

## Pennsylvania Minimum Wage Adjusted

Low-wage workers won an important victory in late June when the General Assembly approved legislation to adjust the minimum wage. Governor Ed Rendell added his signature to the change at a July 9<sup>th</sup> assembly at the Sharon Baptist Church, Philadelphia.

On January 1, the minimum will be \$6.25 an hour. On July 1 of next year, it will be adjusted again to \$7.15 an hour. Employers with 10 or fewer full-time employees will be able to delay the changes. For them, a minimum of \$5.65 will be effective in January, \$6.65 next July and \$7.15 in July 2008. The delay is expected to be felt most in rural areas with few larger employers.

Due to legislative inaction, the value of the minimum has declined by 20 – 25 percent since it was last raised in 1997 and now buys less than at any point in the last 50 years.

Indeed, the \$1.10 adjustment due in January is not a true raise but only gets the minimum back to where it was in 1997. The 90 cent bump for next July would mean a real step ahead if not for \$3 per gallon gas and soaring winter fuel costs.

Opponents of the adjustment fear a loss of jobs because employers will do less hiring. Certainly they make a legitimate point. The debate focuses on how many jobs will be lost and on whether the ability of wage-earners to support their families is an equally important value. The consensus over the past 60 years has balanced these two values; it is only in recent years that some Republican leaders have campaigned to eliminate the minimum wage entirely.

Hunger Action commends General Assembly leaders (Senator Robert Jubelirer and Representative John Perzel) for moving Pennsylvania forward on this important issue.

Meanwhile, in late July the leadership of Congress embarrassed itself by combining an adjustment in the minimum wage with a huge tax cut for America's 8,000 wealthiest families. The entire cost of the tax cut (\$60 billion a year) would have had to be borrowed. The plan was blocked by Democrats who argued the tax cut eventually would have to be paid for by higher middle class taxes and reduced spending for programs such as food stamps. Senators Specter and Santorum supported the failed proposal.

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## WIC Children Win Back Fruits & Vegetables

Two-and-three-year-old WIC children are eating their fresh fruits and veggies again thanks to funding from the Pennsylvania General Assembly. Faced with a shortage of funds, the Pennsylvania Department of Agriculture had planned to serve only four-year-old WIC children in the Farmers' Market Nutrition Program (FMNP) this summer. When alerted by Hunger Action to the fact that 80,000 two-and-three-year-old WIC children had lost eligibility, the legislature came up with an additional \$1 million (\$3 million total) to close the funding gap. Agriculture Secretary Dennis Wolff confirmed the good news in a July 7<sup>th</sup> letter to Hunger Action: "Certainly, eliminating anyone from the Farmers' Market Nutrition Program is not what I or anyone on my staff found desirable, for the sake of low-income consumers or the farmers who serve them."

The FMNP provides four, \$5 checks to be used to purchase Pennsylvania-grown fruits and vegetables at farm stands and markets. It is widely credited with prompting growers to bring more fresh produce into city neighborhoods. Health professionals praise the program for introducing such foods into the diets of young children during the crucial early years when dietary preferences are being formed.

## County Food Grants to Increase

The State Food Purchase Program (SFPP) has been funded by the General Assembly for another year at \$18.75 million. Each county receives a share of the appropriation based on a formula that includes the unemployment rate and the number people eligible for food stamps and medical assistance. The Pennsylvania Department of Agriculture (PDA), which administers the Program, has allocated \$18 million to the counties, reserving \$750,000 to help procure TEFAP bonus commodities. On average, counties will receive an increase of nearly 6 percent above their 2005–06 allocations. Counties such as York, Lancaster, Lehigh and Cumberland have seen the largest increases in food stamp enrollment and thus will receive the largest SFPP increases.

Each county has its own plan for how to use the SFPP monies. Plans may include the purchase of food from state contractors, purchases of food from other approved entities, procurement of food from food banks, the purchase of capital equipment and food vouchers for local grocery stores.

PDA has contracted with three food wholesalers to supply food to counties that elect to work with a state contractor. These distributors are on a five year contract; there are four years remaining on the current contracts.

