills to clients;
- Expand EFNEP to include the elderly as clients;
- Give a packet of budget and dietary information to each food stamp recipient.

#### Outreach

- Establish state outreach programs to promote WIC, food stamps and elderly nutrition programs.

#### E. Improve The Food Stamp Application System

Many comments reflected concern about the cumbersome and time consuming system by which one applies for food stamps. Suggestions to improve the process follow:

- Hire more eligibility workers;
- Provide more training to the eligibility workers;
- Simplify the application process;
- Speed up the application process;
- Require mail issuance in rural areas and for the elderly and disabled.

#### F. State Initiatives

Suggestions for initiatives which the Commonwealth could take to address the problems of hunger and malnutrition include creating new programs and promoting existing programs.

#### New Programs

- Establish a nutrition surveillance program for Virginia;

- Monitor the nutritional status of WIC clients;
- Establish a food processing plant within the prison system to teach prisoners skills and to produce food for distribution to the needy.

#### Promote Existing Programs

- Fund state outreach programs for WIC, food stamps and elderly nutrition sites;
- Designate a state agency to administer and promote the Summer Food Program and the Child Care Food Program (currently administered from Trenton, New Jersey);

#### G. Areas Pre-empted By Federal Regulation

A number of recommendations are not appropriate for state action because they have been pre-empted by federal law and regulation. These include the various suggestions to change food stamp regulations and the request to permit private, non-profit organizations to sponsor the Summer Food Program.

Specific food stamp regulations mentioned include:

- definition of a household;
- permitting the purchase of vitamins and other non-food items;
- monthly reporting;
- error rate standards;
- counting educational grants as resources; and
- permitting the purchase of personal hygiene products, such as soap and detergent, with food stamps.

#### H. Other

Recommendations in this category reflect a variety of ideas which speakers suggested to address the problems of hunger and malnutrition:

- generate revenue to help Virginia's needy by increasing personal and corporate taxes;
- provide more subsidized housing for the elderly;
- reduce the trigger number in the Virginia Residential Landlord/Tenant Act;
- create a follow-up program (aftercare) for released convicts;
- urge Virginia Congressman to be supportive of the Food Stamp Program.

#### **SUBCOMMITTEE FINAL RECOMMENDATIONS:**

The Joint Subcommittee reviewed and analyzed all the proposed recommendations and endorsed the following items.

- Remove the state sales tax on donated food.

Current state law requires food donors whether they be wholesalers or retailers to pay a sales tax on food they donate to foodbanks or soup kitchens. This is a great disincentive to the generosity of commercial food donors because they would pay no tax if they dumped the merchandise.

- Go on record as supporting the established food banks and their concept. Foodbanks solicit and collect food from food companies because the food is unsalable or nonprofitable to the company. The food itself is quality food but, usually due to some packaging flaw, is unsalable. This food distributed to the various soup kitchens and emergency feeding programs at a cost of 10 cents per pound to cover administration of the program. This stretches the food dollars of many agencies, and enables them to provide what might be the only food to many more hungry people than would otherwise be the case.
- Provide a state income tax deduction for farmers to permit gleaning from their fields.

Due to modern harvesting techniques, quantities of vegetables are left in a farmer's field to rot or are not salable due to "cosmetic defects." This food is perfectly edible and can be "gleaned" from the fields for use in soup kitchens and foodbanks. Programs such as this are already in effect in the state and have provided millions of pounds of potatoes to various states at a minimum transportation cost. This income tax deduction would provide an incentive to farmers to participate in such programs and put them on a somewhat more equal standing with merchants who are already provided a deduction for a donated food.

- Remove the State sales tax on food purchased with Food Stamps.

Low income families receive Food Stamps if they meet stringent income eligibility criteria. The average amount allotted per eligible person is 44 cents per meal. Under current state law, 4% of that must be paid to the Commonwealth and cannot be used for groceries. The Food Stamp program is entirely federally funded and Food Stamps now rarely can feed a person for the entire month. Food kitchens report a dramatic rise in demand at the end of each month when the stamps are exhausted. It is felt that by eliminating the sales tax on food stamps we would provide more grocery money to the needy.

Delegate Willard Finney disagrees with this proposal in that the Commonwealth would lose approximately \$7.5 million a year.

- Recommended that Congress permit Food Stamps to be used in purchasing personal hygiene products such as soap and laundry detergent. Personal cleanliness is conducive to dignity and mental as well as physical well-being.
- Provide a "cushion" in the State budget so the Department of Health can spend all of the federal money allotted to it for the Women, Infants and Children (WIC) program each year.

WIC is a supplemental food program available to low income pregnant and lactating women, infants and children to age 5 who have been medically diagnosed as "nutritionally at risk." Because of the correlation between good nutrition and brain development in an infant's early years, WIC has long been recognized as one of the most effective federal programs available. Studies show that for every \$1.00 spent on WIC, \$3.00 are saved in hospital bills.

Due to the nature of the WIC voucher system, Virginia has returned to an average of 5% of its federal WIC appropriation (approximately \$1 million) to the federal government for each of the past four years. This occurs because WIC officials must estimate the total expenditure of vouchers conservatively so they do not exceed the federal money available.

This recommendation would provide a budgetary cushion of approximately \$750,000 (the state share of the amount generated each year by the sales tax on WIC items). The cushion would act as an insurance policy and encourage WIC officials to spend the full federal amount without fear of exceeding the federal money available. The Department is authorized to use this only as a cushion and unexpected funds will revert to the General Fund at the end of each fiscal year.

Only 41% of those eligible for WIC currently participate in the program. Approximately 2400 more women and children could be helped if Virginia could spend its full allotment.

Expenditure of the full federal allotment would generate approximately \$40,000 more money for Virginia in sales tax revenue. The cushion would merely be available as an insurance policy. In most cases, it would not be spent.



- Appropriate \$50,000 so Virginia's WIC Program can join the Center for Disease Control's nutrition surveillance program.

The Center for Disease Control (CDC) operates a nutrition surveillance program which compiles nutritional data from participating states, categorizes and evaluates the data, and provides in-depth information for each state regarding the extent and seriousness of its nutrition related problems. The data also identifies "at risk" populations which could be helped by intervention efforts.

Available state data specifically related to nutrition-linked health problems is limited to statistics on infant mortality, immature births, teenage pregnancy, and dental health. There is no comprehensive data system in place in Virginia. In 1977, six of the ten leading causes of death in

- Recommend the adoption of a joint resolution endorsing the encouragement of participation by all schools in the Commonwealth in the School Breakfast Program. From present statistics we know that only one child in five eats an adequate breakfast, more than a bottle of soda, pastry or nothing at all. These children are not limited to any particular social economic background, and it has been shown that children who eat an adequate breakfast have higher test scores, are more alert and exhibit fewer behavioral problems, among other things. The School Breakfast Program is basically federally funded and supplemented by revenues from students. The charge for the breakfast operates on a sliding scale based on ability to pay and all schools, public private or nonprofit, are eligible. Only 29% of Virginia's public schools have the School Breakfast Program.
- Limit fees charges by banks for cashing state and federal checks to one dollar (1.00).

The recent practice of banks charging for every service they provide is falling heavily on Virginia's elderly and low income citizens. Testimony at two public hearings indicated that banks are charging as much as \$5.00 to cash a state welfare check or a federal social security check if the payee does not have an account.

Virginia's poor and elderly often eek out an existence from month to month. They have no money to put in the bank. The charge for cashing the check can be as much as 3% of the person's income for a month.

The ADC and social security checks are written on government accounts and are low risk checks. The banks should be able to recover a minimal cost, but no more than one dollar.

Delegate Willard Finney does not disagree with this concept but does dissent in that this provision should be limited to assistance checks.

- Double the state appropriation for elderly feeding programs and supportive services.

The Virginia Office on Aging currently administers feeding programs for Virginia's elderly citizens. The state contributes about \$1.4 million (approximately 6.7% of cost) to the program each year. This averages out to an annual expenditure of \$1.79 per elderly person. The national average for state contributions is \$5.00 per elderly person.

Many studies have documented the correlation between good nutrition and the liklihood of a longer period of independent living for an elderly person. The fee charged for one month in a nursing home will provide an elderly person with 5 meals per week for six years.

Although people 85 years of age and older are the fastest growing segment of Virginia's population, Virginia is ranked next to last in the nation for the number of elderly meals served per federal dollar allotted.

There are waiting lists for elderly meal programs and supportive services in many localities.

- Permit Medicaid applicants/recipients who are elderly, blind or disabled to retain \$1500 in prepaid burial expenses.

Virginia is one of a minority of states who count prepaid burial expenses as an asset when determining eligibility for Medicaid. This eliminates a large number of elderly who derive great peace of mind from having their burial expenses paid for from being eligible for Medicaid benefits. Virginia's ADC program already disregards this and this provision would make our Medicaid program consistent.

- Change the "Contiguous Property Rule" in Virginia's ADC and Medicaid Programs to permit the definition of a homesite to include up to ten adjacent acres as long as the value of the land does not exceed \$10,000.

#### Medicaid

Under Virginia's current Medicaid law, a person living in a house worth \$100,000 can be eligible for Medicaid, but a person living in a shack surrounded by a few rocky acres (total value \$30,000) cannot.

The law counts nonessential land adjoining a homesite as excess property, values it at its tax assessed rate and considers it a resource which is available to be spent for medical care. It ignores the fact that the property may not be saleable.

Virginia is one of only 15 states which have such restrictive property rules. Most states exempt all the land surrounding an individual's home to avoid this inequity.

#### ADC

Virginia's ADC program also has a rule which exempts only the essential land around a family's home. Since the ADC resource limit in Virginia is only \$600, many impoverished families are denied ADC simply because they own a little property contiguous to their homesite. To make matters worse, new federal regulations which took effect October 1, 1984, only give families 6 months to sell property which is considered an excess resource. After 6 months, the family is ineligible for ADC and can be charged with an overpayment even if the land cannot be sold.

- Address the inadequacies of Virginia's Aid to Dependent Children (ADC) program.

Virginia currently pays ADC mothers and children 38% of the total amount necessary to live each month. This amounts to less than half of the federal poverty line. Inflation has increased 110% in the past 10 years, but ADC benefits have only increased 21%.

The joint subcommittee recognizes this as being inadequate and that the level needs to be raised in order to provide a subsistence standard of living. The committee would urge the Senate Finance and House Appropriations Committees to consider the gravity of this situation and take whatever steps possible to begin to eliminate this inadequacy.

Respectfully submitted,

Robert C. Scott, Chairman  
Willard J. Finney, Vice Chairman  
Robert W. Ackerman  
Daniel W. Bird, Jr.  
Robert S. Bloxom  
John C. Brown  
Benjamin J. Lambert, III  
Elliot S. Schewel

## SOURCES

American Hunger Crisis, Citizens' Committee on Hunger in New England, Harvard University School of Public Health, Boston, Massachusetts, 1984.

Hunger in American Cities, United States Conference of Mayors, June 1983.

## **APPENDICES \***

\* Appendices A-2 and A-10 were not available at the time of printing.

**APPENDIX A - 1**

**SENATE BILL NO. .... HOUSE BILL NO. ....**

**A BILL to amend and reenact § 58.1-608 of the Code of Virginia, relating to exclusions and exemptions from the Retail Sales and Use Tax.**

Be it enacted by the General Assembly of Virginia:

1. That § 58.1-608 of the Code of Virginia is amended and reenacted as follows:

§ 58.1-608. Exclusions and exemptions.—The tax imposed by this chapter or pursuant to the authority granted in §§ 58.1-605 and 58.1-606 shall not apply to the following:

1. (a) Industrial materials for future processing, manufacturing, refining, or conversion into articles of tangible personal property for resale where such industrial materials either enter into the production of or become a component part of the finished product; (b) industrial materials that are coated upon or impregnated into the product at any stage of its processing, manufacture, refining, or conversion for resale; (c) machinery or tools or repair parts therefor or replacements thereof, fuel, power, energy, or supplies, used directly in processing, manufacturing, refining, mining or conversion of products for sale or resale; (d) materials, containers, labels, sacks, cans, boxes, drums or bags for future use for packaging tangible personal property for shipment or sale; or (e) equipment, printing or supplies used directly to produce a publication described in subsection 13 whether it is ultimately sold at retail or for resale or distribution at no cost. Machinery, tools and equipment, or repair parts therefor or replacements thereof, shall be exempt if the preponderance of their use is used directly in processing, manufacturing, refining, mining or conversion of products for sale or resale.

2. Professional, insurance, or personal service transactions which involve sales as inconsequential elements for which no separate charges are made, nor services rendered by repairmen for which a separate charge is made.

3. Commercial feeds, seed, plants, fertilizers, liming materials, breeding and other livestock, semen, breeding fees, baby chicks, turkey poults, agricultural chemicals, fuel for drying or curing crops, baler twine, containers for fruits and vegetables, farm machinery, all other tangible personal property, except for structural construction materials, necessary for use in agricultural production for market and sold to or purchased by a farmer or contractor to be affixed to real property owned or leased by a farmer; agricultural supplies provided the same are sold to and purchased by farmers for use in agricultural production, including fish and worm farming for market.

