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# Reauthorization of SNAP and Other Nutrition Programs in the Next Farm Bill: Issues for the 113<sup>th</sup> Congress

**Randy Alison Aussenberg**  
Analyst in Nutrition Assistance Policy

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## Summary

The 113<sup>th</sup> Congress is considering the next “farm bill” and the reauthorization of the Supplemental Nutrition Assistance Program (SNAP) and other nutrition programs within that legislation. The 2008 farm bill (P.L. 110-246) and a one-year extension have now expired. In the first session of the 113<sup>th</sup> Congress, conference committee deliberations have begun based on the Senate’s conference proposal (S. 954) and the House’s conference proposal (H.R. 2642, amended to include Nutrition-only bill H.R. 3102). (Though the authorizations of appropriations for SNAP and other programs are currently expired, operations continue due to funding provided through appropriations.)

As conference proceeds, one of the challenges facing policymakers is the difference between the SNAP provisions. Over the ten-year budget window (FY2014-FY2023), CBO estimates that the Senate’s Nutrition Title would reduce spending by approximately \$4 billion and that the House’s Nutrition Title would reduce spending by approximately \$39 billion. The House proposal would reauthorize SNAP and related programs for three years, while the Senate would reauthorize the programs for five years.

The vast majority of the budgetary differences are a result of the proposed changes in the House bill to SNAP eligibility and benefit calculation rules, with some proposals expected to affect a greater share of participants than others. The House proposes to eliminate broad-based categorical eligibility, which would impact the eligibility of SNAP participants in 43 states. The House also would make changes to SNAP’s work-related rules. The House bill includes provisions that would expand reporting, research, and evaluation; expand the time limit for able-bodied adults without dependents; and create a state option that would change the rules and incentives for a mandatory work program. The House also proposes to give states the option to administer drug testing as part of their eligibility determination processes, and both the House and Senate propose to disqualify certain ex-offenders from receiving SNAP benefits. Both the Senate and House would change benefit calculation by amending how Low-Income Home Energy Assistance Program (LIHEAP) payments are treated in the calculation of SNAP benefits; the House version of this change is estimated to affect a greater share of participants. This change to benefit calculation is expected to reduce benefits in approximately 17 states.

Since SNAP provides benefits redeemable for SNAP-eligible foods at SNAP-eligible retailers, much of SNAP law pertains to retailer authorization and benefit issuance and redemption. The House and Senate proposals include many policy changes in this area, including requiring stores to stock more fresh foods, requiring retailers to pay for their electronic benefit transfer (EBT) machines, and additional funding for combatting trafficking (the sale of SNAP benefits).

Both House and Senate bills would increase the funding available for the Emergency Food Assistance Program (TEFAP), the program that provides USDA foods and federal support to emergency feeding organizations (e.g., food banks and food pantries). Taking into account CBO’s estimates of inflation, the Senate would increase funding by \$54 million over 10 years, and the House would increase funding by \$333 million over 10 years.

The conference proposals include many other changes to SNAP and related programs’ policy. These changes include amendments to the nutrition programs operated by tribes and territories, the Commodity Supplemental Food Program (CSFP), and the distribution of USDA foods to schools.

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## Introduction

The 112<sup>th</sup> Congress began formulating, and the 113<sup>th</sup> Congress has continued to formulate, the next “farm bill” and the reauthorization of nutrition programs within that legislation. The “farm bill” is an omnibus bill which reauthorizes dozens of agriculture and agriculture-related statutes and their programs approximately every five years. Since 1973, the farm bill has included the Supplemental Nutrition Assistance Program (SNAP) (formerly, Food Stamp Program) and has come to include certain other nutrition programs administered by the U.S. Department of Agriculture’s Food and Nutrition Service (USDA-FNS).<sup>1</sup>

Many programs reauthorized by the Food, Conservation and Energy Act of 2008 (or “2008 farm bill”; P.L. 110-246) expired after the end of FY2012 (September 30, 2012). The American Taxpayer Relief Act of 2012 (P.L. 112-240, enacted on January 2, 2013) included an extension of the 2008 farm bill through September 30, 2013, and programs currently are operating under a continuing resolution (P.L. 113-46) that expires on January 15, 2014.

As of the date of this report, over a year after the 2008 bill’s expiration, a 40-member conference committee is working to reconcile House and Senate proposed changes to agricultural and food assistance policies. Debate continues on differences between the two bills in many areas, including SNAP and related nutrition programs.

This report discusses the Nutrition Title (Title IV) of the pending farm bills and elaborates on the most controversial issues and differences between Senate and House proposals. Policies that are not necessarily controversial but are complex are also included in this report.

As Congress formulates the next farm bill, policymakers have been grappling with the following questions:

- Should the reauthorization of SNAP continue to be a part of the omnibus farm bill?
- Should provisions be enacted that would reduce spending for SNAP and if so, by how much?
  - Should the recent expiration of a temporary SNAP benefit increase be considered in deliberations on SNAP spending levels under the farm bill?<sup>2</sup>
- Should spending reductions be achieved by changes in households’ eligibility and benefit amounts? Specifically, Congress has considered amendments to
  - categorical eligibility rules;
  - treatment of LIHEAP payments in SNAP benefit calculation.

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<sup>1</sup> Funding for the Community Food Projects Competitive Grant Program is included in the SNAP account, but the program is administered by the National Institute for Food and Agriculture (NIFA).

<sup>2</sup> After October 31, 2013, benefits decreased across the board. This change was the result of legislation passed in the 111<sup>th</sup> Congress, and not the result of any 2013 farm bill decisions. For the background, please see CRS Report R43257, *Background on the Scheduled Reduction to Supplemental Nutrition Assistance Program (SNAP) Benefits*, by Randy Alison Aussenberg and Gene Falk.

- Should certain populations—e.g., students, ex-offenders, lottery winners—be disqualified from receiving food assistance?
- How might changes to retailer and benefit redemption policy have an impact on program integrity and participants' consumption of healthy foods?
- Should more SNAP participants be required to work? Should more SNAP participants be time-limited off assistance?
- Should SNAP and the farm bill nutrition programs further promote the purchase of fruits and vegetables, including from local sources?
- Should the farm bill include provisions to increase the funding and capacity of emergency feeding organizations (e.g., food banks and food pantries)?

This report is intended to summarize key SNAP and other provisions in the 113<sup>th</sup> Congress's Senate and House conference proposals. For more general background on nutrition programs, more detail on certain SNAP issues, or reports that discuss the entire farm bill (not only nutrition programs), please reference other CRS products listed in the text box below.

### **CRS Resources on Nutrition Assistance Programs and the 2013 Farm Bill**

#### **Nutrition Programs Background**

CRS Report R42353, *Domestic Food Assistance: Summary of Programs*, by Randy Alison Aussenberg and Kirsten J. Colello.

CRS Report R42505, *Supplemental Nutrition Assistance Program (SNAP): A Primer on Eligibility and Benefits*, by Randy Alison Aussenberg.

#### **Focus on SNAP Issues in 2013 Farm Bill / Reauthorization**

CRS Report R42054, *The Supplemental Nutrition Assistance Program (SNAP): Categorical Eligibility*, by Gene Falk and Randy Alison Aussenberg.

CRS Report R42591, *The Next Farm Bill: Changing the Treatment of LIHEAP Receipt in the Calculation of SNAP Benefits*, by Randy Alison Aussenberg and Libby Perl.

CRS Report R42394, *Drug Testing and Crime-Related Restrictions in TANF, SNAP, and Housing Assistance*, by Maggie McCarty et al.

#### **All Titles of 2013 Farm Bill**

CRS Report R43076, *The 2013 Farm Bill: A Comparison of the Senate-Passed (S. 954) and House-Passed (H.R. 2642, H.R. 3102) Bills with Current Law*, coordinated by Ralph M. Chite.

CRS Report R42442, *Expiration and Extension of the 2008 Farm Bill*, by Jim Monke, Randy Alison Aussenberg, and Megan Stubbs.

This report begins with a chronology of the 2013 farm bill conference proposals. Next, it presents the Congressional Budget Office (CBO) cost estimates of the Senate and House nutrition provisions. Then, it summarizes the Nutrition-specific issues and questions that arise with regard to the expiration and extension of the farm bill. Finally, the report summarizes current law and Senate and House proposals related to SNAP (specifically, length of authorization, eligibility rules (including work-related), benefit calculation, retailers and benefit redemption); Programs in Lieu of SNAP (that some territories and tribes operate); Commodity Distribution Programs (TEFAP, CSFP, and USDA Commodities in School Meals); as well as certain other nutrition-related programs.

The **Appendix** provides a detailed CBO estimate comparison table as well as a side-by-side table of every provision in the Nutrition Title conference proposals.

## 113<sup>th</sup> Congress Legislative Timeline of the Reauthorization of SNAP and Related Programs<sup>3</sup>

Throughout this report, the portion of the farm bill conference proposals that includes SNAP and the other nutrition programs is referred to interchangeably as “Title IV” and the “Nutrition Title.”

### June 10, 2013: Senate Passes Farm Bill (S. 954), Including Nutrition Title

On May 14, 2013, the Senate Committee on Agriculture, Nutrition, and Forestry marked up the Agriculture Reform, Food, and Jobs Act of 2013 and reported an original bill, S. 954, to the Senate. On May 20, 2013, the Senate proceeded to floor action on this bill. During floor consideration, two Nutrition Title amendments were added. Floor action on S. 954 concluded on June 10, 2013, when the full Senate approved the measure by a vote of 66-27.

### June 20, 2013: House Defeats Farm Bill (H.R. 1947), Including Nutrition Title

On May 15, 2013, the House Agriculture Committee completed markup of its version of the farm bill (H.R. 1947, the Federal Agriculture Reform and Risk Management Act of 2013) and approved the amended measure by a 36-10 vote.<sup>4</sup> The House Rules Committee considered the bill on June 17 and June 18, 2013, followed by House floor consideration which began the week of June 18. During floor consideration, over a dozen Nutrition Title amendments were added. On June 20, the House considered H.R. 1947, and the amended bill was defeated (195-234).

### July 11, 2013: House Passes Farm Bill (H.R. 2642), Excluding Nutrition Title

Three weeks after H.R. 1947 failed, the full House debated a variation of the defeated bill that **dropped all of the nutrition title** but included all of the earlier adopted floor amendments to the other titles. This revised bill (H.R. 2642) was approved by the House by a 216-208 vote on July 11.

### July 18, 2013: Senate Moves to Go to Conference

In order to initiate conference committee negotiations with the House, the Senate on July 18 substituted the text of H.R. 2642 with the text of S. 954.

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<sup>3</sup> This timeline does not include the 112<sup>th</sup> Congress actions that contributed to 113<sup>th</sup> Congress actions. See CRS Report R42829, *Domestic Food Assistance in 112<sup>th</sup> Congress 2012 Farm Bill Proposals: S. 3240 and H.R. 6083*, by Randy Alison Aussenberg.

<sup>4</sup> The bill was subsequently referred to the House Judiciary Committee, which amended the bill to ensure that two proposed dairy programs are subject to standard rulemaking procedures.

## September 19, 2013: House Passes Nutrition-Only Bill (H.R. 3102)

After House passage of H.R. 2642, Republican leadership convened and formulated a nutrition-only proposal.<sup>5</sup> This nutrition proposal, though based mostly on the earlier version that was voted out of committee, had several key differences, namely a reauthorization for three years as well as new and revised policies related to work rules for SNAP participants. On September 19, the House passed a stand-alone nutrition bill (H.R. 3102) by a vote of 217-210.

Q: Has SNAP (formerly Food Stamps) always been reauthorized as part of the omnibus “farm bill”?

A: 1973’s farm bill was the first to include “food stamps.” Each farm bill since has included SNAP/food stamps.

## September 28, 2013: House Formulates Conference Proposal (H.R. 2642 + H.R. 3102), Including Nutrition Title

The House adopted a resolution (H.Res. 361) on September 28 that combined the texts of H.R. 2642 and H.R. 3102 into one bill (H.R. 2642) for purposes of resolving differences with the Senate. H.R. 3102 was inserted into H.R. 2642 as “Title IV. Nutrition,” with section numbers changed accordingly.

## Pending Conference Committee Deliberations

The Senate appointed conferees on October 1, 2013; the House appointed conferees on October 13, 2013. As of the date of this report, conference on the two versions of the next farm bill is pending; October 30, 2013, was the first meeting of the 40-member conference committee.

## CBO Cost Estimates

The House and Senate Nutrition Titles vary significantly in proposed policy changes and the resulting estimated spending levels. The Congressional Budget Office (CBO) estimates that over 10 years (FY2014-2023), the Senate nutrition provisions would reduce spending by approximately \$4 billion and the House nutrition provisions would reduce spending by approximately \$39 billion. Most of this difference is due to the House bill’s proposed changes to SNAP eligibility rules.

SNAP is an open-ended, appropriated mandatory program. This means that the statute does not specify a particular amount to be appropriated. Instead, the amount required to be spent is determined by various provisions of the law, most notably those pertaining to eligibility rules and benefit calculations, coupled with economic conditions. The Administration estimates the amount needed to be spent each year, and these estimated amounts are then appropriated. Thus, in order to change spending levels for SNAP (either increase or decrease), Congress generally must amend the statutory provisions that affect the program’s costs, primarily eligibility, and benefit calculation rules.

<sup>5</sup> See media coverage, e.g., David Rogers, “House GOP Takes Another Cut at Food Stamp Bill,” *Politico*, August 1, 2013, <http://www.politico.com/story/2013/08/food-stamps-bill-house-gop-95084.html>.



During deliberations on the farm bill, CBO prepared estimates of the impact of proposed changes on program spending levels. **Table 1** compares CBO cost-estimates (either increases or decreases in spending from current law baselines) for provisions in the Senate and House Nutrition Titles that are currently pending before the conference committee, as well as the Nutrition Title included in the bill that was ultimately defeated on the House floor. (Note that these estimates could change with a revised CBO baseline or changes in program participation.)

As the table shows, CBO estimates that the Senate bill’s Nutrition Title—which contains SNAP and non-SNAP provisions—would result in a net reduction in spending of \$4.0 billion over 10 years. The SNAP provisions alone are estimated to reduce spending by slightly more than \$4.0 billion over 10 years; certain non-SNAP provisions are estimated to result in spending increases.

CBO estimates that the House bill’s Nutrition Title—which also includes SNAP and non-SNAP provisions—would result in a net reduction in spending of approximately \$39 billion over 10 years. The SNAP provisions alone are estimated to reduce spending by \$39.5 billion, while certain non-SNAP provisions would result in spending increases.

Subsequent sections discuss the changes in policy, including some changes that CBO did not find to have a budgetary impact.