**M. Fellingner Company of Hollidaysburg** handles Clarion, Crawford, Erie, Forest, Jefferson, McKean, Mercer, Venango, Warren, Cameron, Clinton, Columbia, Elk, Lycoming, Montour, Northumberland, Potter, Snyder, Tioga, Union, Allegheny, Armstrong, Beaver, Butler, Fayette, Greene, Indiana, Lawrence, Washington, Westmoreland, Bedford, Blair, Cambria, Centre, Clearfield, Fulton, Huntingdon, Juniata, Mifflin and Somerset counties.

**Keyco Distributors, Inc. of Wilkes-Barre** is responsible for Bradford, Carbon, Lackawanna, Luzerne, Monroe, Pike, Sullivan, Susquehanna, Wayne and Wyoming counties.

**Karetas Foods, Inc. of Reading** provides service to Adams, Cumberland, Dauphin, Franklin, Lancaster, Lebanon, Perry, York, Berks, Lehigh, Schuylkill, Northampton, Bucks, Chester, Delaware, Montgomery and Philadelphia counties.

According to Sandra Hopple at PDA, these contractors work off a list of products pre-approved by PDA. Approved items include vegetables, meat and fruit; there are no snacks, sodas, or desserts on the list. Contractors must send monthly invoices and a monthly price list to PDA. Orders must be delivered to the counties within two weeks from the date of the order.

Capital equipment monies, also part of the SFPP, are part of each county's plan. This money can be utilized by local pantries for items such as freezers or shelving. Dependent on the cost of some purchases, the Department may require the county to submit three bids for capital equipment purchases.

To learn more about how your county utilizes the SFPP monies, call your County Lead Agency. You can get this number at <http://www.pahunger.org/html/hunger/referenceguide.html>.

## New Incentives for Food Donations

Federal tax incentives enacted by Congress in early August are expected to trigger an increase in food donations to charities serving the needy. The new legislation, included in the Pension Protection Act, has been championed by Senator Rick Santorum as part of his effort to encourage more private donations to nonprofits that serve their communities.

The incentives will now become part of the tax code and will come into play whenever a business donates food to a nonprofit organization. When donating food, businesses will be allowed to claim a larger deduction than before. The change is expected to primarily affect the actions of Subchapter S corporations such as farmers, ranchers and restaurant owners.

Santorum has been working for several years to push his package of charitable incentives through Congress. Although popular with both Republicans and Democrats, the food donation provision has been caught up in the broader debate about tax cuts and a federal deficit of \$300 – \$400 billion annually. Hunger Action, the Pennsylvania Association of Regional Food Banks and many local food pantries have supported passage of the legislation.

# WIC Food Package to Change

Fresh and/or processed fruits and vegetables will be a regular part of the WIC food package if a regulation announced by the U.S. Department of Agriculture (USDA) on August 7<sup>th</sup> is approved. Women would receive \$8 to purchase fruits and vegetables each month; children would receive \$6. The inclusion of fruits and vegetables would be a first for WIC and reflects recommendations made in 2005 by the Institute of Medicine, the latest nutritional science and the consensus of WIC program administrators nationwide.

The USDA proposal also would add whole grains (bread, corn tortillas, bulgar, etc.) as a new WIC food category. Canned salmon and sardines would be permitted for the first time. And more substitutions would be authorized: soy milk and calcium fortified tofu in place of dairy products and canned beans or peas for dried beans.

The existing food categories would remain: milk, cheese, eggs, fruit juice, cereal, beans/peanut butter, infant formula and (for breastfeeding women) tuna and carrots. However, to make room for the new foods without increasing the average \$38 per month cost, the USDA would make reductions. Whole milk would no longer be available for children age 2 years and older and fruit juice would be eliminated for infants. The quantity of eggs, milk and juice for older children and for women would be reduced. States would have the option of permitting WIC participants to use their fruit and vegetable vouchers at farmers' markets.

Geri Henchy, director of early childhood nutrition at the Food Research Action Center (FRAC), applauded the USDA proposal in an August 5<sup>th</sup> Associated Press story. "Overall, we're really happy about this food package. We think, for WIC clients, this is going to make a huge difference. We like the idea that there are choices, that clients go to the grocery store and can pick the fruits and vegetables they want."