4. Every agricultural commodity or kind of seafood sold or distributed by any person to any other person who purchases not for direct consumption but for the purpose of acquiring raw products for use or consumption in the process of preparing, finishing, or manufacturing such agricultural or seafood commodity for the ultimate retail consumer trade, except when such agricultural or seafood commodity is actually sold or distributed as a marketable or finished product to the ultimate consumer. The term "agricultural commodity," for the purposes of this paragraph, shall mean horticultural, poultry, and farm products, and livestock and livestock products.

5. Livestock and livestock products, poultry and poultry products, farm and agricultural products, when produced by the farmer and used or consumed by him and the members of his family.

6. Motor vehicle fuels which are subject to the tax imposed by Chapter 21 (§ 58.1-2100 et seq.). Persons who are refunded any such motor fuel tax or special fuel tax shall, however, be subject to the tax imposed by this chapter, unless such taxes would be specifically exempted pursuant to any provision of this section.

7. Motor vehicles, trailers and semitrailers, mobile homes and travel trailers.

8. Gas, electricity, or water when delivered to consumers through mains, lines, or pipes.

9. Artificial or propane gas, firewood, coal or home heating oil used for domestic consumption. "Domestic consumption" means the use of artificial or propane gas, firewood, coal or home heating oil by an individual purchaser for other than business, commercial or industrial purposes. The Tax Commissioner shall establish by rule and regulation a system for use by dealers in classifying individual purchases for domestic or nondomestic use based on the principal usage of such gas, wood, coal or oil. Any person making a nondomestic purchase and paying the tax pursuant to this chapter who uses any portion of such purchase for domestic use may, between the first day of the first month and the fifteenth day of the fourth month following the year of purchase, apply for a refund of the tax paid on the domestic use portion.

10. Tangible personal property sold or leased to a public service corporation subject to a state franchise or license tax upon gross receipts, for use or consumption by such corporation directly in the rendition of its public service, and tangible personal property sold or leased to a public service corporation engaged in business as a common carrier of property or passengers by motor vehicle or railway, for use or consumption by such common carrier directly in the rendition of its public service.

11. Ships or vessels used or to be used exclusively or principally in interstate or foreign commerce, or repairs and alterations thereof; or fuel and supplies for use or consumption aboard ships or vessels plying the high seas, either in intercoastal trade between ports in the Commonwealth and ports in other states of the United States or its territories or possessions, or in foreign commerce between ports in the Commonwealth and ports in foreign countries, when delivered directly to such ships or vessels; or tangible personal property used directly in the building, conversion or repair of the ships or vessels covered by this subsection 11.

12. Broadcasting equipment and parts and accessories thereto and towers used or to be used by commercial radio and television companies, cable television systems, or concerns which are under the regulation and supervision of the Federal Communications Commission and amplification, transmission and distribution equipment used or to be used by cable television systems.

13. Any publication issued daily, or regularly at average intervals not exceeding three months, and advertising supplements and any other printed matter ultimately distributed with or as part of such publications, except that newsstand sales of the same are taxable.

14. School lunches sold and served to pupils and employees of schools and subsidized by government, and school textbooks sold by a local board or authorized agency thereof, and school textbooks sold for use by students attending a college or other institution of learning not conducted for profit, when sold (i) by such institution of learning, or (ii) by any other dealer, when such textbooks have been certified by a department or instructor of such institution of learning as required textbooks for students attending courses at such institution.

15. An occasional sale, as defined in paragraph 12 of § 58.1-602.

16. Tangible personal property for future use by a person for taxable lease or rental as an established business or part of an established business, or incidental or germane to such business, including a simultaneous purchase and taxable leaseback.

17. Alcoholic beverages sold by the Virginia Alcoholic Beverage Control Commission through its government stores.

18. Tangible personal property for use or consumption by the Commonwealth, any political subdivision of the Commonwealth, or the United States. This exclusion shall not apply to sales and leases to privately owned financial and other privately owned corporations chartered by the United States.

19. Tangible personal property purchased for use or consumption directly and exclusively in basic research or research and development in the experimental or laboratory sense.

20. Delivery of tangible personal property outside the Commonwealth for use or consumption

outside of the Commonwealth. Delivery of goods destined for foreign export to a factor or export agent shall be deemed to be delivery of goods for use or consumption outside of the Commonwealth.

21. Medicines, drugs, hypodermic syringes, artificial eyes, contact lenses, eyeglasses and hearing aids dispensed by or sold on prescriptions or work orders of licensed physicians, dentists, optometrists, ophthalmologists, opticians, audiologists, hearing aid dealers and fitters, and controlled drugs purchased by a licensed physician for use in his professional practice.

22. Wheelchairs and parts therefor, braces, crutches, prosthetic devices, orthopedic appliances, catheters, urinary accessories, and other durable medical equipment and devices, and related parts and supplies specifically designed for those products, insulin and insulin syringes, and equipment, devices or chemical reagents which may be used by a diabetic to test or monitor blood or urine, when such items or parts are purchased by or on behalf of an individual for use by such individual. Durable medical equipment is equipment which (1) can withstand repeated use, (2) is primarily and customarily used to serve a medical purpose, (3) generally is not useful to a person in the absence of illness or injury, and (4) is appropriate for use in the home.

22a. Drugs and supplies used in hemodialysis and peritoneal dialysis.

23. Tangible personal property for use or consumption by a college or other institution of learning, a hospital, a licensed nursing home or a licensed nonprofit nonstock home for adults as defined by subsection A of § 63.1-172, and tangible personal property (i) for use or consumption by, (ii) sold by, or (iii) donated to (a) a noncommercial educational telecommunications entity, or (b) a food bank or organization exempt from taxation pursuant to § 501 (c) (3) of the Internal Revenue Code and organized and operated exclusively for the distribution of food to infants, the ill, or the needy. ~~said exemption to~~ The exemptions granted in this paragraph shall apply to each transaction in the chain of commerce from manufacture to final disposition, provided such college, institution of learning, telecommunications entity, food bank or organization, hospital, licensed nursing home or home for adults is not conducted for profit.

24. Tangible personal property purchased by an organization exempt from taxation under § 501 (c) (3) of the Internal Revenue Code and organized exclusively for the purpose of providing education, training and services to retarded citizens of the Commonwealth, provided such property is used exclusively for the purpose set forth herein and further provided that such organization receives more than fifty percent of its total funding from federal, state, or local governments.

25. Tangible personal property and services purchased by an educational institution doing business in the Commonwealth which (i) admits regularly enrolled high school and college students, and (ii) provides a face-to-face educational experience in American government, a program which leads towards the successful completion of United States history, civics, and problems in democracy courses in high school, or which is acceptable for full credit towards an undergraduate or graduate level college degree, provided such institution is conducted not for profit.

26. Tangible personal property sold or leased to an airline operating in intrastate, interstate or foreign commerce as a common carrier providing scheduled air service on a continuing basis to one or more Virginia airports for use or consumption by such airline directly in the rendition of its common carrier service. As used in this paragraph "scheduled air service" shall be defined pursuant to the provisions of § 58.1-1501.

27. Tangible personal property purchased for use or consumption by a volunteer fire department or volunteer rescue squad not conducted for profit, and construction materials to be incorporated into realty when sold to and used by such organization, rather than a contractor, in construction, maintenance, or repair of any property of such organization.

28. Machinery or tools or repair parts therefor or replacement thereof, fuel or supplies, provided the same are sold to and purchased by watermen for use by them in extracting fish, bivalves or crustaceans from waters for commercial purposes.

29. Aircraft subject to tax under Chapter 15 (§ 58.1-1500 et seq.) of Title 58.1.
30. Catalogs and other printed materials used in the advertising of tangible personal property for sale, the envelopes, containers and labels used for packaging and mailing same, and paper furnished to a printer for fabrication into catalogs and other printed materials used in advertising tangible personal property for sale, when stored for twelve months or less in the Commonwealth and distributed for use without the Commonwealth.
31. Motor fuels and special fuels for use in a boat or boats or a ship or ships, upon which a motor fuel tax is refunded pursuant to § 58.1-2113, and upon which a special fuel tax is refunded pursuant to § 58.1-2122.
32. Meals furnished by restaurants or food service operators to employees as a part of wages.
33. Special equipment installed on a motor vehicle when purchased by a handicapped person to enable such person to operate such motor vehicle.
34. Sales by a government agency of the official flags of the United States, the Commonwealth of Virginia, or of any county, city or town.
35. Materials furnished by the State Board of Elections pursuant to paragraphs (8), (9) or (10) of § 24.1-23.
36. Books and other reading materials for use by nonprofit organizations organized solely to distribute such books and reading materials to school-age children.
37. Machinery or tools or repair parts therefor or replacements thereof, fuel, power, energy or supplies, and cereal grains and other feed ingredients, including, but not limited to, drugs, vitamins, minerals, nonprotein nitrogen, and other supplements or additives, used directly in making feed for sale or resale. Making of feed shall include the mixing of liquid ingredients.
38. Tangible personal property, except property used in any form of recording and reproducing services, purchased by churches organized not for profit and (i) which are exempt from taxation under § 501 (c) (3) of the Internal Revenue Code or (ii) whose real property is exempt from local taxation pursuant to the provisions of § 58.1-3606, for use (i) in religious worship services by a congregation or church membership while meeting together in a single location, and (ii) in the libraries, offices, meeting or counseling rooms or other rooms in the public church buildings used in carrying out the work of the church and its related ministries, including kindergarten, elementary and secondary schools.
39. Tangible personal property including machinery, tools, repair parts, or replacements thereof, and supplies and materials used directly in maintaining and preparing textile products for rental or leasing by an industrial processor engaged in the commercial leasing or renting of laundered textile products.
40. Historical documents, maps, rare books and manuscripts acquired by a nonprofit state historical society which maintains a research library open to the public for research and educational purposes without charge.
41. Sales of tangible personal property to a nonsectarian youth organization exempt from taxation under § 501 (c) (3) of the Internal Revenue Code and sponsoring a national or international camping assembly within this State for 7 *seven* continuous days or more with attendance in excess of 20,000, which sale of tangible personal property is for use or consumption at such camping assembly.
42. Watercraft as defined in § 58.1-1401.
43. Tangible personal property used in and about a marine terminal under the supervision of the Virginia Port Authority for handling cargo, merchandise, freight and equipment. This exemption shall apply to agents, lessees, sublessees or users of tangible personal property owned by or leased to the Virginia Port Authority.



44. Tangible personal property purchased for use or consumption by a nonprofit museum of fine arts which is located on property owned by a city in Virginia and which receives more than half of its operating budget from appropriations by the city.

45. Tangible personal property sold or leased for use in nonprofit nutrition programs for the elderly qualifying under 42 U.S.C. § 3030 (e) through 3030 (g), as amended, as administered by the *Virginia* Department for the Aging of the Commonwealth of Virginia , and the food and food products sold under such programs to elderly persons.

46. Tangible personal property bought, sold or used by Virginia Federation of Humane Societies or any chartered, not-for-profit organization incorporated under the laws of this Commonwealth and organized for the purpose of preventing cruelty to animals and promoting humane care of animals, when such property is used for the operation of such organizations or the construction or maintenance of animal shelters.

47. Sales by prisoners confined in state correctional facilities of artistic products personally made by the prisoners as authorized by § 53.1-46 of the Code.

48. Tangible personal property purchased for use by a nonprofit, nonstock corporation which receives no financial aid from the Commonwealth or the federal government and is organized exclusively for the purpose of operating, at no charge to the pupils, a combination boarding and day school for the severely physically handicapped children and young adults of the Commonwealth.

49. Tangible nonmedical personal property purchased by a nonprofit organization organized exclusively for the purpose of providing housing and ancillary assistance for children suffering from leukemia or oncological diseases, for other ill children, and for the families of such children during periods of medical treatment of such children at any hospital in the Commonwealth.

50. Tangible personal property purchased by a voluntary health organization exempt from taxation under § 501 (c) (3) of the Internal Revenue Code and organized exclusively for the purpose of providing direct therapeutic and rehabilitative services, such as speech therapy, physical therapy, and camping and recreational activities, to the children and adults of the Commonwealth regardless of the nature of their disease or socio-economic position.

51. Machinery or tools and repair parts therefor or replacements thereof, fuel, power, energy or supplies, used directly in the harvesting of forest products for sale or for use as a component part of a product to be sold.

52. Certified pollution control equipment and facilities as defined in § 58.1-3660.

53. Tangible personal property for use or consumption by the Virginia Commission for the Visually Handicapped or any nominee, as defined in § 63.1-142, of such ~~commission~~ *Commission* . (Also see § 63.1-164, which provides a more detailed explanation of the exemption).