**Table 1. Estimated Spending Increases and Reductions for Nutrition Provisions in the 113<sup>th</sup> Congress Farm Bills**

10-year Estimates FY2014-2023

	Senate Conference Proposal <sup>a</sup>	H.R. 1947, House-Defeated <sup>b</sup>	House Conference Proposal <sup>c</sup>
SNAP Retailers	-\$79 million	-\$79 million	-\$79 million
SNAP Categorical Eligibility	Not applicable	-\$11.6 billion	-\$11.6 billion
LIHEAP Treatment in SNAP Benefit Calculation	-\$4.1 billion	-\$8.7 billion	-\$8.7 billion
Repeal of SNAP Performance Bonuses	Not applicable	-\$480 million	-\$480 million
SNAP Nutrition Education	Not applicable	-\$274 million	-\$308 million
Repeal of State Work Program Waiver Authority	Not applicable	Not applicable	-\$19 billion
Misc. Decreases for SNAP and Other Nutrition Programs <sup>d</sup>	Not applicable	Not applicable	-\$151 million
Misc. Increases and Interactions for SNAP and Other Nutrition Programs <sup>d</sup>	+\$245 million	+\$570 million <sup>e</sup>	+\$1.3 billion <sup>e</sup>
<b>NUTRITION TOTAL</b>	<b>-\$3.94 billion</b>	<b>-\$20.5 billion</b>	<b>- \$39.0 billion</b>
<b>Cost Estimate as a Percentage of CBO’s May 2013 Baseline SNAP Spending<sup>f</sup></b>	<b>-0.5%</b>	<b>-2.7%</b>	<b>-5.1%</b>

**Source:** Congressional Budget Office (CBO) cost estimates as specified in the notes below.

a. CBO estimate of S. 954 after Senate Agriculture Committee’s markup, [http://cbo.gov/sites/default/files/cbofiles/attachments/s954\\_StabenowLtr.pdf](http://cbo.gov/sites/default/files/cbofiles/attachments/s954_StabenowLtr.pdf) (May 17, 2013). This cost estimate does not include estimates of amendments that were added during floor consideration.

- b. CBO estimate of H.R. 1947 after the House Agriculture Committee’s markup, [http://cbo.gov/sites/default/files/cbofiles/attachments/hr1947\\_LucasLtr.pdf](http://cbo.gov/sites/default/files/cbofiles/attachments/hr1947_LucasLtr.pdf) (May 23, 2013). This CBO cost estimate does not include estimates of the amendments that were added during floor consideration.
- c. CBO estimate of H.R. 3102, <http://cbo.gov/publication/44583> (September 16, 2013). CBO did not include an estimate of the impact on SNAP participation for all provisions; they “expect that most of those additional effects would be small.” CBO only completed participation estimates for categorical eligibility and state work program waiver authority provisions.
- d. These rows condense multiple policies that CBO estimated will change Nutrition spending. The more detailed list is included in **Table A-1**.
- e. These numbers include CBO’s estimates of an interaction between the above listed policy changes.
- f. Calculations based on CBO’s May 2013 baseline estimates of spending under SNAP current law, <http://cbo.gov/publication/44211>.

For a more detailed look at the CBO cost estimates, see Appendix **Table A-1**, which breaks down the cost estimates of the Senate and House Conference Proposals into further detail.

## Nutrition Programs and Farm Bill Expiration, Extension

The 2008 farm bill’s nutrition authorizations expired after September 30, 2012, and were extended another year by P.L. 112-240. They expired again after September 30, 2013, yet operations for the most part have been able to continue under a short-term continuing resolution, P.L. 113-46, that expires on January 15, 2014. Expiration and extension concerns are touched upon in this section of this report as well as CRS Report R42442, *Expiration and Extension of the 2008 Farm Bill*.

Two key factors are important when considering the impact of farm bill expiration on SNAP and most of the other nutrition programs: (1) SNAP and the programs in the SNAP account are appropriated mandatory programs, which means that they require funds to be appropriated in order to provide benefits and otherwise operate the program, and (2) SNAP and nearly all of the other related programs are not authorized in the “farm bill” itself. Instead they are authorized by free-standing statute, which a farm bill amends. This means that if the underlying statute expires or if nutrition reauthorization is not included in the farm bill, (1) congressional action to appropriate funding can continue for SNAP and many of the related programs, and (2) the programs continue to exist, with all of their laws still “on the books.” The authorizing law for SNAP is the Food and Nutrition Act of 2008.<sup>6</sup> The other farm bill nutrition programs (e.g., TEFAP and CSFP) are also authorized by freestanding statutes.<sup>7</sup>

How does the expiration of the 2008 farm bill (or expiration of an extension of the 2008 law) affect the nutrition programs?

<sup>6</sup> Codified at 7 U.S.C. 2011 et seq.

<sup>7</sup> TEFAP is authorized by The Food and Nutrition Act, Section 27 and The Emergency Food Assistance Act, Section 204(a) (codified at 7 U.S.C. 2036 and 7508(a)). CSFP is authorized by Agriculture and Consumer Protection Act of 1973, Section 4(a) (7 U.S.C. 612c note). Authorizing statutes for the USDA Food and Nutrition Service programs are included in CRS Report R42353, *Domestic Food Assistance: Summary of Programs*, by Randy Alison Aussenberg and Kirsten J. Colello.

However, this is not the case for the **Senior Farmers' Market Nutrition Program (SFMNP)**, since farm bill legislation contains both its authority and funding (a transfer from the Commodity Credit Corporation). Therefore, authority and funding for this program expired after September 30, 2012, and was continued for one year by P.L. 112-240.<sup>8</sup> As of the date of this report, the SFMNP is expired and not providing grants. A number of relatively minor programs also require either (a) an extension of the authority and specific appropriations language or (b) specific appropriations (rather than a continuing resolution) to operate, largely because these programs were not funded in FY2013 appropriations.<sup>9</sup>

## Recent Examples of the Continuity of SNAP Operations

If the Food and Nutrition Act section that authorizes SNAP appropriations (which is typically reauthorized in an omnibus “farm bill”) were to expire, the SNAP program can still continue if Congress provides an appropriation. Fiscal Years 2013 and 2014 illustrate this.

- **FY2013:** When the farm bill expired after September 30, 2012, all aspects of the SNAP account (this includes benefits, SNAP Employment & Training, and the Nutrition Education and Obesity Prevention Grant Program) continued to operate under the terms of the continuing resolution, P.L. 112-175. The authorizing law was subsequently extended in P.L. 112-240 and full-year appropriations were provided in P.L. 113-6.
- **FY2014:** The extension in P.L. 112-240 expired after September 30, 2013. In this instance, Congress did not provide appropriations through a continuing resolution or a new appropriations bill until P.L. 113-46 was enacted on October 17, 2013. During the October 2013 government shutdown, SNAP operations continued even though the farm bill had expired and agriculture appropriations had not yet been continued. This continuity of operations was possible due to USDA's reliance on authority and funds provided in the American Recovery and Reinvestment Act of 2009 (P.L. 111-5), cited in the Food and Nutrition Service's contingency plan.<sup>10</sup> Note: This ARRA authority ended after October 31, 2013, and, under current law, it would not now be available if there were a lapse in SNAP appropriations.<sup>11</sup>

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<sup>8</sup> Due to the seasonal nature of the SFMNP, expiration of the farm bill during the fall and/or winter months may not significantly affect this program.

<sup>9</sup> These authorities include Hunger-Free Communities grants; SNAP pilot projects to evaluate health and nutrition promotion; FDPIR's “Traditionally and Locally Grown Food Fund”; Nutrition Information and Awareness Pilot Program; several authorities relating to USDA's purchase and national processing of commodity foods.

<sup>10</sup> Food and Nutrition Service, contingency plan, dated October 1, 2013, <http://www.usda.gov/documents/usda-fns-shutdown-plan.pdf>, p. 2.

<sup>11</sup> See CRS Report R43257, *Background on the Scheduled Reduction to Supplemental Nutrition Assistance Program (SNAP) Benefits*, by Randy Alison Aussenberg and Gene Falk.

# Supplemental Nutrition Assistance Program (SNAP): Selected Issues in Current and Proposed Law<sup>12</sup>

Of the programs in Title IV, SNAP accounts for the largest amount of federal funding and also serves the largest number of households. In fact, the vast majority of the spending authorized by the 2008 farm bill and extensions was for SNAP and related nutrition programs—nearly 79% based on current CBO baseline projections.<sup>13</sup> SNAP is an open-ended appropriated entitlement and program benefits are 100% federally funded.

In FY2012, SNAP benefits were provided to (a monthly average of) 46.6 million individuals at a cost of \$78.4 billion (95% of which was the cost of the benefits themselves). SNAP participation ebbs and flows in relation to the nation's economy.<sup>14</sup> Over the period of the 2008 farm bill (FY2008-FY2012), SNAP participation and spending rose sharply, a trend widely understood to be both a result of the recession and recovery as well as the American Recovery and Reinvestment Act of 2009's SNAP response to the recession.<sup>15</sup> Effective November 1, the ARRA's SNAP benefit boost has ended; for this and other economic reasons, CBO forecasts reductions in SNAP participation and spending.<sup>16</sup>

This statistical backdrop has affected the congressional debate over reauthorization of SNAP. This section of the report highlights several issues in the Senate and House proposals: length of program authorization, eligibility (categorical, work-related, certain disqualifications), benefit calculation, retailers, and other policies. These are only a portion of the provisions which would affect SNAP. For a summary of every SNAP provision in the conference proposals, please see **Table A-2** through **Table A-11** in the Appendix.

## SNAP Authorization and Appropriations

Section 18(a) of the Food and Nutrition Act (codified at 7 U.S.C. 2027(a)) authorized appropriations for SNAP through September 30, 2012, and P.L. 112-240 extended this authorization through September 30, 2013. Authorization of appropriations has expired; however,

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<sup>12</sup> In addition to the policies discussed in this section, the Senate's changes to the Hunger-Free Community Grants and the House's changes to Community Food Projects, both discussed in "Other Farm Bill Nutrition Program Proposals" also have implications for SNAP.

<sup>13</sup> Please see CRS Report R42484, *Budget Issues Shaping a Farm Bill in 2013*, by Jim Monke, for a fuller discussion of this.

<sup>14</sup> See Kenneth Hanson and Victor Oliveira, *How Economic Conditions Affect Participation in USDA Nutrition Assistance Programs*, USDA Economic Research Service, September 2012, <http://www.ers.usda.gov/media/914042/eib100.pdf>.

<sup>15</sup> Ibid. See also SNAP participation and spending data on USDA-FNS website as well as <http://www.fns.usda.gov/pd/SNAPsummary.htm> and CRS Report R43257, *Background on the Scheduled Reduction to Supplemental Nutrition Assistance Program (SNAP) Benefits*, by Randy Alison Aussenberg and Gene Falk.

<sup>16</sup> See CBO's May 2013 baseline for SNAP at <http://cbo.gov/publication/44211>.

Congress appropriated funds as part of the FY2014 continuing resolution (P.L. 113-46). In most farm bills in the past, SNAP was authorized for five years.<sup>17</sup>

## Conference Proposals: House Reauthorizes for Three Years, Senate for Five Years

The House-passed nutrition bill (H.R. 3102, now Title IV of H.R. 2642) would reauthorize the nutrition programs for *three* years (FY2014-FY2016), while the Senate's would reauthorize the programs for *five* years (FY2014-FY2018). Throughout the farm bill formulation, some policymakers expressed interest in separating the nutrition programs from the omnibus farm bill. The House-passed proposal to shorten the authorization compared to other farm bill programs is a step in that direction. **Table A-2** summarizes these differences.

## SNAP Eligibility: Categorical Eligibility

Federal law provides the basic eligibility rules for SNAP, including limits for income and assets. There are two basic pathways to gain financial eligibility for SNAP: (1) having income and assets below specified levels set out in federal SNAP law;<sup>18</sup> and (2) being “categorically,” or automatically, eligible based on eligibility and receipt of benefits from other specified low-income assistance programs. A categorically eligible household still undergoes benefit calculation, so being categorically eligible does not mean that the household will necessarily receive benefits.

Under traditional categorical eligibility, a SNAP applicant household is eligible for SNAP when every member receives Temporary Assistance for Needy Families (TANF) cash assistance, Supplemental Security Income (SSI), or state-funded general assistance cash benefits. Under current law, states must—at minimum—administer traditional categorical eligibility. As of November 2012, five states make this minimum choice.

However, states also have the option to adopt so called “broad-based” categorical eligibility. Under this option, in addition to the programs listed under “Traditional,” households that receive *any TANF-funded benefit* may be deemed eligible for SNAP benefits, if certain income conditions are met. A TANF-funded benefit can, and often does, include a nominal service like an educational brochure. Per USDA regulation, the TANF-funded benefit (cash or non-cash) that conveys categorical eligibility must be for households at or below 200% of the federal poverty

<sup>17</sup> The 1996 Farm Bill only authorized food stamps for one year presumably because of the forthcoming welfare reform bill, P.L. 104-193, which would reauthorize the program through FY2002.

<sup>18</sup> These rules are described in CRS Report R42505, *Supplemental Nutrition Assistance Program (SNAP): A Primer on Eligibility and Benefits*, by Randy Alison Aussenberg, and are summarized in this footnote. Under the regular federal rules, SNAP provides eligibility to households based on low income and limited assets. Households must have net income (income after specified deductions) below 100% of the federal poverty guidelines. In addition, federal rules provide that households without an elderly or disabled member must have gross income (income before deductions) below 130% of the federal poverty guidelines (see **Table A-1** of CRS Report R42505, *Supplemental Nutrition Assistance Program (SNAP): A Primer on Eligibility and Benefits*). Additionally, the regular eligibility rules provide that a household must have liquid assets below a specified level. Under federal rules in FY2012, a household's liquid assets must be below \$2,000, and below \$3,250 in the case of households with an elderly or disabled member. The value of the home is excluded from this “assets test,” as are certain other forms of assets (e.g., retirement and educational savings). Further, a portion of the value of a household's vehicles is not counted toward the asset limit (up to \$4,650 of the fair market value of a household's vehicles).

line.<sup>19</sup> As of November 2012, 43 states had chosen to implement broad-based categorical eligibility in addition to traditional. Since few of the non-cash TANF-funded benefits require a test of assets, this option often means that applicants' assets are not checked.<sup>20</sup>

For further explanation of SNAP eligibility, categorical eligibility, and the details of states' choices on this topic, please see CRS Report R42054, *The Supplemental Nutrition Assistance Program (SNAP): Categorical Eligibility*, by Gene Falk and Randy Alison Aussenberg.