"The USDA proposal tracks pretty well with the recommendations we made in 2003," said Berry Friesen of Hunger Action. "We expect to support its final adoption."

# This and That

Call it the high cost of being poor. According to a report in the July–August issue of *Mother Jones* magazine, if you shop in inner-city grocery stores, you're likely to pay 43 percent more for milk than in suburban supermarkets.

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Hunger Action completed its 28<sup>th</sup> fiscal year on June 30. Its accomplishments this past year included 50 new rural feeding sites for the Summer Food Service Program, serving an estimated 50,000 additional meals to rural children; 4,429 households helped to locate a source of local emergency food; and 271 households helped to apply to the Food Stamp Program.

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Seven Pennsylvania anti-hunger organizations (including Hunger Action) have teamed up to propose changes in the next Farm Bill that would reduce hunger and food insecurity among low-wage workers and the elderly and increase access among low-income families to fruits and vegetables. Congregations, businesses and community-based organizations are encouraged to review the recommendations and sign-on as sponsors. To review the recommendations and background data, visit [www.pahunger.org/html/news/news\\_FarmBill2007html.htm](http://www.pahunger.org/html/news/news_FarmBill2007html.htm).

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Is there a connection between U.S. farm policy and America's obesity epidemic? According to the July 21st issue of *Foodlinks America*, government subsidies to corn growers have helped drop the price of soda 30 percent since 1983. Meanwhile, the price of fruit has jumped 50 percent.

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A Harris poll released July 12 reports that 84 percent of U.S. adults now say that childhood obesity is "a major problem." While 81 percent agree that parental inattention is a cause of the problem, 83 percent think schools should be doing more by limiting student access to unhealthy foods. A slight majority (53 percent) favor government limits on food marketing to children; only 33 percent support zoning restrictions that prevent fast food restaurants from operating near schools.

Senator Arlen Specter is leading the effort to change the nutritional environment in our schools. He is a lead sponsor of the Child Nutrition Promotion and School Lunch Protection Act of 2006 (S.2592 and HR 5167), which would grant the USDA the authority to regulate all foods sold on school campuses.



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## TANF Changes Prompt Pantry Alert

Food pantries are again the last line of defense as the Department of Public Welfare (DPW) tightens the screws on parents who it perceives not to be cooperating with requirements of the Temporary Assistance to Needy Families (TANF) program. Currently around 178,000 children and 75,000 parents are supported in part by small, monthly TANF cash grants.

DPW's new policy follows adoption earlier this year of a new federal requirement governing the TANF program. By October, states that do not have 50 percent of single parents employed or in work activities 20 hours a week will lose millions of federal dollars. At the end of June, Pennsylvania's work participation rate was only half of what is required.

Throughout the spring and early summer county assistance offices have been reviewing TANF case files to identify parents who are not putting in the required hours, either in a job or by attendance in a work-readiness program. As a result, more families are being terminated from the program. In one week alone, Allegheny County sent out 336 termination notices to families alleged to be noncompliant.

In a parallel development, during August DPW began implementing a new track for families first applying for cash assistance. Known as the Work Support Component (WSC), this new track will require parents to enroll in a work program within seven days of being found eligible for cash assistance. If the parent complies, s/he will immediately be assigned 30 hours of weekly activities, including a job search. If the parent does not comply, the family's cash assistance will be terminated immediately.

At a July 25<sup>th</sup> meeting of the Income Maintenance Advisory Committee (IMAC), advocates voiced concern about the impact of these policies on vulnerable families. The concerns included the escalating sanction rate, the short time for a parent to make child care arrangements in order to comply with the 30-hour-a-week schedule, the termination of families that may have good cause for failing to keep appointments, and the lack of meaningful training by DPW-funded contractors.

Pantry managers need to be prepared to serve families cut loose as a result of the new DPW policies. When politicians boost their popularity by increasing the pressure on poor families, private charity is the only safety valve.

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The Pennsylvania Hunger Advocate is made possible in part by a grant from the PA Department of Community and Economic Development.

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