54. Parts and tires sold or leased to taxicab operators for use or consumption in the rendition of their services.

**APPENDIX A - 3**

**SENATE BILL NO. .... HOUSE BILL NO. ....**

**A BILL to amend and reenact § 58.1-322 of the Code of Virginia, and to amend the Code of Virginia by adding in Article 2 of Chapter 3 of Title 58.1 a section numbered 58.1-322.1, both relating generally to Virginia taxable income.**

Be it enacted by the General Assembly of Virginia:

1. That § 58.1-322 of the Code of Virginia is amended and reenacted and that the Code of Virginia is amended by adding in Article 2 of Chapter 3 of Title 58.1 a section numbered 58.1-322.1 as follows:

§ 58.1-322. Virginia taxable income of residents.—A. The Virginia taxable income of a resident individual means his federal adjusted gross income for the taxable year, with the modifications specified in this section.

B. To the extent excluded from federal adjusted gross income, there shall be added:

1. Interest, less related expenses to the extent not deducted in determining federal taxable income, on obligations of any state other than Virginia, or of a political subdivision of any such other state unless created by compact or agreement to which Virginia is a party;

2. Interest or dividends, less related expenses to the extent not deducted in determining federal taxable income, on obligations or securities of any authority, commission or instrumentality of the United States, which the laws of the United States exempt from federal income tax but not from state income taxes;

3. Unrelated business taxable income as defined by § 512 of the Internal Revenue Code;

4. Forty percent of the capital gain part and all of the ordinary income part of a lump-sum distribution from a qualified retirement plan, less the minimum distribution allowance and any amount excludable for federal income tax purposes;

5. Deduction for two-earner married couples as allowed under § 221 of the Internal Revenue Code;

6. For taxable years beginning after December 31, 1981, the excess cost recovery as defined in § 58.1-323 A; and

7. The amount of interest excluded under the provisions of § 128 of the Internal Revenue Code of 1954, as amended, except for interest as defined in subdivisions B 1 and B 2 of this section.

C. To the extent included in federal adjusted gross income, there shall be subtracted:

1. Interest or dividends on obligations of the United States and on obligations or securities of any authority, commission or instrumentality of the United States to the extent exempt from state income taxes under the laws of the United States including, but not limited to, stocks, bonds, treasury bills, and treasury notes, but not including interest on refunds of federal taxes, interest on equipment purchase contracts, or interest on other normal business transactions.

2. Interest on obligations of this Commonwealth or of any political subdivision or instrumentality of this Commonwealth.

3. Pensions or retirement income to officers and employees of the Commonwealth, its subdivisions and agencies, or surviving spouses of such officers or employees paid by the Commonwealth or an agency or subdivision thereof.

4. Benefits received under Title II of the Social Security Act and other benefits subject to

federal income taxation solely pursuant to § 86 of the Internal Revenue Code.

4a. A deduction equal to the amount used in computing the federal credit allowed under § 37 of the Internal Revenue Code by a retiree under age sixty-five who qualified for such retirement on the basis of permanent and total disability and who is a qualified individual as defined in § 37 (b) (2) of the Internal Revenue Code; provided, however, that any person who claims a deduction under paragraph 3 of subsection C of this section may not also claim a deduction under this paragraph.

5. The amount of any refund or credit for overpayment of income taxes imposed by the Commonwealth or any other taxing jurisdiction.

6. The amount of wages or salaries eligible for the federal Targeted Jobs Credit or the amount of expenses eligible for the federal work incentive program which was not deducted for federal purposes on account of the provisions of § 280 C (a) or § 280 C (b) of the Internal Revenue Code.

7. Any amount included therein which is foreign source income as defined in § 58.1-302.

8. For taxable years beginning after December 31, 1983, the available portion of total excess cost recovery as defined in § 58.1-323 B.

9. *The amount of any qualified agricultural contribution as determined in § 58.1-322.1.*

D. In computing Virginia taxable income there shall be deducted from federal adjusted gross income:

1.a. The amount allowable for itemized deductions for federal income tax purposes where the taxpayer has elected for the taxable year to itemize deductions on his federal return, but reduced by the amount of income taxes imposed by the Commonwealth or any other taxing jurisdiction and deducted on such federal return and increased by an amount which, when added to the amount deducted under § 170 of the Internal Revenue Code for mileage, results in a mileage deduction at the state level for such purposes at a rate of eighteen cents per mile; or

b. Fifteen percent of federal adjusted gross income not to exceed a maximum amount of \$2,000 (or 1/2 of such maximum amount in the case of a married individual filing a separate return), or \$1,300 (\$650 in the case of a married individual filing a separate return), whichever is greater, provided that the taxpayer has not itemized deductions for the taxable year on his federal income tax return. For purposes of the calculation of this subsection, the federal adjusted gross income of a taxpayer who has elected under § 402 of the Internal Revenue Code to use the special ten-year averaging method of taxing a lump-sum distribution from a qualified retirement plan shall be increased by the amount added to adjusted gross income under subsection B 4 of this section;

2. A deduction in the amount of \$600 for each personal exemption allowable to the taxpayer for federal income tax purposes, and an additional deduction of \$400 for each exemption allowable to the taxpayer under paragraph (c) of § 151 of the Internal Revenue Code; and

3. A deduction equal to the amount of employment-related expenses upon which the federal credit is based under § 44 A of the Internal Revenue Code for expenses for household and dependent care services necessary for gainful employment.

E. There shall be added to or subtracted from federal adjusted gross income (as the case may be) the individual's share, as beneficiary of an estate or trust, of the Virginia fiduciary adjustment determined under § 58.1-361.

F. There shall be added or subtracted, as the case may be, the amounts provided in § 58.1-315 as transitional modifications.

§ 58.1-322.1. *Qualified agricultural contribution.*—A. For purposes of determining the amount to be subtracted pursuant to paragraph 9 of subsection C of § 58.1-322, pertaining to Virginia taxable income, a “qualified agricultural contribution” means any contribution of an agricultural

*product by an individual, who is engaged in the trade or business of growing or raising such agricultural product, to an organization exempt from taxation pursuant to § 501 (c) (3) of the Internal Revenue Code, provided (i) such product is fit for human consumption, (ii) the use of such product by the donee is related to the purpose or function constituting the basis for the exemption of the donee under § 501 (c) (3) of the Internal Revenue Code, (iii) such contribution is not made in exchange for money, property or service, and (iv) such individual receives from the donee a written statement representing that the donee's use and disposition of such agricultural product will be in accordance with the provisions of this paragraph. The amount of such contribution shall be equal to the wholesale market value of the agricultural products so contributed.*

*B. As used in this section, the term or phrase: "Agricultural product" means any crop, livestock, poultry or product thereof; and*

*"Wholesale market price" means the lowest wholesale market price of any agricultural product in the nearest regional market during the month in which the contribution is made, without consideration of grade or quality of such product, as if the quantity of such product contributed were marketable.*

**APPENDIX A - 3**

**SENATE BILL NO. .... HOUSE BILL NO. ....**

**A BILL to amend and reenact § 58.1-608 of the Code of Virginia, relating to exclusions and exemptions from the retail sales and use tax.**

Be it enacted by the General Assembly of Virginia:

1. That § 58.1-608 of the Code of Virginia is amended and reenacted as follows:

§ 58.1-608. Exclusions and exemptions. The tax imposed by this chapter or pursuant to the authority granted in §§ 58.1-605 and 58.1-606 shall not apply to the following:

1. (a) Industrial materials for future processing, manufacturing, refining, or conversion into articles of tangible personal property for resale where such industrial materials either enter into the production of or become a component part of the finished product; (b) industrial materials that are coated upon or impregnated into the product at any stage of its processing, manufacture, refining, or conversion for resale; (c) machinery or tools or repair parts therefor or replacements thereof, fuel, power, energy, or supplies, used directly in processing, manufacturing, refining, mining or conversion of products for sale or resale; (d) materials, containers, labels, sacks, cans, boxes, drums or bags for future use for packaging tangible personal property for shipment or sale; or (e) equipment, printing or supplies used directly to produce a publication described in subsection 13 whether it is ultimately sold at retail or for resale or distribution at no cost. Machinery, tools and equipment, or repair parts therefor or replacements thereof, shall be exempt if the preponderance of their use is used directly in processing, manufacturing, refining, mining or conversion of products for sale or resale.

2. Professional, insurance, or personal service transactions which involve sales as inconsequential elements for which no separate charges are made, nor services rendered by repairmen for which a separate charge is made.

3. Commercial feeds, seed, plants, fertilizers, liming materials, breeding and other livestock, semen, breeding fees, baby chicks, turkey poults, agricultural chemicals, fuel for drying or curing crops, baler twine, containers for fruits and vegetables, farm machinery, all other tangible personal property, except for structural construction materials, necessary for use in agricultural production for market and sold to or purchased by a farmer or contractor to be affixed to real property owned or leased by a farmer; agricultural supplies provided the same are sold to and purchased by farmers for use in agricultural production, including fish and worm farming for market.

4. Every agricultural commodity or kind of seafood sold or distributed by any person to any other person who purchases not for direct consumption but for the purpose of acquiring raw products for use or consumption in the process of preparing, finishing, or manufacturing such agricultural or seafood commodity for the ultimate retail consumer trade, except when such agricultural or seafood commodity is actually sold or distributed as a marketable or finished product to the ultimate consumer. The term "agricultural commodity," for the purposes of this paragraph, shall mean horticultural, poultry, and farm products, and livestock and livestock products.

5. Livestock and livestock products, poultry and poultry products, farm and agricultural products, when produced by the farmer and used or consumed by him and the members of his family.

6. Motor vehicle fuels which are subject to the tax imposed by Chapter 21 (§ 58.1-2100 et seq.). Persons who are refunded any such motor fuel tax or special fuel tax shall, however, be subject to the tax imposed by this chapter, unless such taxes would be specifically exempted pursuant to any provision of this section.

7. Motor vehicles, trailers and semitrailers, mobile homes and travel trailers.

8. Gas, electricity, or water when delivered to consumers through mains, lines, or pipes.

9. Artificial or propane gas, firewood, coal or home heating oil used for domestic consumption. "Domestic consumption" means the use of artificial or propane gas, firewood, coal or home heating oil by an individual purchaser for other than business, commercial or industrial purposes. The Tax Commissioner shall establish by rule and regulation a system for use by dealers in classifying individual purchases for domestic or nondomestic use based on the principal usage of such gas, wood, coal or oil. Any person making a nondomestic purchase and paying the tax pursuant to this chapter who uses any portion of such purchase for domestic use may, between the first day of the first month and the fifteenth day of the fourth month following the year of purchase, apply for a refund of the tax paid on the domestic use portion.

10. Tangible personal property sold or leased to a public service corporation subject to a state franchise or license tax upon gross receipts, for use or consumption by such corporation directly in the rendition of its public service, and tangible personal property sold or leased to a public service corporation engaged in business as a common carrier of property or passengers by motor vehicle or railway, for use or consumption by such common carrier directly in the rendition of its public service.

11. Ships or vessels used or to be used exclusively or principally in interstate or foreign commerce, or repairs and alterations thereof; or fuel and supplies for use or consumption aboard ships or vessels plying the high seas, either in intercoastal trade between ports in the Commonwealth and ports in other states of the United States or its territories or possessions, or in foreign commerce between ports in the Commonwealth and ports in foreign countries, when delivered directly to such ships or vessels; or tangible personal property used directly in the building, conversion or repair of the ships or vessels covered by this subsection 11.

12. Broadcasting equipment and parts and accessories thereto and towers used or to be used by commercial radio and television companies, cable television systems, or concerns which are under the regulation and supervision of the Federal Communications Commission and amplification, transmission and distribution equipment used or to be used by cable television systems.

13. Any publication issued daily, or regularly at average intervals not exceeding three months, and advertising supplements and any other printed matter ultimately distributed with or as part of such publications, except that newsstand sales of the same are taxable.

14. School lunches sold and served to pupils and employees of schools and subsidized by government, and school textbooks sold by a local board or authorized agency thereof, and school textbooks sold for use by students attending a college or other institution of learning not conducted for profit, when sold (i) by such institution of learning, or (ii) by any other dealer, when such textbooks have been certified by a department or instructor of such institution of learning as required textbooks for students attending courses at such institution.

15. An occasional sale, as defined in paragraph 12 of § 58.1-602.

16. Tangible personal property for future use by a person for taxable lease or rental as an established business or part of an established business, or incidental or germane to such business, including a simultaneous purchase and taxable leaseback.

17. Alcoholic beverages sold by the Virginia Alcoholic Beverage Control Commission through its government stores.

18. Tangible personal property for use or consumption by the Commonwealth, any political subdivision of the Commonwealth, or the United States. This exclusion shall not apply to sales and leases to privately owned financial and other privately owned corporations chartered by the United States.

19. Tangible personal property purchased for use or consumption directly and exclusively in basic research or research and development in the experimental or laboratory sense.

20. Delivery of tangible personal property outside the Commonwealth for use or consumption

outside of the Commonwealth. Delivery of goods destined for foreign export to a factor or export agent shall be deemed to be delivery of goods for use or consumption outside of the Commonwealth.