## Conference Proposals: Only House Makes Changes to Categorical Eligibility

The Senate proposal would make no changes to categorical eligibility. Related amendments were defeated during committee markup and on the Senate floor.

Section 4005 of the House proposal would repeal "broad-based categorical eligibility," and limit categorical eligibility to SNAP applicants that receive TANF cash assistance, SSI, or state-funded general assistance cash benefits. As shown in **Table 1**, CBO estimates that this change would reduce spending by approximately \$11.6 billion over 10 years. CBO estimates that about 1.8 million people per year, on average, would lose benefits if they were subject to SNAP's income and asset tests.

CBO's estimate reflects reduced participation in SNAP as well as fewer children being eligible for free school meals.<sup>21</sup> Households can be directly certified for free lunch and breakfast through the National School Lunch Program and School Breakfast Program due to household participation in SNAP, but once ineligible for SNAP, CBO assumed some households would qualify for reduced-price meals instead. These provisions are summarized in **Table A-3**.

## SNAP Eligibility: Work and Work-Related Rules

Current SNAP law has rules on employment or work-related activities for able-bodied, non-elderly adult participants. Some rules apply in all states that operate SNAP.<sup>22</sup> However, because each state designs its own SNAP Employment and Training Program (E&T), certain requirements can vary by state.

In addition to the nationwide and state-specific work eligibility rules, SNAP law creates a time limit for able-bodied adults without dependents ("ABAWDs") who are not working a minimum of 20 hours per week. If these individuals do not work the required number hours, they can receive no more than three months of benefits over a 36-month period. A state does have limited flexibilities with regard to enforcing this time limit, and so an ABAWD's eligibility is further affected by whether (1) the individual lives in an area that has waived the time limit due to local

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<sup>19</sup> This 200% gross income limit applies only to TANF benefits and services directed at the block grant's goals of reducing out-of-wedlock pregnancies and promoting the formation and maintenance of two-parent families; these benefits are not necessarily need-tested, whereas the benefits associated with the block grant's other goals are.

<sup>20</sup> As of the date of this report, five states (Idaho, Michigan, Nebraska, Pennsylvania, and Texas) add an asset limit to their broad-based categorical eligibility.

<sup>21</sup> In 2012, in their FY2013-FY2022 cost estimate for the 112<sup>th</sup> Congress's H.R. 6083, CBO estimated that about 280,000 school-age children in those households would no longer be automatically eligible for free school meals through their receipt of SNAP benefits.

<sup>22</sup> References to "states that operate SNAP" include all 50 states, District of Columbia, Virgin Islands, and Guam.

labor market conditions or (2) whether the state agency chooses to use its available exemptions to serve the individual beyond the time limit.

In the formulation of the next farm bill, policymakers have debated whether to require more SNAP participants to be working in addition to or instead of receiving food assistance. Policymakers have also debated the potential paths to such an outcome, and the challenges of accomplishing the outcome during a still fragile economic recovery. Because the House proposal would make a number of changes to different aspects of current SNAP work rules and funding, this section of the report summarizes current law work rules in all states, work rules that vary by state, and the time limit for ABAWDs, before turning to summaries of the conference proposals (“Conference Proposals”).

### **In All States: Overview of Work-Related Requirements in SNAP**

To gain or retain eligibility, **most able-bodied adults (with or without dependents) must**

- register for work (typically with the SNAP state agency or a state employment service office);
- accept a suitable job if offered one;
- fulfill any work, job search, or training requirements established by administering SNAP agencies; [see “Varies By State: SNAP Employment and Training (E&T)” in next section]
- provide the administering public assistance agency with sufficient information to allow a determination with respect to their job availability; and
- not voluntarily quit a job without good cause or reduce work effort below 30 hours a week.

Individuals are disqualified from SNAP for failure to comply with work requirements for periods of time that differ based upon whether the violation is the first, second, or third. Minimum periods of disqualification, which may be increased by the state SNAP agency, range from one to six months. In addition, states have the option to disqualify the entire household for up to 180 days, if the household head fails to comply with work requirements.

The law exempts certain individuals from the above requirements.<sup>23</sup> In FY2011, nearly 64% of SNAP participants were not expected to work because of age or disability. Specifically, 45% of participants were children; 9% were elderly; and 10% were disabled.<sup>24</sup>

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<sup>23</sup> Exempt from the all-states work requirements are: SNAP participants who are physically or mentally unfit for work; under age 16 or over age 59; between ages 16 and 18 if they are not a head of household or are attending school or a training program; persons working at least 30 hours a week or earning the minimum wage equivalent; persons caring for dependents who are disabled or under age 6; those caring for children between ages 6 and 12 if adequate child care is not available (this second exemption is limited to allowing these persons to refuse a job offer if care is not available); individuals already subject to and complying with another assistance program’s work, training, or job search requirements (for example, Temporary Assistance for Needy Families [TANF] or unemployment compensation); eligible postsecondary students; and residents of substance abuse treatment programs.

<sup>24</sup> Based on CRS tabulations of the FY2011 SNAP quality control data files.

## Varies By State: SNAP Employment and Training (E&T) Required Participation, Services Available

As noted above, those not exempted must register for work and accept suitable job offers; in addition, state SNAP agencies may require work registrants to fulfill some type of work, job search, or training obligation.

SNAP agencies must operate an Employment and Training (E&T) program of their own design for work registrants. SNAP agencies may require all work registrants to participate in one or more components of their program, or limit participation by further exempting additional categories and individuals for whom participation is judged impracticable or not cost effective. States may also make E&T activities open only to those who volunteer to participate.

Program components can include any or all of the following: supervised job search or training for job search; workfare (work-for-benefits); work experience or training programs; education programs to improve basic skills; or any other employment or training activity approved by USDA-FNS.<sup>25</sup>

Recipients who participate in an E&T activity beyond work registration cannot be required to work more than the minimum wage equivalent of their household's benefit. Total hours of required participation (including both work and any other required activity) cannot exceed 120 hours a month. SNAP agencies also must reimburse participants' costs directly related to participation (e.g., transportation and child care). The federal government shares in half the cost of this support, and state agencies may limit support to local market rates for necessary dependent care.<sup>26</sup>

For FY2012, states reported that there were approximately 6.8 million new work registrants. A total of 13.5 million SNAP recipients were subject to E&T participation. In FY2012, 760,000 of work registrants participated in E&T activities.<sup>27</sup>

### "ABAWD" Time Limit<sup>28</sup>

In addition to SNAP's work registration and Employment and Training program requirements, there is a special time limit for **able-bodied adults, aged 18 to 49 who are without dependents (ABAWDs)**. This requirement—often referred to as the "ABAWD Rule"—was added by the Personal Responsibility and Work Opportunity Reconciliation Act of 1996 (PRWORA, P.L. 104-193).

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<sup>25</sup> Further resources on the SNAP Employment and Training program: USDA-FNS SNAP website and related resources: <http://www.fns.usda.gov/snap/rules/Memo/Support/employment-training.htm>. See also Section 6(d) of the Food and Nutrition Act.

<sup>26</sup> E&T program financing is discussed in USDA-FNS's Annual Budget Justification. See, for example, <http://www.obpa.usda.gov/30fns2014notes.pdf>, p. 30-106.

<sup>27</sup> Ibid.

<sup>28</sup> For further data on and description of the ABAWD population, time limit, and related waivers, CRS has released a congressional memorandum. Congressional clients may request a copy from Randy Alison Aussenberg at [raussenberg@crs.loc.gov](mailto:raussenberg@crs.loc.gov) or Gene Falk at [gfalk@crs.loc.gov](mailto:gfalk@crs.loc.gov).



SNAP law limits benefits to ABAWDs to three months out of a 36-month period, unless the participant:

- works at least 20 hours per week;
- participates in an employment and training program for at least 20 hours per week; or
- participates in a state’s “workfare” program.<sup>29</sup>

States have the option, but are not required, to offer ABAWDs a slot in an employment and training program or a workfare program. Some states “pledge” to serve all ABAWDs in such programs, others do not. States that “pledge” to serve all ABAWDs in these programs receive extra federal funding for that purpose. If a state does not offer an ABAWD a slot in an employment and training or workfare program, benefits can be terminated for those without at least a half-time job once the 3-month limit is reached, unless the individual is covered by an exemption or a “waiver” of the ABAWD requirement.

Those who lose benefits under this rule are able to reenter the program if, during a 30-day period, they work 80 hours or more or participate in a work/training activity. ABAWDs who become employed, but then again lose their jobs can, under some circumstances, earn an additional 3 months of eligibility, bringing their maximum months of SNAP receipt without working at least 20 hours per week or being in an approved work or training program to six months in a 36-month period.

PRWORA’s 1996 addition of the ABAWD time limit also included the availability of waivers for a state (or smaller geographic area within a state) based on the area’s job availability data. The statute provides that the ABAWD rule can be waived (1) for areas with an unemployment rate of over 10% or (2) if an area “does not have a sufficient number of jobs to provide employment for the individuals.”<sup>30</sup> The USDA-FNS regulation (7 C.F.R. 273.24) specifies the criteria that can qualify a state or portion of a state for a waiver of the ABAWD rule.<sup>31</sup> Also, in a state or part of a state that does not have a waiver, states are also able to exempt a portion of ABAWDs (up to 15%) from the time limit. The number of exemptions allowed is based upon a formula set in law.<sup>32</sup>

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<sup>29</sup> Hours of workfare required will vary by state, but participants’ monthly allotment divided by hours worked must be greater than or equal to minimum wage. 7 U.S.C. 2029(a)(1).

<sup>30</sup> Authority for these waivers is located in Section 6(o)(4) of the Food and Nutrition Act of 2008, codified at 7 U.S.C. 2015(o)(4).

<sup>31</sup> For a waiver based on 10% unemployment, states may request a waiver with evidence that an area has “a recent 12 month average unemployment rate over 10 percent; recent three month average unemployment rate over 10 percent; or an historical seasonal unemployment rate over 10 percent.” (7 C.F.R. 273.24(f)(2)(i)) For a waiver based on a “lack of sufficient jobs,” 7 C.F.R. 273.24(f)(2)(ii) permits a state to submit any of the following as evidence: (1) if an area “is designated as a Labor Surplus Area (LSA) by the Department of Labor’s Employment and Training Administration (ETA),” (2) “is determined by the Department of Labor’s Unemployment Insurance Services as qualifying for extended unemployment benefits,” (3) “has a low and declining employment-to-population ratio,” (4) “has a lack of jobs in declining occupations or industries,” (4) “is described in an academic study or other publications as an area where there are lack of jobs,” or (5) “has a 24-month average unemployment rate 20 percent above the national average for the same 24-month period.”

<sup>32</sup> The Balanced Budget Act of 1997 (P.L. 105-33) added these 15% ABAWD exemptions for states (Section 6(o)(6) of the Food and Nutrition Act, codified at 7 U.S.C. 2015(o)(4)). This provision is implemented through regulation 7 C.F.R. 273.24(g), and further details on the exemptions can be found on the USDA-FNS website: (continued...)

The American Recovery and Reinvestment Act (ARRA) suspended the ABAWD rule from April 2009 through September 2010. During fiscal years 2011, 2012, and 2013, over 40 states had a statewide waiver from the ABAWD time limit, due to the extended unemployment insurance grounds for evidence of “lack of sufficient jobs.”<sup>33</sup>

## SNAP E&T Financing

Since the 2002 farm bill (P.L. 107-171), SNAP E&T has been financed using several streams of mandatory federal funding.<sup>34</sup> The federal government funds SNAP E&T in four ways:

1. \$90 million in annual mandatory funds that are allocated and reallocated to states based on a formula,
2. \$20 million in annual mandatory funding allocated to states that pledge to provide E&T services to all able-bodied adults without dependents (ABAWDs),
3. open-ended matching funds for states’ administrative costs for E&T, and
4. open-ended matching funds for states’ reimbursement of E&T participants’ dependent care and transportation costs.

Program requirements, activities, and uptake of these funds vary by state.

Since December 2005, certain appropriations laws have reduced the mandatory \$90 million in E&T funding through changes in mandatory program spending (CHIMPs). With the exception of FY2009, which contained no E&T rescission, certain appropriations laws for FY2006 through FY2013 annually rescinded between \$10.5 million and \$15 million from the \$90 million funding.<sup>35</sup>

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(...continued)

<http://www.fns.usda.gov/snap/rules/Memo/PRWORA/abawds/ABAWDsPage.htm>.

<sup>33</sup> Under this extended unemployment benefits waiver authority, the vast majority of states have had statewide waivers of the time limit in FY2011-FY2013. See, e.g., Policy Memorandum from Lizbeth Silberman, *Supplemental Nutrition Assistance Program (SNAP) - Able Bodied Adults Without Dependents Waivers for Fiscal Year 2013*, USDA Food and Nutrition Service, March 21, 2012, [http://www.fns.usda.gov/snap/government/pdf/ABAWD\\_2013\\_Trigger\\_Notice\\_Memo.pdf](http://www.fns.usda.gov/snap/government/pdf/ABAWD_2013_Trigger_Notice_Memo.pdf).

<sup>34</sup> See 7 U.S.C. 2025(h).

<sup>35</sup> FY2006: P.L. 109-148 (Department of Defense Supplemental Appropriations), rescinded \$11.2 million; FY2007: P.L. 110-5 (providing annual appropriations for FY2007), rescinded \$11.2 million; FY2008: P.L. 110-161 (providing annual appropriations for FY2008), rescinded \$10.5 million; FY2009: No rescission; FY2010: P.L. 111-80 (providing annual appropriations for FY2010), rescinded \$11 million; FY2011: P.L. 112-10 (Continuing Resolution for FY2011), rescinded \$15 million; FY2012: P.L. 112-55 (Annual Appropriations for FY2012), rescinded \$11 million; FY2013: P.L. 112-240’s farm bill extension continued the FY2012 appropriations change, and reduced the \$90 million funding to \$79 million.

## Conference Proposals

### *Senate Proposal*

The Senate's proposal makes no change to work-related policies. By continuing to fund the SNAP E&T funding at \$90 million, the proposal incurs a cost from CBO, since the rescissions described above have reduced this amount in prior years. See detailed CBO cost estimates at **Table A-1**.

### *House Proposal—Four Approaches to Changing Work Rules*

Much of the media, advocacy group and popular attention on the current farm bill debate has been focused on the House bill's proposals to change the work-related requirements associated with SNAP. Aside from amending the \$90 million in mandatory funding to \$79 million, the House's conference proposal takes four approaches to work rules:

1. **Section 4021 would require additional monitoring of and reporting on SNAP E&T programs.** This provision would require USDA to monitor states' E&T programs and assess their effectiveness in achieving employment and training outcomes for participants. Each state would be required to prepare and submit a report annually, and USDA would conduct a study and report to Congress.
2. **Section 4023 would provide \$10 million in mandatory funding each year in FY2014, 2015, and 2016 for an evaluation of pilot projects in order to identify best practices in SNAP E&T programs.** The provision includes specific parameters for pilot programs (e.g., programs should reach a diversity of SNAP participants and geographic areas), evaluation (e.g., independent, measuring the impact of pilots as compared to outcomes in the absence of pilot), and a report to Congress.
3. **Section 4009 would repeal the authority for states and portions of states to apply for labor-market-based waivers of the ABAWD time limit.** No longer would a state be able to argue to USDA that, due to job availability in a region or statewide, it may be waived from enforcing the time limit (three months of benefits in a 36-month period, if not engaged in work or related activities for 20 hours per week) for able-bodied adults without children. This provision would retain the 15% exemption but would change the way in which it would be calculated.
4. **Section 4039 would create a new pilot / state option, where states would require a minimum of 20 hours of work for able-bodied individuals.** States would have the option to require work for a larger portion of their population than under current law, and also would have the option to mete more severe punishment. Participation would be in the same activities as are creditable toward a state meeting its work participation standard in TANF. Currently, the number of hours the state can require a participant to work is limited to minimum wage (hours divided by monthly allotment), but the pilot would require a 20-hour requirement without such protections. The proposal would also require an evaluation to determine if the change reduced federal spending. To the extent that an evaluation shows that such a pilot resulted in reduced federal spending, states would be able to share half of those savings. This provision makes multiple changes to existing E&T funding; it would repeal the \$20 million for ABAWD

pledge states, cap the federal matching funds at \$277 million per year, and make the matching funding only available for the states that opt into the 20-hour requirement.

All work-related provisions are also briefly summarized and compared to current law in the Appendix, **Table A-4**.

## SNAP Eligibility: Other Disqualifications

In addition to work-related disqualifications, like the ABAWD time limit, Section 6 of the Food and Nutrition Act of 2008 (codified at 7 U.S.C. 2015) provides causes for temporary or permanent disqualification from the SNAP program. The House and Senate conference proposals would add some additional disqualifications and amend some existing disqualifications. In addition to the discussion below, these disqualification provisions are summarized in **Table A-5**.

### College Students, Lottery Winners

Under current law, for the most part, **college students** (attending higher education courses half-time or more) between ages 18 and 49 are ineligible for SNAP. A student enrolled in an institution of higher education more than half-time is only eligible for SNAP benefits if the individual meets at least one of the following criteria: (1) under 18 years old or age 50 or older; (2) disabled; (3) employed at least 20 hours per week or participating in a work-study program during the school year; (4) a parent (in some circumstances);<sup>36</sup> (5) receiving TANF cash assistance benefits; or (6) enrolled in school because of participation in certain programs.<sup>37</sup>

Also under current law, there is no provision that specifically addresses **lottery or gambling winners**; however, the SNAP program's means tests would appear to limit the increase in income or wealth that would be associated with significant winnings. In several high-profile instances recently, SNAP participants won large sums in the lottery, and the state agency learned of their windfall from media reports.

### *House and Senate Proposals: Identical Changes for College Students' and Lottery Winners' Disqualification*

Both conference proposals would make identical changes regarding post-secondary students and gambling winnings:

- Regarding post-secondary students, the bills would add the requirement that those students enrolled in post-secondary institutions as a requirement of participation in "SNAP Employment and Training," must be enrolled in certain

<sup>36</sup> An otherwise ineligible student is eligible for SNAP if the student is (1) a single parent enrolled in school full-time caring for a dependent under the age of 12 years old, (2) a parent caring for a dependent under age 6, or (3) a parent caring for a child between the ages of 5 and 12 years old for whom child care is not available to enable the parent to both attend class and work 20 or more hours per week.

<sup>37</sup> A program under title I of the Workforce Investment Act, a SNAP Employment and Training program, a program under section 236 of the Trade Act of 1974, a work incentive program under title IV of the Social Security Act, or "another program for the purpose of employment and training operated by a state or local government, as determined to be appropriate by the Secretary." 7 U.S.C. 2015(e).

employment-oriented training to qualify for SNAP; specifically, this would include certain career and technical education, remedial courses, basic adult education, literacy, or English as a second language.

- The bills would create more specific rules that would make households that receive “substantial lottery or gambling winnings” (as determined by USDA) ineligible for SNAP until the household meets the SNAP resources (assets) and income eligibility limits. State SNAP agencies would be required to establish agreements with the state gaming agency in order to make determinations of winnings.<sup>38</sup>

## Drug Testing

Under current law, SNAP applicants and participants can only be subjected to testing for controlled substances under certain state options. For example, a state may require a SNAP applicant to pass a drug test, if such a test is part of the state’s modification to the drug felony disqualification (see next section).<sup>39</sup>

### *House Proposal: State Option to Offer Drug Testing Requirement*<sup>40</sup>

The House would propose to allow states to enact legislation authorizing drug testing for SNAP applicants. Such state policies would be implemented at full cost to the state.

## Felony Convictions

Under current law, the only criminal convictions that can impact eligibility for SNAP benefits are drug felony offenses (with some states opting out of or modifying the drug felony disqualification).

### *House and Senate Proposals: Disqualification of Specified Ex-Offenders*<sup>40</sup>

Both the House and Senate conference proposals include provisions that would broaden the ex-offender applicants that would be disqualified for SNAP. Both Section 4020 of the Senate and Section 4037 of House proposal would bar from receiving benefits individuals convicted of specified federal crimes (including murder, rape, certain crimes against children), and state offenses determined by the Attorney General to be substantially similar.<sup>41</sup> The amendment would

<sup>38</sup> The Senate Committee’s report from last Congress’s bill S. 3240 (S.Rept. 112-203) cited a May 2011 lottery winner’s participation in SNAP, describing that, while the bill intends to prohibit such cases in the future, the Committee “does not intend to increase the administrative burden on states by instituting extensive oversight of private or charitable gaming activities, such as those that occur at senior centers, churches, private homes or other non-commercial gaming. Further, it is not the intent of the Committee that the Secretary be required to impose statutory requirements that may otherwise be waived under State option in this Act. The Committee encourages the Secretary to evaluate the criteria for substantial winnings in a manner that does not produce an outcome that increases poverty.”

<sup>39</sup> According to USDA-FNS’s most recent state options report (August 2012), only Maryland, Minnesota, Wisconsin have a modified drug felon disqualification policy that requires drug testing for such felons.

<sup>40</sup> Drug-testing and crime-related restrictions in SNAP are discussed in CRS Report R42394, *Drug Testing and Crime-Related Restrictions in TANF, SNAP, and Housing Assistance*, by Maggie McCarty et al., pp. 10-15.

<sup>41</sup> For further discussion of these ex-offender disqualification proposals, including crimes specified, CRS has released a congressional memorandum. Congressional clients may request a copy from Randy Alison Aussenberg at (continued...)

still allow the disqualified ex-offender's household members to apply for and potentially receive benefits, but the household's benefit amount would likely be smaller than if the ex-offender was included. The amendments would require the state agency that administers SNAP benefits to collect, in writing, information on SNAP applicants' convictions.

The Senate and House proposals are identical in their language, except that the House includes an additional provision to assure that the policy would affect only those with convictions after the date of the provision's enactment.<sup>42</sup>

## SNAP Benefit Calculation

Becoming *eligible* for SNAP is only one part of the application process. Once deemed eligible, a household's benefits are calculated based on the household's size, income, and SNAP-deductible expenses. A household's net income is determined by subtracting from the household's gross income certain specified expenses and figures. In addition to a standard deduction (available to all households), there are deductions to account for the specific circumstances of a household. Examples of SNAP deductions are the excess shelter deduction (a figure intended to account for variations in the cost of living) and—for households that include the elderly and disabled—an excess medical expenses deduction (a figure intended to account for variations in a household's health costs). Once eligible, 30% of the household's net income is subtracted from USDA's monthly maximum benefit (for household size) to determine the monthly benefit.

The conference proposals, for the most part, would maintain current federal law on SNAP benefit calculation; however, both bills would change the way the excess shelter deduction is calculated (specifically, the treatment of energy assistance payments). This is discussed in more detail in the next section.

The House conference proposal also included a specification for the excess medical expenses deduction. This provision is not discussed below, but is included in a summary table of the SNAP benefit calculation provisions, **Table A-6**.

## Standard Utility Allowances and the Treatment of LIHEAP Benefits<sup>43</sup>

Under current law, 7 U.S.C. 2014(e)(6)(C), a SNAP household can use a Low Income Home Energy Assistance Program (LIHEAP, the federal program that provides assistance with paying utility bills) payment to document that the household has incurred heating and cooling costs. Further, a LIHEAP payment *in any amount* will serve this purpose.

(...continued)

raussenberg@crs.loc.gov or Richard M. Thompson II at rthompson@crs.loc.gov.

<sup>42</sup> In addition to their cost estimate of the Senate-reported bill, CBO composed an official cost estimate for the Senate floor amendment which added the ex-offender provision to the bill before it passed the Senate. See CBO website, <http://cbo.gov/publication/44905>. They estimate that the provision would reduce spending by as little as \$21 million or as much as \$185 million over 10 years (FY2014-2023), depending upon whether the provision is interpreted to apply to convictions that occurred before the change to SNAP eligibility law.

<sup>43</sup> For further details and analysis of this policy, please see CRS Report R42591, *The Next Farm Bill: Changing the Treatment of LIHEAP Receipt in the Calculation of SNAP Benefits*, by Randy Alison Aussenberg and Libby Perl.

The documentation of LIHEAP receipt triggers a standard utility allowance (SUA), a state-specific figure based on average utility costs that enters into the SNAP benefit calculation equation. Unless the household is already receiving the maximum SNAP benefit, a household's monthly benefit can increase if the SUA calculation results in an excess shelter deduction.

While virtually all SNAP states consider LIHEAP in their calculation, according to a June 2012 survey by USDA-FNS, approximately 16 states have leveraged nominal (as little as 10 cents) LIHEAP payments into an increase in households' SNAP benefits that is larger than the initial LIHEAP payment.<sup>44</sup>

### ***Senate Proposal: Payments Must Be Greater Than \$10 to Impact SNAP***

The Senate proposal would change the treatment of LIHEAP benefits. Under this proposal, only LIHEAP payments above \$10 per year would confer this potential benefit calculation advantage. Payments of \$10 or less would no longer entitle a household to earn a "standard utility allowance" (SUA) during the benefit calculation process. If a household received \$10 or less in LIHEAP assistance, households would have to present alternate documentation of utility costs in order to have utilities factored into calculating their excess shelter deduction. As shown in **Table 1**, CBO estimated that this policy would save about \$4.1 billion over 10 years.

### ***House Proposal: Payments Must Be Greater Than \$20 to Impact SNAP***

The House proposal, while nearly identical in its language, would be more restrictive than the Senate proposal, as it would require states to provide a greater level of LIHEAP assistance (greater than \$20 per year) to trigger the related increase in SNAP benefits. In addition to estimating that this change would reduce spending by \$8.7 billion over 10 years, CBO also estimates that 850,000 SNAP-recipient households would have their benefits reduced by an average of \$90 per household per month.<sup>45</sup>

## **SNAP-Authorized Retailers and Benefit Redemption Issues**

Unlike some other federal income maintenance programs, SNAP does not provide households with cash benefits. Instead, participating households are provided benefits on an electronic benefit transfer (EBT) card which participants may only redeem for *SNAP-eligible foods at authorized retailers*.<sup>46</sup> The conference proposals would change (1) the process of authorizing retailers

<sup>44</sup> This practice is sometimes referred to as "Heat and Eat." Based on a June 2012 survey by USDA-FNS, there are 16 "heat and eat" states and one state that does not transmit nominal payments but would be affected by proposals aimed at "heat and eat" states. The 16 so-called "heat and eat" states are California (which passed a law requiring implementation by October 2013 and implemented it on January 1, 2013), Connecticut, Delaware (although no nominal payment was issued in FY2012), District of Columbia, Maine, Massachusetts, Michigan, Montana (issues a \$50 payment every five years to those living in subsidized housing with rent included), New Jersey, New York, Oregon, Pennsylvania, Rhode Island, Vermont, Washington, and Wisconsin. A 17<sup>th</sup> state, New Hampshire, does not distribute nominal LIHEAP payments but does allow an application for LIHEAP to qualify the household for the Standard Utility Allowance (which can result in a higher SNAP benefit).

<sup>45</sup> CBO has not published an estimate of how many would be affected by the Senate's proposal in this area, but in 2012, CBO estimated that an annual average of 500,000 households each year (FY2013-FY2021) would have had their SNAP benefits reduced by an average of \$90 per month. <http://cbo.gov/sites/default/files/cbofiles/attachments/s3240.pdf>, p. 8.

<sup>46</sup> CRS Report R42505, *Supplemental Nutrition Assistance Program (SNAP): A Primer on Eligibility and Benefits*, by (continued...)

(“Retailer Authorization and Equipment”), (2) using technology for EBT transactions (“Methods of Redemption”), and (3) specific types of retailers that may accept SNAP (“Specific Retailers”). The bills also include resources and policies intended to further prevent the illegal use of benefits (“Trafficking”). The conference proposals include additional retailer and benefit redemption policies, discussed in the sections to follow. Aside from those discussed below, **Table A-7** includes a summary of all of the related provisions.

## Retailer Authorization and Equipment

### *Definition of Retail Food Store*

SNAP benefits can be accepted only by authorized retailers. Among other application requirements, USDA authorization of a retailer is based on the retailer’s inventory and sales. The Food and Nutrition Act defines a retail food store, and includes within that definition an establishment that either (1) offers, on a continuous basis, a variety of foods in each of four staple food categories,<sup>47</sup> including perishable foods in at least two of the categories, or (2) has over 50% of its sales in staple foods. While the authority exists to consider the nature and extent of the food business conducted, there is currently no statutory policy tying a retailer’s sales of non-food items (e.g., alcohol and tobacco) to its authorization.<sup>48</sup>

### *Electronic Benefit Transfer Equipment and Manual Vouchers*

Currently, an electronic benefit transfer (EBT) point-of-sale machine can be provided by the state agency to the retailer at no cost to the retailer. At their own cost, many retailers choose to purchase credit card machines that also accept EBT. (Typically, retailers that accept credit and debit cards pay for a machine that accepts these cards as well as EBT cards.) Although SNAP has transitioned to being fully EBT, and paper coupons (“food stamps”) are no longer offered, the authority still exists to accept manual SNAP vouchers. Some small retailers use these rather than acquire an EBT machine. Currently there are no statutory requirements regarding unique terminal identification numbers for EBT machines.<sup>49</sup>

### *Senate and House Proposals on Retailer Authorization and Equipment*

Both proposals would make nearly identical changes to retailer authorization and equipment.