21. Medicines, drugs, hypodermic syringes, artificial eyes, contact lenses, eyeglasses and hearing aids dispensed by or sold on prescriptions or work orders of licensed physicians, dentists, optometrists, ophthalmologists, opticians, audiologists, hearing aid dealers and fitters, and controlled drugs purchased by a licensed physician for use in his professional practice.

22. Wheelchairs and parts therefor, braces, crutches, prosthetic devices, orthopedic appliances, catheters, urinary accessories, and other durable medical equipment and devices, and related parts and supplies specifically designed for those products, insulin and insulin syringes, and equipment, devices or chemical reagents which may be used by a diabetic to test or monitor blood or urine, when such items or parts are purchased by or on behalf of an individual for use by such individual. Durable medical equipment is equipment which (1) can withstand repeated use, (2) is primarily and customarily used to serve a medical purpose, (3) generally is not useful to a person in the absence of illness or injury, and (4) is appropriate for use in the home.

22a. Drugs and supplies used in hemodialysis and peritoneal dialysis.

23. Tangible personal property for use or consumption by a college or other institution of learning, a hospital, a licensed nursing home or a licensed nonprofit nonstock home for adults as defined by subsection A of § 63.1-172, and tangible personal property (i) for use or consumption by, (ii) sold by, or (iii) donated to a noncommercial educational telecommunications entity, said exemption to apply to each transaction in the chain of commerce from manufacture to final disposition, provided such college, institution of learning, telecommunications entity, hospital, licensed nursing home or home for adults is not conducted for profit.

24. Tangible personal property purchased by an organization exempt from taxation under § 501 (c) (3) of the Internal Revenue Code and organized exclusively for the purpose of providing education, training and services to retarded citizens of the Commonwealth, provided such property is used exclusively for the purpose set forth herein and further provided that such organization receives more than fifty percent of its total funding from federal, state, or local governments.

25. Tangible personal property and services purchased by an educational institution doing business in the Commonwealth which (i) admits regularly enrolled high school and college students, and (ii) provides a face-to-face educational experience in American government, a program which leads towards the successful completion of United States history, civics, and problems in democracy courses in high school, or which is acceptable for full credit towards an undergraduate or graduate level college degree, provided such institution is conducted not for profit.

26. Tangible personal property sold or leased to an airline operating in intrastate, interstate or foreign commerce as a common carrier providing scheduled air service on a continuing basis to one or more Virginia airports for use or consumption by such airline directly in the rendition of its common carrier service. As used in this paragraph "scheduled air service" shall be defined pursuant to the provisions of § 58.1-1501.

27. Tangible personal property purchased for use or consumption by a volunteer fire department or volunteer rescue squad not conducted for profit, and construction materials to be incorporated into realty when sold to and used by such organization, rather than a contractor, in construction, maintenance, or repair of any property of such organization.

28. Machinery or tools or repair parts therefor or replacement thereof, fuel or supplies, provided the same are sold to and purchased by watermen for use by them in extracting fish, bivalves or crustaceans from waters for commercial purposes.

29. Aircraft subject to tax under Chapter 15 (§ 58.1-1500 et seq.) of Title 58.1.

30. Catalogs and other printed materials used in the advertising of tangible personal property

for sale, the envelopes, containers and labels used for packaging and mailing same, and paper furnished to a printer for fabrication into catalogs and other printed materials used in advertising tangible personal property for sale, when stored for twelve months or less in the Commonwealth and distributed for use without the Commonwealth.

31. Motor fuels and special fuels for use in a boat or boats or a ship or ships, upon which a motor fuel tax is refunded pursuant to § 58.1-2113, and upon which a special fuel tax is refunded pursuant to § 58.1-2122.

32. Meals furnished by restaurants or food service operators to employees as a part of wages.

33. Special equipment installed on a motor vehicle when purchased by a handicapped person to enable such person to operate such motor vehicle.

34. Sales by a government agency of the official flags of the United States, the Commonwealth of Virginia, or of any county, city or town.

35. Materials furnished by the State Board of Elections pursuant to paragraphs (8), (9) or (10) of § 24.1-23.

36. Books and other reading materials for use by nonprofit organizations organized solely to distribute such books and reading materials to school-age children.

37. Machinery or tools or repair parts therefor or replacements thereof, fuel, power, energy or supplies, and cereal grains and other feed ingredients, including, but not limited to, drugs, vitamins, minerals, nonprotein nitrogen, and other supplements or additives, used directly in making feed for sale or resale. Making of feed shall include the mixing of liquid ingredients.

38. Tangible personal property, except property used in any form of recording and reproducing services, purchased by churches organized not for profit and (i) which are exempt from taxation under § 501 (c) (3) of the Internal Revenue Code or (ii) whose real property is exempt from local taxation pursuant to the provisions of § 58.1-3606, for use (i) in religious worship services by a congregation or church membership while meeting together in a single location, and (ii) in the libraries, offices, meeting or counseling rooms or other rooms in the public church buildings used in carrying out the work of the church and its related ministries, including kindergarten, elementary and secondary schools.

39. Tangible personal property including machinery, tools, repair parts, or replacements thereof, and supplies and materials used directly in maintaining and preparing textile products for rental or leasing by an industrial processor engaged in the commercial leasing or renting of laundered textile products.

40. Historical documents, maps, rare books and manuscripts acquired by a nonprofit state historical society which maintains a research library open to the public for research and educational purposes without charge.

41. Sales of tangible personal property to a nonsectarian youth organization exempt from taxation under § 501 (c) (3) of the Internal Revenue Code and sponsoring a national or international camping assembly within this State for 7 continuous days or more with attendance in excess of 20,000, which sale of tangible personal property is for use or consumption at such camping assembly.

42. Watercraft as defined in § 58.1-1401.

43. Tangible personal property used in and about a marine terminal under the supervision of the Virginia Port Authority for handling cargo, merchandise, freight and equipment. This exemption shall apply to agents, lessees, sublessees or users of tangible personal property owned by or leased to the Virginia Port Authority.

44. Tangible personal property purchased for use or consumption by a nonprofit museum of fine arts which is located on property owned by a city in Virginia and which receives more



than half of its operating budget from appropriations by the city.

45. Tangible personal property sold or leased for use in nonprofit nutrition programs for the elderly qualifying under 42 U.S.C. § 3030 (e) through 3030 (g), as amended, as administered by the Department for the Aging of the Commonwealth of Virginia, and the food and food products sold under such programs to elderly persons.

46. Tangible personal property bought, sold or used by Virginia Federation of Humane Societies or any chartered, not-for-profit organization incorporated under the laws of this Commonwealth and organized for the purpose of preventing cruelty to animals and promoting humane care of animals, when such property is used for the operation of such organizations or the construction or maintenance of animal shelters.

47. Sales by prisoners confined in state correctional facilities of artistic products personally made by the prisoners as authorized by § 53.1-46 of the Code.

48. Tangible personal property purchased for use by a nonprofit, nonstock corporation which receives no financial aid from the Commonwealth or the federal government and is organized exclusively for the purpose of operating, at no charge to the pupils, a combination boarding and day school for the severely physically handicapped children and young adults of the Commonwealth.

49. Tangible nonmedical personal property purchased by a nonprofit organization organized exclusively for the purpose of providing housing and ancillary assistance for children suffering from leukemia or oncological diseases, for other ill children, and for the families of such children during periods of medical treatment of such children at any hospital in the Commonwealth.

50. Tangible personal property purchased by a voluntary health organization exempt from taxation under § 501 (c) (3) of the Internal Revenue Code and organized exclusively for the purpose of providing direct therapeutic and rehabilitative services, such as speech therapy, physical therapy, and camping and recreational activities, to the children and adults of the Commonwealth regardless of the nature of their disease or socio-economic position.

51. Machinery or tools and repair parts therefor or replacements thereof, fuel, power, energy or supplies, used directly in the harvesting of forest products for sale or for use as a component part of a product to be sold.

52. Certified pollution control equipment and facilities as defined in § 58.1-3660.

53. Tangible personal property for use or consumption by the Virginia Commission for the Visually Handicapped or any nominee, as defined in § 63.1-142, of such commission. (Also see § 63.1-164, which provides a more detailed explanation of the exemption).

54. Parts and tires sold or leased to taxicab operators for use or consumption in the rendition of their services.

*55. Food and food products which are purchased with food stamps by consumers for consumption off the premises where purchased.*

**APPENDIX A - 5**

**SENATE JOINT RESOLUTION NO.....**

**Memorializing the Congress of the United States to take action to alter the exemption of certain products which can be purchased with food stamps.**

**WHEREAS, the food stamp program is completely funded by the federal government, but it is administered by the various states who have no control over the regulations; and**

**WHEREAS, eligibility for food stamps is based on income and financial assets and a family of four with income of less than \$12,870 might qualify for some assistance, but the rules are complex; and**

**WHEREAS, 412,000 Virginians received an average grant of \$41 which averages out to approximately 45¢-47¢ per person per meal; and**

**WHEREAS, the stamps cannot be used for alcohol, tobacco, ready-to-eat hot food, pet food or medicines, and this list of exemptions also includes basic necessities such as soap and detergent; and**

**WHEREAS, hunger alone is a devastating problem to many who have little to eat, but a larger blow to the human spirit can occur due to deprivation of basic personal hygiene; now, therefore, be it**

**RESOLVED by the Senate, of Delegates concurring, That the General Assembly of Virginia does hereby memorialize the Congress of the United States to consider the allowance of items of hygiene such as soap and detergent to be purchased with food stamps by recipients, ; and, be it**

**RESOLVED FINALLY, That the Clerk of the Senate prepare a copy of this resolution to be sent to the Congressional Delegation from Virginia, the Speaker of the House of Representatives, the President of the United States Senate, and the Secretary of the Department of Health and Human Services to apprise them of the sense of the General Assembly of Virginia.**

APPENDIX A - 6, A - 7

SENATE BILL NO. .... HOUSE BILL NO. ....

A BILL to amend and reenact § 58.1-638 of the Code of Virginia, relating to disposition of state sales and use tax revenue.

Be it enacted by the General Assembly of Virginia:

1. That § 58.1-638 of the Code of Virginia is amended and reenacted as follows:

§ 58.1-638. Disposition of state sales and use tax revenue; localities' share.—A. The Comptroller shall designate a specific revenue code number for all the state sales and use tax revenue collected under the preceding sections of this chapter.

B. One-third of the net revenue derived from such tax shall be distributed among the counties and cities of this *State Commonwealth* in the manner hereafter in this section provided.

C. The localities' share of the net revenue distributable under this section among the counties and cities shall be apportioned by the Comptroller and distributed among them by warrants of the Comptroller drawn on the Treasurer of Virginia as soon as practicable after the close of each month during which the net revenue was received into the state treasury. The distribution of the localities' share of such net revenue shall be computed with respect to the net revenue received into the state treasury during each month, and such distribution shall be made as soon as practicable after the close of each such month.

D. The net revenue so distributable among the counties and cities shall be apportioned and distributed upon the basis as certified to the Comptroller by the Department of Education, of the number of children in each county and city according to the most recent statewide census of school population taken by the Department of Education pursuant to § 22.1-284 of the Code of Virginia, as adjusted in the manner hereinafter provided. No special school population census, other than a statewide census, shall be used as the basis of apportionment and distribution except that in any calendar year in which a statewide census is not reported, the Department of Education shall adjust such school population figures by the same percent of annual change in total population estimated for each locality by the Tayloe Murphy Institute. The revenue so apportionable and distributable is hereby appropriated to the several counties and cities for maintenance, operation, capital outlays, debt and interest payments, or other expenses incurred in the operation of the public schools, which shall be considered as funds raised from local resources. In any county, however, wherein is situated any incorporated town constituting a school division, the county treasurer shall pay into the town treasury for maintenance, operation, capital outlays, debt and interest payments, or other expenses incurred in the operation of the public schools, the proper proportionate amount received by him in the ratio that the school population of such town bears to the school population of the entire county. If the school population of any city or of any town constituting a school division is increased by the annexation of territory since the last preceding school population census, such increase shall, for the purposes of this section, be added to the school population of such city or town as shown by the last such census and a proper reduction made in the school population of the county or counties from which the annexed territory was acquired.

E. If errors are made in any distribution, or adjustments are otherwise necessary, the errors shall be corrected and adjustments made in the distribution for the next quarter or for subsequent quarters.

F. The term "net revenue," as used in this section, means the gross revenue received into the general fund of the state treasury under the preceding sections of this chapter, less refunds to taxpayers.