Both bills would amend SNAP’s **definition of retail food store**. The bills would require SNAP retailers that are authorized, based on their inventory of staple foods, to carry perishable foods in at least *three* (rather than two) of the staple food categories. Also, both bills would give USDA the authority “to consider whether the applicant is located in an area with significantly limited access

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(...continued)

Randy Alison Aussenberg, pp. 15-18, provide a primer on the issuance and redemption of benefits.

<sup>47</sup> From 7 U.S.C. 2012(r): “(1) ... ‘staple foods’ means foods in the following categories: (A) Meat, poultry, or fish. (B) Bread or cereals. (C) Vegetables or fruits. (D) Dairy products. (2) ‘Staple foods’ do not include accessory food items, such as coffee, tea, cocoa, carbonated and uncarbonated drinks, candy, condiments, and spices.”

<sup>48</sup> 7 U.S.C. 2012(p)(1), 2018.

<sup>49</sup> 7 U.S.C. 2016(f), 2018(h)(3).



to food” in its authorization of stores. The Senate proposal would also allow USDA to consider the store’s “depth of stock, variety of staple food items, and the sale of [ineligible items as listed in the Food and Nutrition Act]”; the House proposal does not include this authorization. Both bills would add and strengthen requirements about the adequacy of the store’s EBT service.

The bills also would change the policy around **EBT equipment** and the related topic of **manual vouchers**. The bills would shift the costs of EBT machinery to retailers. Both bills would bar states from issuing manual SNAP vouchers or allowing retailers to accept manual vouchers unless USDA makes a determination that circumstances or categories of retailers warrant use of manual vouchers. Both bills would require EBT service providers to provide for and maintain “unique terminal identification number information”; this is intended to assist USDA in tracking and preventing fraudulent transactions. The House proposal alone would include further details for the “unique termination identification number information” provision, requiring USDA to “consider existing commercial practices for other point-of-sale debit transactions” and prohibiting USDA from issuing a regulation earlier than two years from the bill’s enactment.

## Methods of Redemption

Typically, government funding provides only wired EBT machines. There are currently no explicit provisions in the authorizing statute regarding redemption of SNAP benefits via wireless EBT machinery or online SNAP transactions. Advocates have asked for technological accommodations for farmers’ markets and other direct-to-consumer venues.<sup>50</sup> From FY2012 appropriated resources, USDA used \$4 million to expand EBT point of sale devices at farmers’ markets.<sup>51</sup>

Currently, using a SNAP EBT card to make an online purchase is neither allowed nor technologically feasible. A number of regulations would need to be rewritten or waived to allow redemption via the internet.

### *Senate and House Proposals: Methods of Redemption*

The Senate proposal contains demonstration projects for mobile and online redemption, whereas the House proposal only contains the mobile demonstration project.

The Senate bill would require, depending on results of an authorized demonstration project, USDA to authorize retailers that conduct EBT transactions using mobile technologies (defined as “electronic means other than wired point of sale devices”) if retailers met certain requirements. Similar to the mobile technologies provision, the bill includes a similar statutory authorization for USDA to authorize retailers to accept benefits over the internet, contingent upon results of a demonstration project and a report to Congress.

For the House proposal, the mobile technologies provision is similar to the Senate bill except the language appears to limit the authority to a USDA pilot/demonstration on mobile technologies

<sup>50</sup> See, for example, National Sustainable Agriculture Coalition, *A Sustainable Agriculture Agenda for the 2012 Food & Farm Bill*, p. 76, March 2012, [http://sustainableagriculture.net/wpcontent/uploads/2008/08/2012\\_3\\_21NSACFarmBillPlatform.pdf](http://sustainableagriculture.net/wpcontent/uploads/2008/08/2012_3_21NSACFarmBillPlatform.pdf).

<sup>51</sup> P.L. 112-55. 7 U.S.C. 2016(h).

and does not give USDA authority to continue such redemptions after the end of the pilot. The House provision does not set a date for the mobile technologies report to Congress. The House conference proposal does not include any provisions authorizing retailers to accept benefits online.

## Specific Retailers

Shares in a **Community Supported Agriculture**<sup>52</sup> (CSA) establishment are not a SNAP-eligible purchase. In a CSA, a farmer or community garden grows food for a group of local residents—members, shareholders, or subscribers—who pledge support to a farm at the beginning of each year by agreeing to cover a portion of the farm’s expected costs and risks. In return, the members receive shares of the farm’s production during the growing season.

Currently, **nonprofit grocery delivery services** for the elderly and disabled are not defined as a “retail food store” that can accept SNAP benefits. Such establishments must negotiate waivers with USDA in order to accept SNAP benefits. Under various authorities and waivers other retailers may conduct deliveries to SNAP participants, but fees may not be paid with SNAP benefits.

For the most part, SNAP benefits are not redeemable at restaurants, as the benefits are not redeemable for hot, prepared foods. However, states may choose to operate **restaurant meals programs**,<sup>53</sup> allowing homeless, disabled, or elderly households to redeem SNAP benefits at restaurants that offer concessional prices. States contract with restaurants, and USDA authorizes them as SNAP retailers. FY2010 redemption data indicate that approximately \$20 million (or 0.03% of SNAP benefits) were redeemed at “meal delivery/private restaurants.”<sup>54</sup>

### *Senate and House Proposals: CSAs and Certain Grocery Delivery Services to Accept SNAP, Changes to Restaurant Meal Program*

Both conference proposals would make SNAP benefits redeemable for shares of Community-Supported Agriculture (CSA).

In addition to the above changes, both proposals would add to the definition of a retail food store public and private nonprofit food purchasing and delivery services that serve the elderly and disabled, emphasizing that delivery fees are not to be paid with SNAP. These proposals would require USDA regulations to include certain protections and limitations.

Also, both proposals would create added responsibilities for state agencies, private establishments, and USDA before restaurants would be able to participate in a restaurant meals program. For restaurants that have contracted with the state to accept SNAP benefits before this

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<sup>52</sup> Community Supported Agriculture (CSA) is discussed in the CRS Report R42155, *The Role of Local Food Systems in U.S. Farm Policy*, by Renée Johnson, Randy Alison Aussenberg, and Tadlock Cowan.

<sup>53</sup> Please find further discussion of states that operate such a program at CRS Report R42505, *Supplemental Nutrition Assistance Program (SNAP): A Primer on Eligibility and Benefits*, by Randy Alison Aussenberg, p. 16. 7 U.S.C. 2012(k)(3),(4),(9); 2012(p).

<sup>54</sup> <http://www.fns.usda.gov/snap/retailers/pdfs/2010-annual-report.pdf> (see p. 12).

provision is enacted, the restaurant would be able to continue to accept SNAP without meeting the additional requirements for no more than 180 days.

## Trafficking

Trafficking is the sale of SNAP benefits for cash or for ineligible items. Trafficking is illegal and enforced by USDA-FNS using a number of methods. The Food and Nutrition Act includes penalties for retailers and participants engaged in trafficking; penalties include fines and imprisonment. An analysis of trafficking during the 2009-2011 period estimated that the trafficking rate is 1.3%, up from 1.0% in 2006-2008 study.<sup>55</sup>

Current law authorizes civil penalties and SNAP disqualification penalties for retailers that engage in SNAP trafficking (the sale of SNAP benefits for money or ineligible items).<sup>56</sup> USDA enforces those penalties through a variety of activities and funds from the SNAP account. Approximately \$8 million each year was obligated for retailer integrity and trafficking in FY2010, FY2011, and FY2012.

Some have argued that increasing the monitoring and penalties around lost-EBT-card replacement could eliminate a source of potential trafficking, and FNS has recently proposed a rule in this regard.<sup>57</sup> Currently, the only mention of replacement cards in the authorizing statute is where the law states that state agencies may collect a fee for replacement of an EBT card by reducing the monthly allotment of the participating household.<sup>58</sup>

### *Senate and House: Both Include New Trafficking Funding, Replacement Card Measures*

The Senate proposal would provide USDA \$5 million in FY2014 in additional mandatory funding to track and prevent SNAP trafficking; it also would authorize \$12 million subject to appropriations for each year from FY2014-FY2018. The House proposal is similar to the Senate's except that the House would provide USDA \$5 million annually for three years.

Both proposals would add additional statutory measures regarding “the purposeful loss of cards.” USDA would be able to require a state agency to decline a request for a replacement card unless the household provides an explanation for the loss of the card. The provisions specify that USDA must include protections for vulnerable individuals (homeless, disabled, victims of crimes) and must assure that certain procedures occur and that procedures are consistent with participants' existing due process protections.

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<sup>55</sup> Richard Mantovani, Eric Sean Williams, and Jacqueline Pflieger. *The Extent of Trafficking in the Supplemental Nutrition Assistance Program: 2009–2011*. Prepared by ICF International for the U.S. Department of Agriculture, Food and Nutrition Service, August 2013., <http://www.fns.usda.gov/extent-trafficking-supplemental-nutrition-assistance-program-2009-2011-august-2013>.

<sup>56</sup> 7 U.S.C. 2021(b)(3).

<sup>57</sup> Kevin Concannon, *A New Step Forward in Fighting Fraud*, USDA Blog, May 24, 2012, <http://blogs.usda.gov/2012/05/24/a-new-step-forward-in-fighting-food-stamp-fraud/>. U.S. Department of Agriculture, Food and Nutrition Service, “Supplemental Nutrition Assistance: Trafficking Controls and Fraud Investigations,” 77 *Federal Register* 104, May 30, 2012.

<sup>58</sup> 7 U.S.C. 2016(h)(8).

## Other SNAP Funding, Policies

Policymakers have shown interest in reducing federal spending through the next farm bill, including in the Nutrition Title. For some policymakers, there is interest in doing that without affecting benefits, but that can be difficult. Each year, roughly 95% of SNAP spending is on the benefits themselves,<sup>59</sup> and around 5% is on non-benefit costs, such as the federal match to state's administrative costs, the related Nutrition Education and Obesity Prevention Grant program, SNAP Employment and Training funds, and the awards for high-performing states. This section summarizes two areas discussed in the conference proposals, and a complete summary of the other SNAP provisions is in **Table A-8**.

### SNAP Performance Bonuses for State Agencies

State agencies are currently eligible for, in total, \$48 million per year in performance awards. These grant awards are provided to states for performance accomplishments in payment accuracy, program access index (a proxy measure for the share of eligible people who participate in SNAP), application timeliness, and best negative (improper denial) error rate.<sup>60</sup> The 2002 farm bill (P.L. 107-171) established this system of performance awards and expanded the performance system to include measures other than payment accuracy rates (i.e., error rates). From FY2003 through FY2011, 52 of the 53 state agencies received bonus awards at least once.<sup>61</sup> There is currently no requirement that these performance awards be reinvested in SNAP.

As part of SNAP's quality control system, states are also subject to fiscal penalties for poor performance. Although the system has changed a number of times, under the 2002 farm bill revision, sanctions are only assessed against states with above-threshold rates of error for two consecutive years.

### *Conference Proposals: Senate Requires Reinvestment, House Repeals Bonuses*

The Senate proposal would require states to reinvest bonus payments into the state's SNAP program. The House proposal would repeal the authority to issue performance awards and the related \$48 million per year in mandatory funding.

### Nutrition Education and Obesity Prevention Grant Program

Formerly SNAP Nutrition Education, this program—as created by the 2010 child nutrition reauthorization (P.L. 111-296) - provides formula grant funding for states to provide programs for SNAP (and other domestic food assistance program) participants as well as other low-income households. With these funds, “[s]tate agencies may implement a nutrition education and obesity

<sup>59</sup> See SNAP annual spending data on USDA-FNS website, <http://www.fns.usda.gov/pd/SNAPsummary.htm>.

<sup>60</sup> For an illustration of the award amounts and performance indicators included, please see a summary of USDA-FNS's performance bonuses for FY2010: [http://www.fns.usda.gov/snap/qc/pdfs/2010\\_CHART\\_AWARDS.pdf](http://www.fns.usda.gov/snap/qc/pdfs/2010_CHART_AWARDS.pdf).

<sup>61</sup> Based on USDA-FNS information provided at <http://www.fns.usda.gov/snap/government/program-improvement.htm>.

prevention program for eligible individuals that promotes healthy food choices consistent with the most recent Dietary Guidelines for Americans.”<sup>62</sup>

### *Conference Proposals: Senate Makes no Funding Changes, House Reduces Funding*

Both conference proposals identically amended the Nutrition Education and Obesity Prevention Grants so that funds may also be used for programs that promote physical activity.

The House conference proposal would reduce funding in FY2014 and then adjust for inflation in subsequent years; CBO estimates that the proposal would reduce funding for the program by \$146 million over five years and \$308 million over ten years.

## Programs in Lieu of SNAP

“Programs in Lieu of SNAP” refers to the related programs operated by entities that do not operate SNAP. Puerto Rico, American Samoa, and the Northern Mariana Islands do not participate in the SNAP program. Instead, they receive nutrition assistance block grants, under which they administer a nutrition assistance program with service delivery unique to each territory. Indian tribal organizations may choose to operate the Food Distribution Program on Indian Reservations (FDPIR) instead of having the state offer regular food stamp benefits; the full cost of benefits and most administrative expenses are covered by the federal government.

Funding for territorial nutrition programs and FDPIR is included within the account for SNAP. By authorizing the appropriations in Section 18(a) of the Food and Nutrition Act (see “SNAP Authorization and Appropriations”), both House and Senate proposals would continue operations for the programs in general. **Table A-9** summarizes the proposals for these programs.

### FDPIR

The FDPIR provides an alternative to SNAP for participating Indian Reservations by delivering a household food package, which includes specific foods, as opposed to SNAP’s electronic benefit transfer benefits that are redeemable at authorized retailers. Funding for FDPIR is included within the SNAP account. The Food and Nutrition Act includes an authority to fund a local foods pilot program to incorporate local and traditional foods in the FDPIR program. That particular authority expired September 30, 2012, and then was extended until September 30, 2013 by P.L. 112-240.

### *Senate-Passed and House-Reported Bills*

Both conference proposals would continue to authorize FDPIR and would reauthorize the local foods pilot program. Further, both bills would reauthorize the local foods pilot program through the end of FY2017. The Senate conference proposal also includes a set-aside from existing

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<sup>62</sup> 7 U.S.C. 2036a(b).

funding which would allow Tribes to substitute local, tribal foods for up to 5% of the USDA commodities received through FDPIR.

Both proposals include the authorization of a USDA study that would look at the feasibility of Tribes, as opposed to states, operating nutrition assistance programs, in addition to FDPIR.

## **Programs in Puerto Rico, American Samoa, and the Commonwealth of the Northern Mariana Islands**

Guam and the Virgin Islands participate in SNAP, but the Commonwealth of the Northern Mariana Islands (CNMI), Puerto Rico, and American Samoa do not. In the Food and Nutrition Act of 2008, American Samoa and Puerto Rico are given mandatory funds for nutrition assistance block grants. CNMI receives a block grant that is negotiated with USDA. Generally speaking, the block grants offer flexibility to the administering territory, but also mean that they have limited funding. While SNAP is an open-ended entitlement, the nutrition assistance block grants to the territories grow at the rate of inflation (measured by the Thrifty Food Plan).

The 2008 farm bill authorized and funded a study of the feasibility of including Puerto Rico in SNAP; the study was completed and published in June 2010.<sup>63</sup> In the case of Puerto Rico's administration of its block grant, the territory currently has sufficient flexibility to provide some food assistance benefits in the form of SNAP. One of the feasibility study's findings on "Projected Administration Changes" was:

Like SNAP, NAP [Puerto Rico's food assistance program] distributes benefits on an EBT debit card. However, unlike SNAP, up to 25 percent of the monthly benefit may be redeemed for cash. Although the cash is designated for eligible food items, it is widely acknowledged that participants use at least some of their allotted cash for non-food essentials, such as medicine and hygiene products. It is difficult to determine what the full impact of a completely non-cash allotment would be on Puerto Rico retailers and participants. Because the current cash allotment is the sole or primary source of cash income for many participants, it is clear that families would need to find other ways to pay for essential non-food items.<sup>64</sup>

### ***House Proposed Changes***

The House proposal would amend Puerto Rico's block grant so that Puerto Rico would no longer be permitted to use its block grant funding to provide benefits in the form of cash. Puerto Rico would have to provide benefits only in EBT form.

For the Commonwealth of the Northern Mariana Islands, the House proposal would authorize and provide \$1 million in both FY2014 and FY2015 for a feasibility study of CNMI's capacity to administer a SNAP pilot. The bill also would authorize and provide administrative and technical assistance funds to support the pilot depending upon the feasibility study's findings (\$13.5 million in FY2016, \$8.5 million in each of FY2017 and FY2018).

<sup>63</sup> Please see Anne Peterson, Bryan Johnson, and Benjamin E. Moulton, et al., *Implementing Supplemental Nutrition Assistance Program in Puerto Rico: A Feasibility Study*, Insight Policy Research, Inc. for USDA Food and Nutrition Service, June 2010, <http://www.fns.usda.gov/ORA/menu/Published/SNAP/FILES/ProgramDesign/PuertoRico.pdf>.

<sup>64</sup> *Ibid.*, at p. iii.

The Senate does not propose any changes to these territories' programs.

## Commodity Distribution Programs

USDA commodity foods are foods purchased by the USDA for distribution to USDA nutrition programs.<sup>65</sup> They are not necessarily specific types of food; the catalog of commodity foods is a wide variety of fruit, vegetable, livestock, dairy—fresh, frozen, and processed foods. The USDA Food and Nutrition Service programs that include USDA commodity foods are The Emergency Food Assistance Program (TEFAP), Commodity Supplemental Food Program (CSFP), National School Lunch Program (NSLP), Summer Food Service Program (SFSP), and Child and Adult Care Food Program (CACFP). Many of these programs distribute “entitlement commodities” (an amount of USDA foods to which grantees are entitled by law) as well as “bonus commodities” (USDA food purchases based on requests from the agricultural producer community).<sup>66</sup> All of the conference proposal provisions that pertain to commodity distribution are summarized in **Table A-10**.

### The Emergency Food Assistance Program (TEFAP)

TEFAP, the main USDA-FNS program that supports emergency feeding organizations, currently receives federal government resources in several ways. Congress provides mandatory funding for the purchase of “entitlement commodity” foods that are distributed to emergency feeding organizations (e.g., food banks and food pantries) in addition to discretionary funding for organizations' administrative costs. TEFAP also receives bonus commodity donations from USDA when the Department exercises its purchasing authority in response to requests from the agricultural industry for surplus removal or price support.

Under current law, TEFAP's mandatory funding for “entitlement commodities” for FY2012 and subsequent years is \$250 million, plus an adjustment for food-price inflation. This mandatory entitlement funding is only available to be spent over a one-year period. In addition, the law authorizes to be appropriated up to \$100 million for TEFAP administrative and distribution costs. TEFAP continues to operate under the current CR.

### *Conference Proposals: Both Increase Funding, House Provides Greater Increases*

Both proposals would increase mandatory funding for TEFAP, but in differing amounts and with different approaches.

The Senate bill would increase the mandatory funding for “entitlement commodities” by \$54 million over 10 years. The funding increases would be only in the first four years (FY2014-FY2017).

<sup>65</sup> “Commodity” or “commodities” in the context of food assistance is broader and distinct from the term used to describe corn, wheat, soybeans, etc. in the context of commodity support programs, such as described in CRS Report RL34594, *Farm Commodity Programs in the 2008 Farm Bill*, by Jim Monke.

<sup>66</sup> For more on the procurement of USDA foods, see CRS Report RL34081, *Farm and Food Support Under USDA's Section 32 Program*, by Jim Monke. For more information on FNS's distribution of commodities, please see USDA-FNS website, Food Distribution Programs and Services, <http://www.fns.usda.gov/fdd/programs/default.htm>.

The House proposal would increase entitlement commodity funding by \$209 million over five years and \$333 million over 10 years (according to CBO).<sup>67</sup> The House proposal also includes a provision that would require USDA to devise a plan for increasing purchases and modifying the labeling of Kosher and Halal foods at emergency feeding organizations.

Both proposals also would require funding for TEFAP to be available for two-year periods and would reauthorize a discretionary program, TEFAP infrastructure grants.

## Commodity Supplemental Food Program (CSFP)

### *House and Senate Conference Proposals*

Both proposals would reauthorize the CSFP, a food distribution program that provides USDA commodity foods to low-income women, infants, children, and seniors.

Both proposals would also make an eligibility change, limiting the program to only low-income seniors. This change has not been regarded as controversial as the vast majority of CSFP participants are already seniors (97% in FY2011), with women, infants, and children usually opting to participate in the Special Supplemental Nutrition Program for Women, Infants, and Children (WIC).

## Commodity Foods in School Meals

In addition to USDA commodity foods purchased and distributed for TEFAP and CSFP, child-serving institutions that participate in the National School Lunch Program (NSLP), Summer Food Service Program (SFSP), and Child and Adult Care Food Program (CACFP) also receive assistance in the form of USDA commodity foods (in addition to per-meal cash reimbursements). While typically, changes to the programs' authorizing statutes (Russell National School Lunch Act and Child Nutrition Act) are reported by the Senate Committee on Agriculture, Nutrition, and Forestry and the House Committee on Education and the Workforce, the policies pertaining to USDA commodity food procurement are overseen by the Senate Committee on Agriculture, Nutrition, and Forestry and the House Committee on Agriculture.

In FY2012, approximately 10% of the federal assistance for school meal programs was in the form of donations of USDA commodity purchased foods. This includes "entitlement commodities," the food amounts to which a school is entitled based on the number of meals served; as well as "bonus commodities," which are based on USDA purchases under its agricultural surplus and price support authorities. Schools redeem National School Lunch Program commodity "entitlement" food assistance (the amount of which is based on a per-meal rate<sup>68</sup>) from USDA's offerings. Some stakeholders have been interested in assuring that entitlement commodity assistance can instead be used for local purchases instead of USDA foods.

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<sup>67</sup> Because the House proposal changes the mandatory funding numbers prior to the adjustment for inflation, these estimates include CBO's assumptions of inflation over the 10-year budget window.

<sup>68</sup> 42 U.S.C. 1754.



The conference proposals contain various policies that would impact the USDA foods served in school meal programs (National School Lunch Program and National School Breakfast Program). Some are discussed below, but the complete list is summarized in **Table A-10**.

## An Overview of Related House and Senate Proposals

**Processing of USDA Commodities.** Both conference proposals would extend the authority for USDA to enter into reprocessing agreements with private companies in order to process commodity foods. The proposals also include a new provision that would allow USDA to contract with a processor and retain title to those foods while processing.

**USDA purchases of fresh fruits and vegetables.** Both conference proposals would continue the requirement that \$50 million of USDA's additional acquisitions of fruits and vegetables be fresh fruit and vegetables. The House proposal also would create a pilot grant program that would allow five states to use this funding for their own local sourcing of produce.

**Pulse crop pilot program.** The Senate proposal would create a pilot project to purchase pulse crops (dry beans, dry peas, lentils, and chickpeas) and pulse crop products for schools. Up to \$10 million in discretionary appropriations would be authorized.

**Other farm-to-school provisions.** The Senate bill would require USDA to conduct demonstration projects that would facilitate schools' purchase of locally grown and raised agricultural products. The House bill would allow USDA to permit school districts that receive small amounts of USDA commodity foods to instead receive cash for their own local purchasing.

## Other Farm Bill Nutrition Program Proposals in the Conference Proposals

The conference proposals' Nutrition Titles contain numerous other programs and proposals. Below are a few highlights, including the reauthorization of programs included in the 2008 farm bill (e.g., Senior Farmers' Market Nutrition Program, Community Food Projects, and Fresh Fruit and Vegetable Program), and a proposal unique to the Senate conference proposal (\$100 million in mandatory funding over 10 years for SNAP bonus incentives). While only a select overview is included in the list below, all remaining provisions are summarized in **Table A-11**.

**Senior Farmers' Market Nutrition Program: House Changes.** Both House and Senate proposals would reauthorize the Senior Farmers' Market Nutrition Program, which provides formula grants to participating states<sup>69</sup> to run programs for seniors to redeem vouchers at area farmers' markets. Both bills would keep funding at \$20.6 million in mandatory funding per year, but the House proposes some further amendments to the program. The House proposal would expand eligibility from "low-income seniors" to "low-income seniors and low-income families who are determined to be at nutritional risk." An amendment provided that 50% of the funding would be for seniors.

<sup>69</sup> In FY2012, SFMNP operated in 42 states, DC, Puerto Rico, and 7 Indian Tribal Organizations.

**Fresh Fruit and Vegetable (“Snack”) Program: House Changes.** The Fresh Fruit and Vegetable Program is permanently authorized and funded by the 2008 farm bill, so there is no need for legislative action to continue operations. However, the House proposal would make changes to the program’s authorization; namely it strikes “fresh” from the program’s title and authorization and would allow the inclusion of frozen, dried, and canned fruits and vegetables.

**Community Food Projects: House Changes.** Since the 1996 farm bill (P.L. 104-127), the Food and Nutrition Act (formerly, Food Stamp Act) has permanently authorized a grant program for eligible nonprofit organizations, in order to improve community access to food. Infrastructure projects are an eligible use of these funds. Grants require 50% in matching funds. The 2008 farm bill (and subsequent extensions) provided \$5 million annually in mandatory funding for this purpose.<sup>70</sup> The Senate proposal would continue to provide the \$5 million, but the House would increase funding to \$15 million per year, and carve out \$5 million of those funds for projects that would incentivize low-income households’ fruit and vegetable purchases.

**Hunger-free Community “Incentive Grants”:** Only in Senate Proposal. One of the policies that distinguishes the Senate’s proposal from the House’s is an inclusion of mandatory funding for bonus incentive projects. The Senate proposal includes \$100 million in mandatory funding over five years for hunger-free community incentive grants. These competitive grants would be for projects that incentivize SNAP participants to buy fruits and vegetables. Currently, such bonus incentive projects are funded by non-federal funds.<sup>71</sup>

**Healthy Food Financing Initiative: Streamlined Program Included in Both Proposals.** Although the Administration already provides support to the development of fresh food retailers in underserved communities using a range of existing authorities, the House and Senate conference proposals both include a new authorization for a consolidated Healthy Food Financing Initiative housed at the USDA. USDA would approve a community development financial institution as “national fund manager.” An annual amount of \$125 million would be authorized to be appropriated.

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<sup>70</sup> 7 U.S.C. 2034.

<sup>71</sup> SNAP redemption at farmers’ markets and bonus incentive projects are discussed further in CRS Report R42505, *Supplemental Nutrition Assistance Program (SNAP): A Primer on Eligibility and Benefits*, by Randy Alison Aussenberg, p. 17.

# Appendix. Detailed CBO Cost Estimates and All-Sections Summary

## Detailed CBO Cost Estimates

**Table A-1. Detailed Table of CBO Cost Estimates Compared to Baseline**  
Estimated Over 10 Years (FY2014-FY2023)

	Senate Conference Proposal <sup>a</sup>	H.R. 1947, House-Defeated <sup>b</sup>	House Conference Proposal <sup>c</sup>
SNAP Retailer Equipment	-\$79 million	-\$79 million	-\$79 million
SNAP Categorical Eligibility	Not applicable	-\$11.6 billion	-\$11.6 billion
SNAP Treatment of LIHEAP in Benefit Calculation	-\$4.1 billion	-\$8.7 billion	-\$8.7 billion
Repeal of SNAP Performance Bonuses	Not applicable	-\$480 million	-\$480 million
Nutrition Education and Obesity Prevention Grant Program (SNAP Nutrition Education)	\$0	-\$274 million	-\$308 million
Repeal of labor-market-based ABAWD waivers	Not applicable	Not applicable	-\$19.0 billion
Testing applicants for the unlawful use of controlled substances	Not applicable	Not available <sup>d</sup>	-\$35 million
Eligibility Disqualifications for Certain Convicted Felons	Not available <sup>d</sup>	Not available <sup>d</sup>	-\$21 million
Expungement of Unused SNAP Benefits	Not applicable	Not available <sup>d</sup>	-\$95 million
SNAP Retailer Trafficking	+\$5 million	+\$50 million	+\$50 million
SNAP Employment & Training (E&T) Program	+\$26 million	\$0	\$0
Employment and Training Pilot Projects	Not applicable	+\$30 million	+\$30 million
Pilot Projects to Promote Work	Not applicable	Not available <sup>d</sup>	+\$4 million
Hunger-free Communities Grants and Bonus Incentives	+\$100 million	Not applicable	Not applicable
The Emergency Food Assistance Program (TEFAP)	+\$54 million	+\$217 million	+\$333 million
Community Food Projects	\$0	+\$100 million	+\$100 million
Food Distribution Program on Indian Reservations	+\$60 million	Not applicable	Not applicable
CNMI Pilot	Not applicable	+\$33 million	+\$33 million
Interactions Between SNAP Eligibility and Benefit Calculation Proposals	Not applicable	+\$82 million <sup>e</sup>	+\$715 million <sup>e</sup>
<b>Total Estimated Savings from Title IV (Over 10 years)</b>	<b>-\$4.0 billion</b>	<b>-\$20.5 billion</b>	<b>-\$39.0 billion</b>

**Source:** Congressional Budget Office (CBO) cost estimates as specified in the notes below.

- a. CBO estimate of S. 954 after Senate Agriculture Committee’s markup, [http://cbo.gov/sites/default/files/cbofiles/attachments/s954\\_StabenowLtr.pdf](http://cbo.gov/sites/default/files/cbofiles/attachments/s954_StabenowLtr.pdf) (May 17, 2013). Does not include estimates of amendments that were added during floor consideration.
- b. CBO estimate of H.R. 1947 after the House Agriculture Committee’s markup, [http://cbo.gov/sites/default/files/cbofiles/attachments/hr1947\\_LucasLtr.pdf](http://cbo.gov/sites/default/files/cbofiles/attachments/hr1947_LucasLtr.pdf) (May 23, 2013). Does not include estimates of the amendments that were added during floor consideration.
- c. CBO estimate of H.R. 3102, as passed by the House, <http://cbo.gov/sites/default/files/cbofiles/attachments/HR3102.pdf> (September 16, 2013). CBO did not include an estimate of the impact on SNAP participation for all provisions; they “expect that most of those additional effects would be small.” CBO only completed participation estimates for categorical eligibility and state work program waiver authority provisions.
- d. This provision was added to either S. 954 or H.R. 1947 during floor consideration; therefore it was not included in the May 2013 CBO cost estimates.
- e. These numbers include CBO’s estimates of an interaction between the above listed policy changes.