*G. Notwithstanding any contrary provision of this section, revenue derived from such tax on the sale of food through the Virginia Special Supplemental Food Program for Women, Infants, and Children shall be paid into the state treasury to the credit of a special fund which is hereby created on the Comptroller's books under the name "Food Program for Women,*

*Infants and Children Reserve Fund.” Such revenue shall be used by the Department of Health to supplement funds received by such Food Program through federal grants, at such times and in such amounts deemed necessary to allow full utilization of such federal grant money, in order to serve the greatest number of Food Program participants. Information shall be provided on a monthly basis by the Department of Health to the Department of Taxation indicating the amount of money expended each month in the WIC program to enable the Department of Taxation to calculate the amount of tax revenue to be deposited into such special fund. Revenues remaining in the special fund at the end of each fiscal year, which have not been so used, shall revert to the general fund. However, \$50,000 of such special fund shall be appropriated in each fiscal year for the operation of a computerized nutrition surveillance program in conjunction with the National Center for Disease Control.*

**APPENDIX A - 8**

**SENATE JOINT RESOLUTION NO.....**

To encourage participation by all schools in the Commonwealth in the school breakfast program.

WHEREAS, the General Assembly of the Commonwealth of Virginia is constantly striving to improve the quality of education in Virginia; and

WHEREAS, a multi-faceted approach to the improvement of education is warranted; and

WHEREAS, scientific and medical studies have documented that a good breakfast is vital to a child's ability to pay attention and learn in school; and

WHEREAS, only one American child in five eats an adequate breakfast, leaving millions of children from all socio-economic levels without proper nutrition to start the day; and

WHEREAS, the United States Department of Agriculture administers a federally funded School Breakfast Program which provides one-third of a child's required daily nutritional needs; and

WHEREAS, the Virginia Department of Education administers the School Breakfast Program in Virginia; and

WHEREAS, schools which operate the School Breakfast Program report improvement in grades, increased student energy and motivation, fewer disciplinary problems and reduced truancy; and

WHEREAS, only 29% of Virginia's public schools operate a School Breakfast Program; and

WHEREAS, the School Breakfast Program is primarily financed with federal funds; and

WHEREAS, statewide operation of the School Breakfast Program, if fully implemented, would generate significant tax revenue for the Commonwealth; and

WHEREAS, the School Breakfast Program would generate additional revenue and increase the quality of education in Virginia; now, therefore, be it

RESOLVED by the Senate, the House of Delegates concurring, That the General Assembly of Virginia strongly encourages all school divisions in the Commonwealth to participate in the School Breakfast Program and instructs the Department of Education to promote the Program and to circulate this resolution to each local school board and school principal.

APPENDIX A - 9

SENATE BILL NO. .... HOUSE BILL NO. ....

A BILL to amend the Code of Virginia by adding in Chapter 1 of Title 6.1 a section numbered 6.1-2.9:4, relating to service charges or fees of financial institutions for cashing checks issued by the Commonwealth.

Be it enacted by the General Assembly of Virginia:

1. That the Code of Virginia is amended by adding in Chapter 1 of Title 6.1 a section numbered 6.1-2.9:4 as follows:

*§ 6.1-2.9:4. Service charges or fees of financial institutions for cashing checks issued by the Commonwealth.—No financial institution shall require a payee to pay a service charge or fee in excess of one dollar for cashing any check, draft or similar negotiable instrument or order of withdrawal issued by the Commonwealth or the federal government.*

APPENDIX A - 11

SENATE BILL NO. .... HOUSE BILL NO. ....

A BILL to amend and reenact § 32.1-325 of the Code of Virginia, relating to state plan for medical assistance services.

Be it enacted by the General Assembly of Virginia:

1. That § 32.1-325 of the Code of Virginia is amended and reenacted as follows:

§ 32.1-325. Board to submit plan for medical assistance services to Secretary of Health and Human Services pursuant to federal law; administration of plan; contracts with health care providers.—A. The Board, subject to the approval of the Governor, is authorized to prepare, amend from time to time and submit to the Secretary of the United States Department of Health and Human Services a state plan for medical assistance services pursuant to Title XIX of the United States Social Security Act and any amendments thereto. In the event that (i) H.R. 4136 presently pending in the House of Representatives of the 98th Congress is enacted and (ii) the Commonwealth qualifies for 100% federal Medicaid funding, the plan shall include assistance for pregnant women who would be eligible for assistance through the program of Aid to Families with Dependent Children of the United States Social Security Act as if the child had been born and was living with her in the month of payment. Such women shall be eligible for assistance from the date that their pregnancy is medically verified. *The Board shall include in this plan a provision for determining eligibility for benefits which disregards any liquidable assets designated by the individual as a prepaid funeral plan if such asset does not exceed \$1500 in value.* In preparing the plan, the Board shall work cooperatively with the State Board of Health to ensure that quality patient care is provided. The Board may make, adopt, promulgate and enforce such regulations as may be necessary to carry out the provisions of this chapter.

B. The Director of Medical Assistance Services is authorized to administer such state plan and to receive and expend federal funds therefor in accordance with applicable federal and state laws and regulations.

C. The Director of Medical Assistance Services is authorized to enter into agreements and contracts with medical care facilities, physicians, dentists and other health care providers where necessary to carry out the provisions of such state plan. Any such agreement or contract shall terminate upon conviction of the provider of a felony. In the event such conviction is reversed upon appeal, the provider may apply to the Director of Medical Assistance Services for a new contract.

When the services provided for by such plan are services which a clinical psychologist is licensed to render in Virginia, the Director shall contract with any duly licensed clinical psychologist who makes application to be a provider of such services, and thereafter shall pay for covered services as provided in the state plan.

D. The Board shall prepare and submit to the Secretary of the United States Department of Health and Human Services such amendments to the state plan for medical assistance as may be permitted by federal law to establish a program of family assistance whereby children over the age of eighteen years shall make reasonable contributions, as determined by regulations of the Board, toward the cost of providing medical assistance under the plan to their parents.

APPENDIX A - 12

SENATE BILL NO. .... HOUSE BILL NO. ....

A BILL to amend and reenact § 32.1-325 of the Code of Virginia, relating to state plan for medical assistance services.

Be it enacted by the General Assembly of Virginia:

1. That § 32.1-325 of the Code of Virginia is amended and reenacted as follows:

§ 32.1-325. Board to submit plan for medical assistance services to Secretary of Health and Human Services pursuant to federal law; administration of plan; contracts with health care providers.—A. The Board, subject to the approval of the Governor, is authorized to prepare, amend from time to time and submit to the Secretary of the United States Department of Health and Human Services a state plan for medical assistance services pursuant to Title XIX of the United States Social Security Act and any amendments thereto. In the event that (i) H.R. 4136 presently pending in the House of Representatives of the 98th Congress is enacted and (ii) the Commonwealth qualifies for 100% federal Medicaid funding, the plan shall include assistance for pregnant women who would be eligible for assistance through the program of Aid to Families with Dependent Children of the United States Social Security Act as if the child had been born and was living with her in the month of payment. Such women shall be eligible for assistance from the date that their pregnancy is medically verified. *The Board shall include in this plan a requirement that, in determining eligibility, ownership of a dwelling occupied by the applicant as his home does not affect eligibility. A home means the house and homesite consisting of essential adjacent property and up to ten acres of contiguous property as long as the value of the land, exclusive of the homesite occupied by the house, does not exceed \$10,000.* In preparing the plan, the Board shall work cooperatively with the State Board of Health to ensure that quality patient care is provided. The Board may make, adopt, promulgate and enforce such regulations as may be necessary to carry out the provisions of this chapter.

B. The Director of Medical Assistance Services is authorized to administer such state plan and to receive and expend federal funds therefor in accordance with applicable federal and state laws and regulations.

C. The Director of Medical Assistance Services is authorized to enter into agreements and contracts with medical care facilities, physicians, dentists and other health care providers where necessary to carry out the provisions of such state plan. Any such agreement or contract shall terminate upon conviction of the provider of a felony. In the event such conviction is reversed upon appeal, the provider may apply to the Director of Medical Assistance Services for a new contract.

When the services provided for by such plan are services which a clinical psychologist is licensed to render in Virginia, the Director shall contract with any duly licensed clinical psychologist who makes application to be a provider of such services, and thereafter shall pay for covered services as provided in the state plan.

D. The Board shall prepare and submit to the Secretary of the United States Department of Health and Human Services such amendments to the state plan for medical assistance as may be permitted by federal law to establish a program of family assistance whereby children over the age of eighteen years shall make reasonable contributions, as determined by regulations of the Board, toward the cost of providing medical assistance under the plan to their parents.



OVERVIEW OF SERVICES  
AND PROGRAMS AVAILABLE TO  
VIRGINIA'S LOW INCOME CITIZENS

## FOREWORD

A cursory review of this document could lead a person to believe that there are so many programs for low income Virginians, that the Commonwealth is far exceeding its responsibility to address their needs. One should examine the evidence carefully before reaching this conclusion.

There are only a handful of programs that serve a large number of needy Virginians (Medicaid, Food Stamps, ADC). The rest are limited in scope or effect for a number of reasons.

Some are not consistently operated or offered throughout the Commonwealth (General Relief, SLH, EFNEP, TEFAP). Others exist for small, specifically targeted groups (Hill Burton, Auxiliary Grants, Teaching Hospitals). Still others are dependent upon a substantial portion of local funding which is not always readily available (SLH, GR, TEFAP).

Even the major programs that do operate statewide often don't serve the total eligible population (WIC serves only 41% of the eligible population; only 29% of Virginia's schools operate the School Breakfast Program).

This "Overview of Services and Programs Available to Virginia's Low Income Citizens" briefly summarizes a number of complicated programs. The information set forth does not reflect complete eligibility guidelines or program rules. It merely provides a snapshot of each program by citing purpose, target population, basic eligibility criteria, description of benefits, funding sources, and any additional information of note.

This document is a quick reference source offering a thumbnail sketch of the various programs. The administering agencies can provide more detailed information about each program.

AID TO FAMILIES WITH DEPENDENT CHILDREN (ADC)

Purpose:

ADC provides monthly financial assistance to dependent children and their caretakers.

Target Population:

Needy dependent children who are deprived of parental support. Approximately 60,000 families in Virginia receive ADC benefits.

Eligibility:

Financial

- the dependent child must be under 18 years of age, or 18 years old and expected to graduate from high school by age 19;
- the child must live with a parent or other relative;
- the child must be "deprived of parental support" by reason of death, absence, or incapacity of one of his/her parents;
- the family's income may not exceed 185% of the state-established Standard of Need. (Virginia's Standard of Need ranks 42nd in the nation); and
- the family's countable resources (bank accounts, property contiguous to the homesite, etc.) may not exceed \$600. Resources which are exempt include a car valued up to \$1500, one burial plot per household member, and the home the family lives in.

Non-financial

- the recipients must be citizens or permanent resident aliens; assign support rights to the state; cooperate in obtaining support from the absent parent; and comply with work experience requirements; and other monthly reporting and verification requirements.

Benefit:

ADC benefits in Virginia are based on family size and geographic region. 90% of the Standard of Need is paid after countable income is subtracted from that amount.

- Wage earners are entitled to certain disregards and deductions for a limited period of time.
- For a family of three with no other income the ADC benefit is \$363./mo. in high cost of living areas and \$273/mo. in lower cost rural areas of Virginia. These, and all other payment levels represent less than 1/2 the federal poverty line.
- All ADC recipients automatically qualify for Medicaid benefits. Only 63% receive Food Stamps.

Funding Source:

56.5% Federal  
43.5% State

Additional Information:

Virginia's Standard of Need for ADC families is lower than that of 41 states; payment levels are lower than those of 37 other states.

- Virginia's ADC Standard of Need has only been increased 21.3% in the last 10 years, while inflation has increased by 110.6%.

- Virginia only excludes \$600 worth of resources in determining eligibility even though the federal statute permits the exclusion of \$1,000 worth of resources.

- Property contiguous to a family's homesite is counted as a resource, thereby disqualifying many indigent families in rural areas.

THE SPECIAL SUPPLEMENTAL FOOD PROGRAM FOR  
WOMEN, INFANTS, & CHILDREN (WIC)

Purpose:

To prevent the severe medical problems caused by malnutrition in women and their infants, by providing food supplements and nutrition education.

Target Population:

Nutritionally "at risk" low income women who are pregnant or breast-feeding, and their children up to age 5. In Virginia in 1983, 63,355 women and children participated in WIC. That is 41% of those eligible for services.

Eligibility Standards:

Participants must:

1. Be at or below 167% of OMB poverty level; and
2. Be "nutritionally at risk" based on a medical assessment.

Benefit:

Participants receive a monthly food voucher to purchase specific supplemental foods such as milk, eggs, juice, fortified cereals and infant formula. The average monthly food cost per WIC participant was \$27.74 in September, 1984.

Funding Source:

100% Federal,

Since 1980 the Commonwealth has annually returned an average of 5% of its WIC money to the federal government.

- Some states appropriate a limited amount of their own funds to act as a cushion against over expenditures. This permits them to use all federal money allocated to them and it eliminates the need to terminate needy WIC participants.

- If Virginia could spend all of the federal money allotted for WIC, approximately 2400 more women and children could be served.

Additional Information

- Virginia ranks thirty-eight in the U. S. in its rate of infant mortality.
- Studies have shown a direct correlation between WIC participation and significant decreases in low birth weight babies and infant mortality.
- The most frequent medical problems of Virginia's WIC participants in July, 1984 were: inadequate diet (37,583), anemia (10,500) and stunting of growth (6,900).
- A variety of studies show that inadequately nourished infants cannot fully develop physically and mentally. In fact, there is a direct correlation between malnutrition in infants and learning disabilities and mental retardation as those infants mature.
- WIC has proved to be one of the most cost effective food programs in existence. For every \$1 spent on WIC, \$3 are saved in hospital costs.
- Virginia imposes its 4% sales tax on WIC purchases. This generated approximately \$850,000 in FY 84.
- Due to the nature of the WIC voucher system, some states are forced to terminate eligible mothers and children from WIC near the end of each fiscal year for fear of overspending. Virginia has always underspent for fear of

MEDICAID

Purpose:

Medicaid is a needs-based program which provides a range of medical services for certain groups of low income people. Do not confuse this program with Medicare which is for the elderly and totally federally funded.

Target Population:

Medically indigent children, their caretakers, and aged, blind and disabled individuals.

Participants - FY '84

ADC Families	210,010
Aged	61,100
Blind	1,248
Disabled	47,780
Refugees	<u>5,250</u>
Total	325,311

Eligibility:

- All ADC recipients;
- Most, but not all, SSI recipients;
- "Medically needy" dependent children (and their mothers, if pregnant) and aged, blind and disabled people. These individuals do not receive cash assistance in the form of ADC or SSI, but they can spend-down to Medicaid eligibility by incurring and verifying large medical expenses which reduce their countable income to less than 2/3 of the poverty line. Eligibility for the medically needy is reassessed every 6 months;
- Certain groups of pregnant women and children (as of 1984).

Benefit:

- Services in Virginia include:
  - inpatient hospital services (with strict limitations);
  - outpatient hospital services;
  - physician services;
  - pharmacy services;
  - family planning;
  - x-ray and laboratory services;
  - skilled and intermediate nursing home care; and home based care for certain individuals who would otherwise be institutionalized.
- Co-payments are required from certain groups of recipients for many services. A hospital admission fee is required from medically needy adults.

Funding:

56.53% Federal  
43.47% State

Additional Information:

- Medicaid recipients receive a Medicaid Card each month which entitles them to certain medical services from

Medicaid providers. The providers are, in turn, reimbursed by Virginia for necessary, medical services provided.

- The Early and Periodic Screening, Diagnosis and Treatment (EPSDT) component of Medicaid provides children with preventive services such as dental, eyeglasses and hearing treatments. Only 56.2% of the children eligible for EPSDT were screened in 1984.

- Virginia disqualifies many rural Virginians from Medicaid by imposing the "contiguous property rule" on all applicants. This effects more than 4500 SSI recipients and other aged, blind and disabled people.

- A variety of services and eligible participants were eliminated in FY '82 to avoid a \$122 million program deficit.

FOOD STAMPS

Purpose:

To safeguard the health and well being of the nation's population by raising the levels of nutrition among low income households.

Target Population:

Households whose gross incomes fall at or below 130% of the federal poverty level. In August, 1984, over 372,000 Virginians received Food Stamps.

Eligibility:

Food Stamp applicants must meet the following financial and non-financial eligibility criteria to receive benefits.

Financial:

Income

Gross household income must be at or below 130% of the federal poverty level; or

For the elderly or disabled, net adjusted income must be at or below the federal poverty line.

Resources

Most households may only have \$1500 worth of non-exempt resources (those households with 2 members, one of whom is 60 or older, may have \$3,000)

Exempt resources include: house and its contents; property contiguous to house; personal belongings; etc.

Non-financial:

- Work registration and job search
- Citizenship
- Monthly reporting for certain recipients.

Benefits:

- Benefits range depending on a household's income and family size. In August, 1984, the average grant was \$41 or 44¢/meal.

- Maximum coupon allotments as of 10/1/84 are:

<u>Family Size</u>	<u>Amount</u>
1	\$ 78.00
2	143.00
3	206.00
4	261.00

- Food Stamps must be used to purchase food. They cannot be purchased for alcohol, tobacco, ready-to-eat hot food, pet food, medicine or chewable vitamins.

Funding Source:

Federal 100% of Food Stamps  
50% of admin. costs

State 30% of admin. costs

Additional Information:

- The Food Stamp Program is governed by federal regulations. A state can exercise options in various areas, however.

- Mail issuance of Food Stamps is a state option which Virginia has passed along to localities as a local option. Approximately 95 Virginia localities engage in mail issuance to some extent. The General Assembly could mandate mail issuance for rural localities, and elderly and disabled recipients.

- Operation of an outreach program to promote the program is a state option. Virginia has not engaged in Food Stamp outreach since federal funding for outreach was terminated in 1981.

- There are no state standards for the amount of time a food stamp interview should take or the average number of interviews that should occur in a full day. This depends, in part, on the size of the agency and whether the caseload is Public Assistance or Non-Public Assistance.

- Over 95,000 applicants were found ineligible for Food Stamps in Virginia in FY '83. The denial rate for Food Stamp applications has increased by almost 4% since 1980.

- According to Virginia Department of Social Services statistics, the number of Food Stamp caseworkers required for 1/84 - 6/84 was 3,843, but the number of caseworkers actually employed was only 3,485.

PRIVATE SECTOR INITIATIVES TO COMBAT HUNGER

Foodbanks, on-site meal programs and emergency food box programs are the three main types of programs which the private sector has developed to feed Virginia's needy citizens.

Foodbanks

A foodbank is housed in a warehouse. It solicits and collects large volumes of surplus and salvage food, and distributes it to non-profit, tax-exempt member agencies (on-site meal programs and emergency food box programs) who feed the needy. Individuals cannot receive food directly from a foodbank.

In 1983, over 7.5 million pounds of food were distributed to more than 1200 agencies by Virginia's four foodbanks (Chesapeake, Richmond, Staunton and Roanoke).

On-site Meal Programs

On-site meal programs (soup kitchens) provide hot meals and a place to sit and eat them. Serving times and the number of weekly meals per program vary. Some meal programs limit themselves to providing food; others provide counseling and additional services. Each program determines its own eligibility criteria.

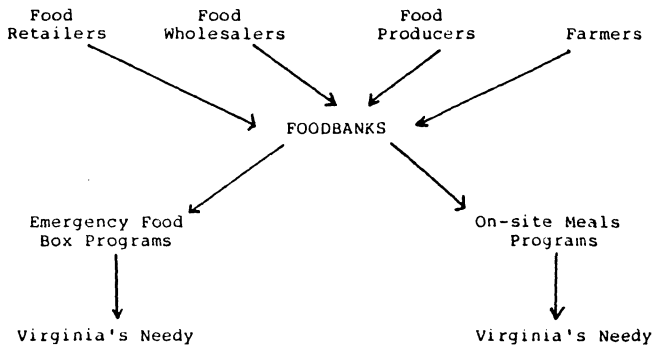
Emergency Foodbox Programs

Emergency foodbox programs provide a box or bag of food capable of meeting a household's food needs for 2-3 days. Most programs attempt to include a nutritious combination of food, but are often thwarted by inadequate supplies of food. For example, the nine major food box programs in Richmond ran out of all food in July, 1984.

Each program determines its own eligibility criteria. Emergency foodbox programs in many localities often co-ordinate informally to maximize participation and minimize abuse (this is not a frequently reported problem).

Funding Source

The business element of the private sector generally donates food, money and some in-kind services. The religious and nonprofit elements usually initiate the service programs and provide volunteers, program management and additional food and money. The result follows:



Additional Information

Representatives from all three types of programs indicate that demand for their services has increased drastically since 1980. Some indicate that demand has leveled off in 1984; others are still experiencing increases.

- Testimony from Eighteen private sector on-site food programs throughout the state shows that they served a total of 655,301 meals in 1983. Cost given range from \$2.75/meal to \$4.57/meal. If one assumes that the average of those costs is the average cost of most meals served, the value of the meals served by 18 agencies in Virginia in 1984 is . (See Attachment A)

- It is harder to determine the costs and the real number of people served through emergency foodbox programs because the size of each box depends on the number of people in the needy household and the amount of food available to the foodbox program at the time. Testimony from nine emergency foodbox programs indicates that they provided a total of 10,144 households with foodboxes in 1983.

Costs given vary from \$4.88/food box to \$7.00/foodbox. If one assumes that the average of those costs (\$5.94) is the average of cost of most foodboxes, the value of foodboxes provided by 9 agencies in 1983 is \$55,255. (See Attachment A)

- Virginia's four foodbanks serve more than 1200 agencies throughout Virginia. Most of these agencies indicate that they cannot keep up with the demand for food. They see themselves as providing a band-aid to the problem of hunger. Short-term emergency relief providers are increasingly asked to expand from providing emergency assistance to providing supplemental food on a regular basis. Most state that this is not possible.

- MARCH, an ecumenical emergency food service in Richmond, Virginia had to turn away 1350 people in the eighteen month period which ended July 31, 1984. This is the only testifying agency which kept a record of people turned away for lack of food.

ATTACHMENT A

STATISTICS REFLECTING PRIVATE SECTOR EFFORTS TO FEED

VIRGINIA'S NEEDY IN 1983

The following figures were gleaned from evidence presented at three public hearings sponsored by the General Assembly's Joint Subcommittee to Study the Extent and Cost of Hunger and Malnutrition in Virginia. These figures represent the work of 23 agencies, a very small percentage of the private sector's efforts to feed Virginia's needy.

<u>Number of Meals/People Served in 1983</u>	<u>Organization</u>
3,291 people	Valley Mission Staunton
3,963 people	Mountain Cap, Marion
1,758 people	Presbyterian Community Center Roanoke
3,728 people	New River Community Action Agency Christiansburg
45,072 meals	Freedom House Richmond
18,028 meals	Charlottesville Emergency Foodbank
12,000 people	MARCH Richmond
250,000 meals	Union Mission Norfolk
6,248 people	HELP Hampton
7,776 meals	St. Columbia Soup Kitchen Norfolk
3,600 people	St. Columbia Food Box Program Norfolk
2,118 people	STOP Norfolk
12,480 meals	Wesley Community Center Portsmouth
420 people	Oasis Soup Kitchen Portsmouth
26,000 meals	Foundation Park Soup Kitchen Chesapeake
50,000 people	Salvation Army Canteen Norfolk
216,000 people	Peninsula Salvation Army Newport News
<u>1,833 people</u>	Office of Human Affairs
655,301 people/meals	Newport News

The reported range of costs per meal/person served spans from \$.75 to \$10.60. If one assigns a conservative cost estimate of \$2.00 per meal/person to these statistics, the value of food served by these 18 agencies in 1983 was \$1,310,602.

ATTACHMENT A

Foodboxes/Families Served in 1983

514 families  
720 foodboxes  
100+ families  
3,900 families  
2,600 families  
  
283 families  
  
58 families  
59 families  
1,852 families  

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10,086 families/foodboxes

Organization

Memorial Baptist Church  
Staunton  
Clifton Forge Sr. Center  
  
People, Inc.  
Abingdon  
Faith Tabernacle Storehouse  
Stuarts Draft  
Spring Creek Church of the Nazarene  
Dayton  
Church Social Ministries  
Resource Center  
Norfolk  
Wesley Community Center  
Portsmouth  
Oasis  
Portsmouth  
Salvation Army  
Norfolk

The reported range of costs per family/foodbox served spans from \$4.85 to \$20.00. If one assigns a conservative cost estimate of \$10.00 per family/foodbox to these statistics, the value of food provided by these 9 agencies in 1983 was \$100,860.



OLDER AMERICANS ACT

Purpose:

To co-ordinate and provide various services for older Americans and to advocate on their behalf.

Target Population:

Socially or economically needy citizens who are 60 years of age or older. Participation data for 1983 follows:

Congregate meals: 18,664  
Home delivered meals: 6,455  
Supportive services: 235,912

Eligibility:

Recipients of all the services must verify that they are part of the target population. In addition, each agency sets its own eligibility criteria for each of the services. These became more stringent as money for the program decreases. Typical criteria follow:

Congregate meals: frail, live alone, not eating properly on own, limited mobility, lower income (the meal sites are usually located in low income areas).

Home delivered meals: homebound, frail, no one to fix meal, unable to fix themselves, low income.

Supportive services: each component (transportation, homemaker, home health, chore and companion services, etc.) has its own eligibility criteria, but all are similar and are based on the needs of the target population.

Benefit:

Congregate meals: a hot nutritious meal (1/3 RDA) and a program of activity for fellowship at one of 218 sites. Most programs serve a meal 5 days/wk.; they may give certain seniors food to take home. There were 1,341,339 congregated meals served in Virginia in 1983.

Home delivered meals: a nutritious meal delivered to the home. 75% of the programs deliver at least 5 times/wk.; some provide a hot and a cold meal daily or shelf-stable meals and bag lunches. There were 778,594 home delivered meals served in Virginia in 1983.