## Comparisons of Current Law with the Nutrition Titles of the 2013 Farm Bill Conference Proposals, All Sections

**Table A-2. SNAP Authorization and Appropriations**

Current Law/Policy	Senate-Passed 2013 Farm Bill (S. 954)	House-Passed 2013 Farm Bill (H.R. 2642, including text of H.R. 3102)
<b>Appropriations.</b> Authorizes appropriations for SNAP and related programs through FY2013. [7 U.S.C. 2027(a), P.L. 112-240]	Reauthorizes appropriations for SNAP and related programs through FY2018. [Sec. 4014]	Reauthorizes appropriations for SNAP and related programs through FY2016. [Sec. 4024]

**Table A-3. SNAP Eligibility: Categorical Eligibility**

Current Law/Policy	Senate-Passed 2013 Farm Bill (S. 954)	House-Passed 2013 Farm Bill (H.R. 2642, Including Text of H.R. 3102)
<b>Broad-based Categorical Eligibility.</b> States may opt to implement broad-based categorical eligibility. Under broad-based categorical eligibility, a SNAP applicant that receives Temporary Assistance for Needy Families (TANF) cash assistance, Supplemental Security Income (SSI), state-funded general assistance cash benefits, or any TANF-funded benefit, may be deemed eligible for SNAP benefits. By regulation, the TANF-funded benefit must be for households at or below 200% of the federal poverty line. [7 U.S.C. 2014(a), 7 C.F.R. 273.2(j)]	No comparable provision.	Ends “broad-based categorical eligibility,” and limits categorical eligibility to SNAP applicants that receive Temporary Assistance for Needy Families (TANF) cash assistance, Supplemental Security Income (SSI), and state-funded general assistance cash benefits. [Sec. 4005]

**Table A-4. SNAP Eligibility: Work and Work-related Rules**

Current Law/Policy	Senate-Passed 2013 Farm Bill (S. 954)	House-Passed 2013 Farm Bill (H.R. 2642, Including Text of H.R. 3102)
<p><b>Employment and Training (E&amp;T).</b> The federal government funds SNAP E&amp;T in 4 ways: (1) \$90 million in mandatory funds that are allocated and reallocated to states based on a formula, (2) \$20 million in mandatory funding allocated to states that pledge to provide E&amp;T to all able-bodied adults without dependents (ABAWDs), (3) open-ended matching funds for states' administrative costs for E&amp;T, and (4) open-ended matching funds for states' reimbursement of E&amp;T participants' dependent care and transportation costs. Program requirements, uptake of these funds, and activities designed vary by state. <b>[7 U.S.C. 2025(h), et al]</b></p> <p><b>Work-related requirements.</b> Able-bodied, non-elderly SNAP applicants that are not working are required to register for work opportunities. States have the option to require SNAP participants to participate in an E&amp;T activity.</p> <p>ABAWDs that do not meet specified work requirements are limited to receive 3 months of SNAP benefits in a 36-month period. States are permitted to exempt a portion of the population from this time limit, based on the number of ABAWDs who received benefits prior to the enactment of the 1996 welfare reform law. A state may—based on data on the availability of jobs—request or apply for a waiver from this provision for the entire state or parts of the state. <b>[7 U.S.C. 2015(o)]</b></p>	<p>Provides \$90 million in mandatory funds in FY2014, FY2015, FY2016, and FY2017. Reduces mandatory funding to \$80 million for FY2018 and each fiscal year thereafter. <b>[Sec. 4013]</b></p> <p>No comparable provision.</p>	<p>Reduces the \$90 million to \$79 million for each year of authorization. Establishes additional monitoring, performance measures, and reporting requirements for SNAP E&amp;T. <b>[Sec. 4020, 4021]</b> See also <b>Sec. 4022 below.</b></p> <p>Repeals the \$20 million in mandatory funds for states that pledge to serve all ABAWDs. Caps matching funds at \$277 million annually and makes eligible for the matching funds only those states that opt into running the Section 4039 pilot <b>[Sec. 4039 (discussed further below)]</b></p> <p>Authorizes pilot projects to identify best practices for E&amp;T programs “to raise the number of work registrants who obtain unsubsidized employment, increase their earned income, and reduce their reliance on public assistance.” Provides \$10 million in mandatory funding for each of FY2014, FY2015, and FY2016. USDA is to report to Congress on the pilot projects by the end of FY2017. <b>[Sec. 4023]</b></p> <p>Requires USDA to authorize all interested and eligible states to participate in a work-related requirement pilot. This pilot would require states to require all participants except for children, elderly, disabled, or parents with children under 1 year old to work or take part in job training for a minimum of 20 hours a week. Participating pilot states must evaluate their pilots and can claim half of any SNAP savings that the evaluations estimate. Participating states may not utilize ABAWD waivers or exemptions and are limited to spending federal funding at FY2012 levels. Includes certain expansions of states' disqualification authority. Provides \$1 million each year for FY2014-2017 for program evaluations. <b>[Sec. 4039]</b></p> <p>Repeals the authority to grant waivers for a geographic</p>

Current Law/Policy	Senate-Passed 2013 Farm Bill (S. 954)	House-Passed 2013 Farm Bill (H.R. 2642, Including Text of H.R. 3102)
<p>National Directory of New Hires. States have the option to use a national child support enforcement-related database, the National Directory of New Hires, to verify and track employment and income data for SNAP purposes. <b>[Section 453(j)(10) of the Social Security Act, 42 U.S.C. 653(j)(10)]</b></p>	<p>No comparable provision.</p>	<p>area based on the area’s availability of jobs. Changes the calculation of the number of ABAWDs that states may exempt from the time limit rules. <b>[Sec. 4009]</b></p> <p>Requires all states to data-match with the National Directory of New Hires. <b>[Sec. 4040]</b></p>

**Table A-5. SNAP Eligibility: Other Disqualifications**

Current Law/Policy	Senate-Passed 2013 Farm Bill (S. 954)	House-Passed 2013 Farm Bill (H.R. 2642, Including Text of H.R. 3102)
<p><b>Student Eligibility.</b> In most cases, college students ages 18-49 (attending higher education courses half-time or more) are ineligible for SNAP. A student enrolled in an institution of higher education more than half-time is eligible for SNAP benefits only if the individual meets one or more of the following qualifications: (1) under 18 years old, or age 50 or older; (2) disabled; (3) employed at least 20 hours/week or participates in a work-study program during the school year; (4) a parent (in some circumstances); (5) receiving Temporary Assistance for Needy Families (TANF) cash assistance benefits; OR (6) enrolled in school because of participation in certain programs. One program enrollment exception is a “SNAP Employment and Training” program. <b>[7 U.S.C. 2015(e)]</b></p>	<p>Adds the requirement that those students enrolled in post-secondary institutions as a requirement of participation in “SNAP Employment and Training,” must be enrolled in certain employment-oriented training to qualify for SNAP; specifically, this includes certain career and technical education, remedial courses, basic adult education, literacy, or English as a second language. <b>[Sec. 4004]</b></p>	<p>Identical to the Senate bill. <b>[Sec. 4008]</b></p>

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**Lottery and Gambling Winnings.** No comparable provision. Authorizing statute establishes income and asset thresholds for SNAP eligibility, including that lump-sum, non-recurring payments are to be counted as resources (assets) not income. **[7 U.S.C. 2014]**

**Eligibility Disqualifications for Ex-offenders.** Under SNAP current law, added by the 1996 welfare reform law, states have the option to disqualify individuals with drug-related convictions, opt out of the ban entirely, or modify the ban. As of August 2012, 12 states or territories implemented a lifetime drug-related felon disqualification. **[Section 115 of P.L. 104-193]** P.L. 104-193 also disqualified “fleeing felons.”

**Applicant drug-testing.** For the most part, USDA and SNAP law does not allow states to use drug testing in determining eligibility for SNAP. There are exceptions related to the drug-related felon disqualification state option and TANF comparable disqualification policies. **[7 U.S.C. 2014(b); Section 115 of P.L. 104-193]**

Creates explicit ineligibility for households that receive “substantial lottery or gambling winnings” (as determined by USDA) until the household meets the SNAP resources (assets) and income eligibility limits. State SNAP agencies are to establish agreements with the state gaming agency in order to make determinations of winnings. **[Sec. 4005]**

Bars individuals convicted of specified federal crimes (including murder, rape, certain crimes against children), and state offenses determined by the Attorney General to be substantially similar, from receiving SNAP. Still allows the disqualified ex-offender’s household members to apply for and potentially receive benefits. Requires the state agency to collect, in writing, information on SNAP applicants’ convictions. **[Sec. 4020]**

No comparable provision.

Identical to the Senate bill. **[Sec. 4010]**

Similar to Senate bill but also specifies that restrictions will only apply to individuals with convictions after the date of enactment. **[Sec. 4037]**

Allows states to enact legislation authorizing drug testing for SNAP applicants. Such state policies are to be implemented at full cost to the state. **[Sec. 4036]**

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**Table A-6. SNAP Benefit Calculation**

Current Law/Policy	Senate-Passed 2013 Farm Bill (S. 954)	House-Passed 2013 Farm Bill (H.R. 2642, Including Text of H.R. 3102)
<p><b>Standard Utility Allowances.</b> A SNAP household can use a Low Income Home Energy Assistance Program (LIHEAP) payment (regardless of the amount of that payment) to document that the household has incurred heating and cooling costs. This documentation triggers a standard utility allowance (SUA), a figure that enters into the SNAP benefit calculation equation. Unless the household is already receiving the maximum SNAP benefit, a household’s monthly benefit can increase if the SUA calculation results in an excess shelter deduction. <b>[7 U.S.C. 2014(e)(6)(C)]</b></p>	<p>Only LIHEAP payments above \$10 would confer this potential advantage. Payments of \$10 or less would no longer entitle a household to earn a “standard utility allowance” (SUA) during the benefit calculation process. If a household received below \$10 in LIHEAP assistance, households would have to present alternate documentation of utility costs in order to have utilities factored into calculating their excess shelter deduction. <b>[Sec. 4003]</b></p>	<p>Only LIHEAP payments above \$20 would confer this potential advantage. Payments of \$20 or less would no longer entitle a household to earn a “standard utility allowance” (SUA) during the benefit calculation process. If a household received below \$20 in LIHEAP assistance, households would have to present alternate documentation of utility costs in order to have utilities factored into calculating their excess shelter deduction. <b>[Sec. 4007]</b></p>
<p><b>Excess Medical Expense Deduction.</b> Households that include an elderly or disabled member may have excess medical expenses, as defined and calculated by statute, deducted from the household’s gross income. It has been reported that some agencies are including medical marijuana expenses in this calculation. FNS issued a policy memorandum on July 10, 2012 clarifying that this is against SNAP law. <b>[7 U.S.C. 2014(e)(5)]</b></p>	<p>No comparable provision.</p>	<p>Requires USDA to promulgate regulations to ensure that medical marijuana is not treated as a medical expense in the calculation of the excess medical expenses deduction. <b>[Sec. 4006]</b></p>