Supportive services: provide access to needed services which range from information and referral to total case management (agency assures that necessary services are received from appropriate providers).

Funding:

85% Federal  
5% State (minimum required)  
10% Combination of localities,  
program incomes\*, donations

Additional Information:

- People 85 years of age and older are the fastest growing segment of Virginia's population.

- With a more frail elderly population and an emphasis on independent living, there is increasing demand for more in-home services and for the money to fund them. The number of participants in congregated meal programs decreased by 9% from 1981-1983, while the number of home delivered meals participants increased 7%.

- Virginia is ranked next to last in the nation for the number of elderly meals served per federal dollar allocated, because it only appropriates the minimum amount required for the program. This amounts to \$1.58/elderly Virginia citizen.

- There are waiting lists for elderly meal programs and supportive services in many localities. Often local agencies have not solicited applications for a long time because there are no funds available for increased demand.

- The fee charged for 1 month in a nursing home will provide a person with 5 meals/wk. for 6 years.

EXPANDED FOOD AND NUTRITION EDUCATION PROGRAM (EFNEP)

Purpose:

To help low-income families acquire the knowledge, skills, attitudes and changed behavior necessary to improve their diets.

Target Population:

Low income families, especially those with young children, in the 24 cities and counties which have the program. Approximately 4,000 new families are enrolled each year. A family usually completes the program in 12-18 months.

Eligibility:

Any family at or below 125% of income poverty guidelines. Ninety-two percent (92%) of the total number of families enrolled in Virginia's EFNEP are at or below the poverty level.

Benefit:

Families improve their knowledge about nutrition, dietary practices, food shopping and resource management skills. EFNEP is an educational program. It does not provide families with food or money.

Funding:

100% Federal

Additional Information:

- The Virginia Co-operative Extension Service manages EFNEP in Virginia; but program policies and procedures are established nationally.
- A total of 62,601 families have been enrolled in EFNEP since it started 16 years ago.
- Through interagency referrals, EFNEP works with families who participate in federal food programs. In 1983, 53% of the EFNEP families received Food Stamps and 28% participated in WIC.

SCHOOL LUNCH PROGRAM

Purpose:

To provide financial assistance to eligible schools so that all students can receive a nutritious hot lunch.

Target Population:

All students in participating public or nonprofit, private schools.

Eligibility:

All students attending participating schools. The charge for the lunch is dependent upon the family's size and income and operates on the following sliding scale:  
Free lunch - family income at or below 130% of the poverty level.  
Reduced price lunch - family's income at or below 185% of the poverty line.

Benefit:

A hot, nutritious lunch. Each school division sets its own prices. The range of prices and the average daily number of lunches in 1983-84 in each category follows:

	<u>Amount</u>	<u>Lunches Served Daily</u>
Full Price	\$ .65 - \$1.25	316,251
Reduced Price	\$ .20 - \$ .40 (may not exceed \$.40)	33,766
Free	\$ 0	187,532

Funding:

Federal  
State (30% of Section 4)  
Program generated revenue

- School Lunch Programs also received approximately \$19 million worth of commodities in FY '83.

Additional Information:

- The average number of free and reduced lunches served daily has decreased by 8% since FY '80.
- Virginia exempts School Lunch purchases from state sales tax.
- Seven schools have terminated the School Lunch program since FY '80.
- Each school lunch must meet specific nutrition and quality guidelines established by USDA.

SCHOOL BREAKFAST PROGRAM

Purpose:

To provide financial assistance to eligible schools so that all students can start the school day with a nutritious breakfast. The program allows schools to charge low prices for breakfasts.

Target Population:

All students in participating public or nonprofit, private schools.

Eligibility:

All students attending participating schools. The charge for the breakfast is dependent upon the family's size and income and operates on the following sliding scale:  
Free breakfast - family income at or below 130% of poverty line.  
Reduced price breakfast - family income at or below 130% of poverty line.

Benefit:

A nutritious breakfast. Each school division sets its own prices. The range of prices and the average number of daily meals in each category in Virginia follows:

	<u>Amount</u>
Full Price	\$ .30 - \$ .55
Reduced Price	\$ .10 - \$ .30
	(may not exceed \$.30)
Free	0

Funding:

Federal  
Program generated revenue  
(from students payments)

Additional Information:

- Virginia exempts School Breakfast purchases from the sales tax.
- Only 29% of Virginia's public schools have the School Breakfast program.
- Twelve schools have dropped the School Breakfast program since 1980.
- Studies and daily experience show that millions of children from all socio-economic backgrounds arrive in school each day without an adequate breakfast - (a bottle of soda, a pastry, or no food at all). Only one child in five eats an adequate breakfast.
- Each school breakfast must meet specific nutrition and quality guidelines established by USDA.

TEMPORARY EMERGENCY FOOD ASSISTANCE PROGRAM (TEFAP)

Purpose:

To slow the rapid increase of supplies of various surplus commodities and to provide nutritious food to the nation's needy.

Target Population:

Low income households with the capacity to store and prepare food in their homes.

Eligibility:

The following criteria represent maximum state guidelines:

- Household income below 130% of the poverty level; or
- Participation in any of the following programs: Food Stamps, ADC, Medicaid, Fuel Assistance, SSI, General Relief and Service Grants based on income standards.

Each locality may set its own eligibility criteria as long as it does not exceed those established by the state.

Benefit:

- A quarterly distribution of butter, cheese and milk in localities which request it in these prescribed quantities:

<u>Cheese:</u>	<u>HH Size</u>	<u>No. of 5-lb. blocks cheese</u>
	1 - 3	1
	4 - 6	2
	7 - 8	3

Butter: 1 lb./person

Dry Milk: 1 4 lb. box/hh

- Transportation of commodities to the storage or distribution site.
- Additional commodities (rice, flour, cornmeal, honey) available through foodbanks.
- Limited reimbursement to localities for costs of distribution.

Funding Source:

All Federal. In FY'83, Virginia distributed surplus commodities worth \$20.4 million and received \$978,224 to defray administrative and distribution costs.

Additional Information:

- Congress has extended TEFAP through FY 1985.
- In 1983, Virginia farmers received approximately \$9,027,255 to reduce the amount of acreage planted. 15% of Virginia's farm acreage was enrolled in the Acreage Reduction Program - most of the acreage was in the southeastern part of Virginia.

SUMMER FOOD PROGRAM (SFP)

Purpose:

To feed children during the summer months when school food services are not available.

Target Population:

Low income communities where at least 50% of the children are eligible for free or reduced meals (See School Lunch Program - SFP is an extension of it). Only 23,524 children participated in SFP in 1983 out of 1.5 million eligible children.

Eligibility:

- Program sponsors must be public agencies and may only operate sites in areas where at least 50% of the children are from families with incomes at or below 185% of the poverty level.

- All meals must be eaten at the site.

Benefit:

- A free nutritionally balanced meal for all children living in the designated area.

- Self-prep or school sponsors may obtain commodities valued at 1 1/2¢ per meal served to supplement their programs.

- Program sponsors are reimbursed for food and administrative costs per meal served. The maximum amount of reimbursement per meal type follows:

	Food	Admin (vended)	Admin (rural/self-prep)
Breakfast	\$ .81 3/4	\$ .06	\$ .07 1/2
Lunch	1.46 1/2	.11 1/2	.14
Snack	.38 1/2	.03	.03 3/4

Funding Source:

All Federal.

Additional Information:

- USDA administers Virginia's SFP through its regional office in Trenton, N.J.

- Changes in federal regulations in 1981 which prohibited private, non-profit organizations from becoming SFP sponsors, resulted in the termination of 36 SFP sponsors in Virginia. That is, one half of the total number of sponsors.

- Areas with the greatest amount of participation are Norfolk, Richmond, Hampton, Portsmouth, Alexandria, Newport News, Petersburg and Fairfax.

- Areas with little or no SFP participation include the Northern Neck, Southwest Virginia, and major portions of southside and northwestern Virginia.

- In 1983, Virginia generated \$40,428 by imposing its sales tax on SFP food.

- Each SFP meal is required to meet USDA standards of quality and nutrition.

Purpose:

To provide federal funds to organized child care programs so that all enrolled children can receive nutritious meals.

Target Population:

Eligible child care centers and family day care homes and the children enrolled therein. In 1983, 16,985 children participated in CCFP in Virginia, only 7,868 of them were low income. All meals were served without charge.

Eligibility:

Day Care Centers

- To participate, a day care center must be non-profit, tax exempt, licensed and nonresidential. Profit making centers may participate in CCFP for any month in which 25% or more of children enrolled are eligible for Title XX.

Family Day Care Homes

- The umbrella sponsor must be nonprofit, tax-exempt and have administrative capacity. The family day care home must be licensed.

Benefit:

- Provision of up to 3 nutritious mealtypes/day, of which one must be a snack.

- Enrolled programs may receive commodities or cash in lieu of commodities (11 1/2¢/meal). All but 3 Virginia programs opt for the cash.

Day Care Centers

- Centers are reimbursed at a set rate depending on mealtype and category (free, reduced, full price). The flat rate for a lunch follows:

Free	\$ 1.20 1/4
Reduced	.80 1/4
Full Price	.11 1/2

Family day care homes receive a flat rate per meal depending on the mealtype. This rate includes an amount for cash in lieu of commodities. The umbrella sponsor receives reimbursement for administrative costs based on the number of homes it administers.

Funding:

All Federal.

Additional Information:

- USDA administers Virginia's CCFP through its regional office in Trenton, N.J..

- Although the number of children participating in CCFP has increased since 1980, the number of low income participants has dropped from 2/3 of total participants to less than 1/2 of the total participants.

- Areas least served by CCFP are in southern and southwestern Virginia where the population is small.

- In 1983, Virginia generated \$195,725 by imposing its sales tax on CCFP food.

MATERNAL AND CHILD HEALTH (MCH) BLOCK GRANT

Purpose:

To provide a range of services intended to reduce infant mortality and morbidity, and to insure that quality perinatal, intrapartum and child health services are available and accessible for all women and for children through the age of 21.

Target Population:

All women and children through the age of 21 with emphasis on communities with especially high infant mortality rates.

Eligibility:

- Family income must be at or below the federal poverty line.
- Some services, such as screenings of newborns and sickle cell screen, are available to all children without regard to income.

Benefits:

MCH programs include:

- crippled children's services;
- neonatal hospitalization;
- preventive dental care;
- childhood lead poisoning prevention;
- pre and perinatal health services;
- family planning;
- and school entrance exams.

Most of these services are provided through Virginia's public health clinics.

Funding:

58% Federal  
42% State

Additional Information:

- The Department of Health is currently developing a system to provide unduplicated patient counts and to be able to evaluate the outcome of pregnancies of patients receiving care.
- The MCH Block Grant was created in 1981 and consolidated a variety of categorical and other programs.

LOCAL HEALTH CLINICS

Purpose:

To provide outpatient services through 117 local health departments.

Target Population:

Indigent women, infants and preschool children.

Eligibility:

- Free services for families below poverty line (in Northern Virginia below 110% of Federal Poverty line).
- A sliding fee scale based on family income for all others.

Benefits:

- Preventive health care services including laboratory services; prenatal and post-partum care; and screening, and diagnostic treatment.
- Free immunization of children against certain diseases, examination of tuberculosis; examination, testing and treatment of persons for venereal disease; and screening for sickle cell anemia.

Funding:

State  
Federal Grants  
Local Matching Funds  
Patient Revenue

Additional Information:

Fifteen localities have clinics which provide general medical services (the same outpatient services as a hospital would offer), in addition to their preventive programs.

STATE & LOCAL HOSPITALIZATION (SLH)

Additional Information:

Purpose:

To enable localities to offer hospitalization and treatment, including outpatient and emergency services, to low income people without any medical insurance.

Target Population:

Indigent persons without other medical insurance/coverage. Only 72.5% of Virginia's localities participate in SLH. In 1981/82, 5,242 people received inpatient care. There were 19,574 outpatient visits and 1362 emergency room visits reported.

Eligibility:

- The Department of Social Services (DSS) suggests, but does not prescribe, eligibility criteria; localities develop their own criteria. Criteria recommended by the Department are less than the federal poverty level:

<u>Number of Persons Dependent on Income</u>	<u>Annual Income</u>
1	\$ 3,420
2	4,500
3	5,580
4	6,660
5 and over	7,800 plus \$1,080 each additional person

- When income exceeds the suggested scale, SLH can pick up the costs after a specified number of inpatient days. DSS has developed a scale tying the amount of surplus income/resources to the number of inpatient days.

- Co-payment requirements are consistent with the appropriate Medicaid co-payment requirements.

Benefit:

- There is no uniformity to the services provided under SLH; each locality selects those which it wants to offer. Possible services include hospitalization, emergency services and outpatient treatment.

- Local hospitals contract with localities to provide SLH services to eligible patients at a rate which can not exceed 115% of the average cost of the services in all area hospitals.

- Localities pay providers directly and 75% of the bill is reimbursed by the state.

Funding:

75% State\*  
25% Local

\*State funds are allocated based on the population of each locality participating in the program.

\*The Virginia Department of Social Services uses a reserve fund required by the General Assembly to grant mid-year supplements to localities that are experiencing costs in excess of their allocation.

- In FY '82, 80 localities used state eligibility guidelines, 7 used more restrictive ones and 3 used broader ones.

- Many localities are unable to offer SLH services throughout the year because the money they've appropriated for the program is insufficient to meet the cost of needed services.

- A 1983 study by the Secretaries of Human Resources and Education, reports that the SLH program is hampered by inconsistencies in program administration. The Commonwealth is continuing its review of this and the other indigent care program.

HILL BURTON

Purpose:

To provide hospitals, health clinics and nursing homes with money for construction and modernization purposes and to provide certain services and a level of uncompensated care to indigent individuals.

Target Population:

All indigent residents in the Hill Burton facility's service area.

Eligibility:

Conditions for Medical Facilities Seeking Hill Burton Funds

- "community service" assurance: no admission policies with exclusionary effect and emergency services to any person who resides in the facility's service area regardless of ability to pay.
- "free services" assurance: must provide "reasonable volume" (based on a Federal formula) to "persons unable to pay", annually for 20 years from the date the assisted medical facility was opened for service.

Indigent Criteria for Free Care

- family income at or below federal poverty line (a facility may choose to provide care to families with income up to twice the poverty line).

Benefit:

- Each Hill Burton medical facility determines the types of services (inpatient/outpatient) it will provide on a free or below-cost basis and what times of year the services will be available (first come, first served or limited amount each quarter).
- The benefit of this program to Virginia's indigent population is quite limited. Of those facilities still under the "free service" obligation, most satisfy their obligations in the first months of each year.

Funding:

100% Federal - The Hill Burton obligations were made in return for grants and loans of Federal dollars.

Additional Information:

- The Hill Burton Act was enacted in 1946. The program distributed \$4.4 billion in grants and \$1.5 billion in loans and loan guarantees to 7,000 U. S. medical facilities before it ended.
- 50 Virginia hospitals and 45 public health centers are still obligated under Hill Burton.
- As of January, 1984, a total of \$103,990,253 of federal assistance was still under obligation by 118 Hill Burton facilities in Virginia. This amount of service should be provided by the end of each facility's 20 year commitment. The largest part of the obligation is owed by hospitals.
- Hill Burton medical facilities can "buy out" of their obligations early by providing services in excess of their obligations and meeting documentation criteria. A good number of facilities are doing this.

INDIGENT CARE PROGRAMS - MCV/UVA HOSPITALS

Purpose:

To enable the Medical College of Virginia and the University of Virginia Hospitals to provide inpatient and outpatient services to indigent persons and to offer clinical experience to physicians in training at those hospitals.

Target Population:

Any person who needs medical treatment, regardless of that person's ability to pay. In 1981-82, the two hospitals reported 16,108 inpatient admissions and 214,344 outpatient registrations.

Eligibility:

- Free Service:
  - Family income at or below federal poverty level; or
- Sliding Scale:
  - "Medically indigent" (limited or exhausted health insurance, inability to pay full amount).

Benefits:

Inpatient and outpatient services based on the needs of the patients and the needs of the two teaching hospitals.

Funding:

State\*  
Indigent Care Charges

\*The teaching hospitals rely on their general fund appropriations to support their indigent care activities.

SUPPLEMENTAL SECURITY INCOME (SSI)

Purpose:

SSI provides monthly financial assistance to aged, blind and disabled people who are needy.

Target Population:

80,151 needy aged, blind and disabled people in Virginia received SSI in March, 1984.

Eligibility:

An individual must be either:

1. aged (over 65 years of age);
2. blind (vision no better than 20/200 in the better eye, or severe tunnel vision); or
3. disabled (has a severe physical or mental impairment which has or is expected to last for twelve months which prevents him/her from performing his/her past work or other substantial gainful activity).

And in need.

- countable resources may not exceed \$1500 for an individual (\$ 2250 for a couple).
- Exempted resources include:
  - the individual's home and all adjacent land;
  - \$1500 set aside in insurance or other account for burial expenses,
  - a car valued up to \$4500.

Benefit:

- For an individual responsible for her own living expenses (\$314.00); for a couple (\$472.00). This amount may be reduced when living expenses are shared or covered by others.

Funding:

100% Federal.

Additional Information:

- SSI Recipients are automatically eligible for Medicaid benefits in 35 states, but Virginia imposes restrictive eligibility requirements which keep thousands of SSI recipients off of Medicaid.
- SSI should be distinguished from the Social Security insurance program which provides monthly retirement, disability and survivors benefits. That program provides income to working people who are elderly or disabled, to their dependents, and to dependents of workers who have died.

These insurance benefits are computed on the basis of the average earnings of the worker for the years of his/her employment. If the amount of the insurance benefit is low, the insured may also be eligible for SSI.

GENERAL RELIEF (GR)

Purpose:

To provide limited financial assistance to certain indigent individuals who do not qualify for other income assistance programs.

Target Population:

The disabled, the temporarily unemployed or unemployed due to physical or mental impairment and individuals with certain emergency financial needs (shelter, medical, burial). Approximately 6,600 people received GR in 1982.

Eligibility:

Financial

- in need of public assistance and not receiving federal aid;
- unemployable; and
- a citizen or permanent resident alien.

Non-financial

- participate in job search and meet work requirements.
- a GR recipient may have no more than \$600 in resources (one car is exempt) and \$900 in a burial plot.
- a contiguous property rule applies to GR recipients.

Benefits:

GR is not available throughout the Commonwealth of Virginia. Each locality determines whether or not it wants to participate in the GR program and, if it does, what amount of benefits to provide and which categories to cover.

- Localities may provide ongoing maintenance (on an interim or long term basis) and emergency assistance.
- The maximum amount of maintenance benefits which can be offered is tied to ADC payment levels (these are 38th in the nation). The maximum for emergency aid is \$500.

Funding:

62.5% State  
37.5% Local

Additional Information:

- In 1983 the Department of Social Services estimated that 78% of GR recipients receive Food Stamps and 65% receive fuel assistance.
- The General Assembly just authorized (1984) a pilot project giving GR to two-parent families who have exhausted all unemployment benefits to which they were entitled.
- While some form of GR exists in all but 10 Virginia localities, very few offer full services.



AUXILIARY GRANTS

Purpose:

To provide a supplemental income benefit to indigent people who reside in adult homes or are placed in adult foster care homes by reimbursing the home for a percent of room and board.

Target Population:

Indigent residents in adult homes or adult foster care.

Eligibility:

Aged, blind and disabled people who meet Virginia's Medicaid eligibility guidelines and reside in a home for adults or adult foster care setting. (See Medicaid).

Benefits:

- The Auxiliary Grant pays for the cost of an individual's residence in an adult home (maximum \$510) or adult foster care home (maximum \$375).
- The actual grant amount is determined by the difference between the cost of care in the particular facility and the amount the individual has paid. (An individual must pay all but \$30/mo. of his income to the facility).
- Auxiliary grant recipients also receive Medicaid.

Funding:

62.5% State  
37.6% Local

Additional Information:

- Adult foster care is a pilot project and represents a very small part of the Auxiliary Grant funds expended (\$46,092).

Purpose:

To assist eligible households in meeting the costs of home heating.

Target Population:

Eligible individuals and families which cannot afford the full costs of heating their homes. In FY '83, 113,299 Virginia households received Fuel Assistance payments.

Eligibility:

- Households must have gross annual, non-exempt income less than the maximums established for each income level in three cost-of living regions. In the season from 11/84 - 3/85, these maximum levels are as follows:

Household Size	Level I	Level II	Level III
1	\$ 6225	\$ 6225	\$ 6225
2	8400	8451	9645
3	10,899	11,604	12,720
4	13,454	14,336	15,300

- Households must have less than \$1500 in liquid resources (\$3000 is permitted for households with a member who is 60 years of age or older, or disabled). Exempt resources include up to \$900 of prepaid funeral expenses.

- Any person 16 years of age or older who voluntarily quits his/her employment without good cause either in the month of application or the month prior to application renders the entire household ineligible for fuel assistance for the entire fuel season.

- Household must apply between November, 1984 and February, 1985.

Benefits:

- The maximum available assistance for each climatic region for the 84/85 fuel season follows:

Western	\$ 443
Eastern	306
Central	422
Northern	427
Southern	395

- The average grant is estimated to be \$340. Each grant is based on household size. The higher benefit amounts are allotted to the households with the least income and the highest energy needs.

- Benefits are generally paid to approved vendors of the fuel type used to heat the majority of the house.

- Direct payments to the household are available only when heat is included in the persons rent, or such direct payment is needed to enable fuel storage.

Funding:

100% Federal

Additional Information:

- Benefits received from this program are not counted as income in determining food stamps, public assistance, or Medicaid eligibility.

- The total number of eligible households has increased by almost 100,000 since 1980.

- A recent study on the adequacy of Virginia's ADC payments indicated that only 41% of Virginia's ADC recipients receive fuel assistance.

#### THE SOCIAL SERVICES BLOCK GRANT (TITLE XX)

##### Purpose:

To provide a range of social services to the needy and to particular segments of the population at large.

##### Target Populations:

All citizens requiring family and protective services, indigent citizens requiring various social services. A total of 336,093 people received direct and purchased services in 1982/83.

##### Eligibility:

- The following services are available without regard to income:

- adult protective services
- child protective services
- foster care/adoption services
- family services.

- The services for which low income is a criteria include:

- employment services
- intake services
- counseling and treatment
- day care for children or adults
- transportation
- nutrition.

- A low income person is eligible for Title XX services if she participates in an income maintenance program (ADC, SSI) or if her annual income falls below a locally established percentage of Virginia's median income.

##### Benefits:

- Title XX provides for approximately 30 different services. Some are furnished "directly" by local social services departments; others are "purchased".

- Each locality has some discretion in the services it provides, but the following services are mandated statewide:

- foster care for children
- child protective services
- day care for children
- home based services (chore, companion, homemaker)
- employment services.

##### Funding:

75% Federal  
25% State/Local/Other

##### Additional Information:

- 45% of Virginia's Title XX money is spent on child protective services, and foster care and day care for children.

#### HOUSING

There are a variety of federal housing programs operating in Virginia with too many complexities to enumerate in this document. Pertinent highlights follow:

1. All participants in federal rental subsidy programs pay at least 28% of their incomes for rent. That amount increases on a sliding scale according to each household's ability to pay.
2. No state money subsidizes low income renters or low income rental subsidy programs. All funding is federal.
3. The Virginia Housing Development Authority (VHDA) has projected that by 1985, 437,000 low and moderate income Virginia households will be unable to find affordable, decent housing. See "Current Programs and History of Production: 1972-1982", VHDA (12/82).
4. A recent study of Virginia's ADC households shows that only 30% participate in any housing assistance program.

## SENATE JOINT RESOLUTION NO. 50

*Requesting the establishment of a joint subcommittee to study the extent and costs of hunger and malnutrition in the Commonwealth.*

Agreed to by the Senate, March 9, 1984

Agreed to by the House of Delegates, March 8, 1984

WHEREAS, there is a growing debate regarding the existence of hunger in America; and

WHEREAS, the reduction in federal funding for compiling hunger statistics has virtually eliminated the availability of national or state figures on the extent of hunger; and

WHEREAS, there is no study, authoritative or otherwise, on the subject of hunger in the Commonwealth; and

WHEREAS, emergency food services in the Commonwealth have expanded dramatically in the past three years; and

WHEREAS, Virginia's four major foodbanks, alone, distributed over seven and one-half million pounds of food to agencies feeding the needy in 1983; and

WHEREAS, many needy Virginians, formerly eligible for food stamps, school lunch or other federal food programs, no longer qualify for food as a result of eligibility restrictions and cuts of \$12.3 billion in these programs; and

WHEREAS, Virginia's infant mortality rate is worse than that of thirty-one other states and low birth weight due to malnutrition is a primary cause of many infant deaths; and

WHEREAS, the financial consequences of hunger may be as detrimental to the Commonwealth as malnutrition and hunger are to Virginia's affected citizens; now, therefore, be it

RESOLVED by the Senate of Virginia, the House of Delegates concurring, That a joint subcommittee be established to study the extent and costs of hunger and malnutrition in the Commonwealth. The joint subcommittee shall consist of eight members: two members from the Senate Committee on Education and Health and one member from the Senate at large to be appointed by the Senate Committee on Privileges and Elections, and three members from the House Committee on Health, Welfare and Institutions and two members from the House at large to be appointed by the Speaker of the House.

All agencies of the Commonwealth, particularly the Department of Social Services, are requested to render such assistance in this study as the joint subcommittee may request.

The joint subcommittee shall complete its work in time to submit its recommendations to the 1985 Session of the General Assembly.

All direct and indirect costs of this study are estimated to be \$19,960.