**Table A-7. SNAP-Authorized Retailers and Benefit Redemption Issues**

Current Law/Policy	Senate-Passed 2013 Farm Bill (S. 954)	House-Passed 2013 Farm Bill (H.R. 2642, Including Text of H.R. 3102)
<p><b>Governmental or nonprofit grocery delivery services.</b> Nonprofit grocery delivery services for the elderly and disabled are not defined as a “retail food store” that can accept SNAP benefits. Such establishments must negotiate waivers with USDA in order to accept SNAP benefits. Under various authorities and waivers other retailers may conduct deliveries to SNAP participants, but fees may not be paid with SNAP benefits. [7 U.S.C. 2012(k), (p)]</p>	<p>Adds to the definition of retail food store any “public or private nonprofit food purchasing and delivery service” that serves the elderly and disabled. Substantially similar policy to H.R. 3102. [Sec. 4001]</p>	<p>Adds “governmental and non-profit food purchasing and delivery service[s]” that serve the elderly and disabled to the definition of a retail food store, emphasizing that delivery fees are not to be paid with SNAP. Requires USDA regulations to include certain protections and limitations. [Sec. 4003]</p>
<p><b>Retail Food Store Definition.</b> SNAP benefits can be accepted only by authorized retailers. Among other application requirements, USDA authorization of a retailer is based on the retailer’s inventory and sales. SNAP law defines a retail food store, and includes within that definition an establishment that either (1) offers, on a continuous basis, a variety of foods in each of 4 staple food categories [defined in 7 U.S.C. 2012(r)(1)], including perishable foods in at least two of the categories, or (2) has over 50% of its sales in staple foods. Authority exists to consider the nature and extent of the food business conducted. [7 U.S.C. 2012(p)(1), 2018]</p>	<p>Amends retail food store definition so that perishable foods must be provided in at least three of the staple food categories. [Sec. 4006(a)]</p> <p>Gives USDA the authority to consider whether the applicant store “is located in an area with significantly limited access to food” as well as the store’s “depth of stock, variety of staple food items, and the sale of [ineligible items listed in Food and Nutrition Act].” The bill also adds and strengthens requirements about the adequacy of the store’s EBT service. [Sec. 4006(c), (d)]</p>	<p>Amends retail food store definition so that perishable foods must be provided in at least three of the staple food categories (identical to Senate bill). [Sec. 4002(a)]</p> <p>Like Senate bill, gives USDA the authority to consider whether the applicant store “is located in an area with significantly limited access to food” and adds and strengthens requirements about the adequacy of the store’s EBT service. Does not include USDA authority to consider the store’s “depth of stock, variety of staple food items, and the sale of [ineligible items listed in Food and Nutrition Act].” [Sec. 4002 (c), (d)]</p>
<p><b>Electronic Benefit Transfer, Manual Vouchers.</b> An electronic benefit transfer (EBT) point-of-sale machine can be provided by the state agency to the retailer at no cost to the retailer (many retailers choose to purchase credit card machines that also accept EBT). Although SNAP has transitioned to being fully EBT, and paper coupons (“food stamps”) are no longer offered, authority exists to accept manual SNAP vouchers. Some small retailers use these rather than acquiring an EBT machine. No statutory requirements regarding unique terminal identification numbers for EBT machines. [7 U.S.C. 2016(f), 2018(h)(3)]</p>	<p>Shifts the costs of EBT machinery to retailer (with exemptions for certain retailers, such as farmers’ markets). Bars states from issuing manual SNAP vouchers or allowing retailers to accept manual vouchers unless USDA makes such a determination that circumstances or categories of retailers warrant use of manual vouchers. Requires EBT service providers to provide for and maintain “unique terminal identification number information.” [Sec. 4006(b)]</p>	<p>Similar to the Senate bill except in the “unique terminal identification number information” provision, (i) includes further specifications for USDA’s rulemaking including “the Secretary shall consider existing commercial practices for other point-of-sale debit transactions” and that proposed regulations must be issued “not earlier than 2 years after the date of enactment,” (ii) requires retailers to maintain “unique business identification” in addition to “terminal identification number” Also, specifies that the exemption to cost-sharing may apply to, not only farmers’ markets, but other “direct-to-consumer” markets. [Sec. 4002(b)]</p>

Current Law/Policy	Senate-Passed 2013 Farm Bill (S. 954)	House-Passed 2013 Farm Bill (H.R. 2642, Including Text of H.R. 3102)
<p><b>Replacement of Cards.</b> Permits state agencies to collect a fee for replacement of an EBT card by reducing the monthly allotment of the participating household. <b>[7 U.S.C. 2016(h)(8)]</b></p>	<p>Adds additional measures regarding “purposeful loss of cards.” USDA may require a state agency to decline a request for a replacement card unless the household provides an explanation for the loss of the card. The USDA requirements must include protections for vulnerable individuals (homeless, disabled, victims of crimes). USDA is to assure certain procedures occur and that procedures are consistent with participants’ existing due process protections. <b>[Sec. 4007]</b></p>	<p>Nearly identical to the Senate bill. <b>[Sec. 4011]</b></p>
<p><b>Technology Modernization.</b> No explicit provisions regarding non-wired EBT machinery for redemption or online SNAP transactions are included in the authorizing statute. From FY2012 appropriations, USDA is using \$4 million to expand EBT point of sale devices at farmers markets. A number of regulations would need to be rewritten or waived to allow redemption via the internet. <b>[7 U.S.C. 2016(h), P.L. 112-55]</b></p>	<p>Requires, depending on results of a demonstration project, that USDA authorize retailers with EBT mobile technologies, if retailers meet certain requirements. Authorizes and requires the demonstration project and report to be completed by July 1, 2015, and USDA to authorize wireless retailers beginning January 1, 2016, unless USDA reports to congressional committees of jurisdiction that it determines authorization should not be implemented. Mobile technologies are defined as “electronic means other than wired point of sale devices.” A similar statutory provision is included for USDA to authorize retailers to accept benefits online, contingent upon results of a demonstration project and a report to Congress. <b>[Sec. 4008]</b></p>	<p>Mobile technologies provision is similar to the Senate bill except the language appears to limit the authority to a USDA pilot/demonstration on mobile technologies and does not create the authority to continue the redemptions after the end of pilot. The House provision does not set a date for the mobile technologies report to Congress. <b>[Sec. 4012]</b> With respect to authorizing retailers to accept benefits online, the House bill has no provision comparable to the Senate bill.</p>
<p>No comparable provision.</p>	<p><b>Community-Supported Agriculture.</b> Makes SNAP benefits redeemable for shares of Community-Supported Agriculture (CSA). In a CSA, a farmer or community garden grows food for a group of local residents—members, shareholders, or subscribers—who pledge support to a farm at the beginning of each year by agreeing to cover the farm’s expected costs and risks. In return, the members receive shares of the farm’s production during the growing season. <b>[Sec. 4009]</b></p>	<p>Nearly identical to the Senate bill. <b>[Sec. 4013]</b></p>

Current Law/Policy	Senate-Passed 2013 Farm Bill (S. 954)	House-Passed 2013 Farm Bill (H.R. 2642, Including Text of H.R. 3102)
<p><b>Restaurant Meals Program.</b> States may choose to operate a restaurant meals program, allowing homeless, disabled, or elderly households to redeem SNAP benefits at restaurants that offer concessional prices. States contract with restaurants, and USDA authorizes them as SNAP retailers. [7 U.S.C. 2012(k)(3),(4),(9)]</p>	<p>Creates added responsibilities for state agencies, private establishments, and USDA before restaurants may participate in a restaurant meals program. For restaurants that have contracted with the state to accept SNAP benefits before this provision is enacted, the restaurant may continue to accept SNAP without meeting the additional requirements for no more than 180 days. [Sec. 4010]</p>	<p>Identical to the Senate bill. [Sec. 4014]</p>
<p><b>Trafficking.</b> Authorizes civil penalties and SNAP disqualification penalties for retailers that engage in SNAP trafficking (the sale of SNAP benefits for money or ineligible items). USDA enforces those penalties through a variety of activities and funds from the SNAP account. USDA obligated approximately \$8 million of SNAP's appropriated funding for retailer integrity and trafficking in FY2010, FY2011, and FY2012. [7 U.S.C. 2021(b)(3)]</p>	<p>Provides USDA \$5 million in FY2014 in dedicated mandatory funding to track and prevent SNAP trafficking. Also authorizes \$12 million subject to appropriations for each year FY2014-FY2018. [Sec. 4018]</p>	<p>Similar to the Senate bill except that the House bill provides USDA (not less than) \$5 million in FY2014 (and each fiscal year thereafter) in dedicated mandatory funding to track and prevent SNAP trafficking. [Sec. 4029]</p>
<p><b>Bottle Deposits and Trafficking.</b> Under current law, if SNAP is used to buy a bottle of non-alcoholic beverage, SNAP benefits will pay for a bottle deposit in a state where such deposits are in effect, and then the SNAP participant may return the bottle for the cash deposit in return. The 2008 farm bill added a provision barring SNAP recipients from intentionally destroying food (e.g., pouring out liquid) in order to claim the bottle deposit. [7 U.S.C. 2016(p)]. USDA has included this practice into the definition of trafficking [7 C.F.R. 271.2].</p>	<p>No comparable provision.</p>	<p>Amends SNAP law, so that benefits cannot be used to pay for container deposits. Recipients would have to supplement their SNAP purchases of such bottles with their own cash to pay for bottle deposits. [Sec. 4001]</p>
<p><b>Expunging benefits.</b> States must expunge from participants' EBT cards benefits that have not been accessed after a 12-month period. [7 U.S.C. 2016(h)(12)]</p>	<p>No comparable provision.</p>	<p>Requires unused benefits to be expunged after 60 days. [Sec. 4038]</p>

Current Law/Policy	Senate-Passed 2013 Farm Bill (S. 954)	House-Passed 2013 Farm Bill (H.R. 2642, Including Text of H.R. 3102)
<p><b>Retailer Trafficking Investigation and Enforcement.</b> States enforce beneficiary trafficking and other fraudulent activities, while the federal government has jurisdiction over SNAP retailer trafficking and other fraud. [7 U.S.C. 2021, 7 C.F.R. 278.7]</p>	<p>No comparable provision.</p>	<p>Allows pilot project opportunities for states to run retailer fraud investigation. Additional federal funding is not provided. Requires that at least one pilot program be conducted in a large urban area that administers its own SNAP program. [Sec. 4017]</p>

**Table A-8. Other SNAP Funding, Policies**

Current Law/Policy	Senate-Passed 2013 Farm Bill (S. 954)	House-Passed 2013 Farm Bill (H.R. 2642, Including Text of H.R. 3102)
<p><b>Verification of Immigration Status.</b> Under current law and regulation, states must verify noncitizens' immigration status, but do not have to use the U.S. Citizenship and Immigration Services' Systematic Alien Verification for Entitlements (SAVE) Program. [7 U.S.C. 2020(p); 42 U.S.C. 1320b-7]</p>	<p>No comparable provision.</p>	<p>Requires all SNAP agencies to verify immigration status using the SAVE system. [Sec. 4015]</p>
<p><b>Quality Control.</b> SNAP's Quality Control (QC) system measures the accuracy of the eligibility and benefits calculation in SNAP. Consistently low performing states are subject to financial penalties. The statute gives the Secretary authority to waive penalties. [7 U.S.C. 2025(c)] The American Recovery and Reinvestment Act of 2009 temporarily changed the definition of the quality control error threshold by raising it from \$25 to \$50 (meaning that SNAP errors lower than \$50 would not "count" as errors in the quality control system). USDA made the \$50 threshold permanent in regulation in November 2011. [7 U.S.C. 2025(c); P.L. 111-5; 7 CFR 275.12(f)(2)]</p>	<p>Strikes the Secretary's authority to waive QC penalties. Makes no changes to the error threshold. [Sec. 4011]</p>	<p>Sets \$25 as the threshold level for reporting SNAP errors in the quality control system for FY2013. In subsequent years, adjusts for inflation based on the growth of the cost of the thrifty food plan. [Sec. 4031]</p>

Current Law/Policy	Senate-Passed 2013 Farm Bill (S. 954)	House-Passed 2013 Farm Bill (H.R. 2642, Including Text of H.R. 3102)
<p><b>Performance Bonus Awards.</b> State agencies are currently eligible for, in total, \$48 million per year in performance awards. These grant awards are provided to states for performance accomplishments in payment accuracy, program access, application timeliness, and best negative (improper denial) error rate. There is currently no requirement that these performance awards be reinvested in SNAP. [7 U.S.C. 2025(d)]</p>	<p>Requires states to reinvest bonus payments into the state's SNAP program. [Sec. 4012]</p>	<p>Repeals the SNAP performance bonus awards. [Sec. 4019]</p>
<p><b>Nutrition Education and Obesity Prevention Grant Program.</b> Formerly SNAP Nutrition Education or "SNAP-Ed," this program provides formula grant funding for states to provide programs for SNAP (and other domestic food assistance program) participants as well as other low-income households. With these funds, "[s]tate agencies may implement a nutrition education and obesity prevention program for eligible individuals that promotes healthy food choices consistent with the most recent Dietary Guidelines for Americans." [7 U.S.C. 2036a(b)]</p>	<p>Adds promoting physical activity as an allowable use of the funding. [Sec. 4017]</p>	<p>Adds the same provision as the Senate bill. Also reduces funding for FY2014 and then adjusts for inflation in subsequent years; CBO estimated these changes will reduce funding for the program by \$146 million over five years and \$308 million over ten years. [Sec. 4028]</p>
<p><b>Validating Participation.</b> States are required to match Social Security data to assure that deceased individuals are not receiving SNAP benefits. Households are prohibited from receiving benefits in multiple states simultaneously. There is a database of individuals that have been disqualified from SNAP. [7 U.S.C. 2015(j), 2020(r)]</p>	<p>No comparable provision.</p>	<p>Requires states to submit annual reports demonstrating that the agency has not provided benefits to deceased individuals or to households simultaneously receiving benefits in another state or to an individual that was disqualified from receiving benefits. Penalty for noncompliance is a 50% reduction in federal share of administrative costs. [Sec. 4033]</p>

Current Law/Policy	Senate-Passed 2013 Farm Bill (S. 954)	House-Passed 2013 Farm Bill (H.R. 2642, Including Text of H.R. 3102)
<p><b>Outreach.</b> While federal matching funds are provided for states' SNAP administrative costs, those matching funds are not available for certain recruitment activities (defined in regulation). USDA may use appropriated funds for SNAP outreach activities including advertisements. Since 2004, the USDA has partnered with Mexico to provide information about the nutrition assistance programs for eligible new Americans at Mexican consulates in the United States. <b>[7 U.S.C. 2025(a), 7 U.S.C. 2027(a), 7 CFR 272.5]</b></p>	<p>No comparable provision.</p>	<p>Specifies that the federal administrative cost-sharing is not available for state "recruitment activities designed to persuade an individual to apply for program benefits or that promote the program via television, radio, or billboard advertisements." Restricts appropriated funds from being used for recruitment activities designed to persuade an individual to apply, certain media advertisements (advertisement restriction does not apply to disaster assistance); and agreements with foreign governments designed to promote the program. Bans entities from compensating individuals for conducting SNAP outreach, if compensation is based on the number of individuals recruited for program. <b>[Sec. 4018]</b> Seeks to terminate the existing nutrition assistance agreement between USDA and the Mexican government. <b>[Sec. 4034]</b></p>
<p>Section 17 of the Food and Nutrition Act gives USDA SNAP (and other programs authorized by the act) research and evaluation authorities but does not explicitly require cooperation of related institutions. <b>[7 U.S.C. 2026]</b></p>	<p>No comparable provision.</p>	<p>Mandates cooperation of "states, state agencies, local agencies, institutions, facilities such as data consortiums, and contractors" participating in Food and Nutrition Act programs in USDA evaluations and studies. <b>[Sec. 4022]</b> <b>[See also Section 4021 (discussed above)]</b></p>
<p><b>Data Exchange Standardization.</b> In recent years, authorizing laws of the Temporary Assistance for Needy Families and Unemployment Insurance have been amended to include data exchange standards. <b>[P.L. 112-96, Secs. 2105, 4003]</b></p>	<p>No comparable provision.</p>	<p>Adds these data exchange standards for SNAP to the Food and Nutrition Act. <b>[Sec. 4016]</b></p>

**Table A-9. Programs in Lieu of SNAP**

Current Law/Policy	Senate-Passed 2013 Farm Bill (S. 954)	House-Passed 2013 Farm Bill (H.R. 2642, Including Text of H.R. 3102)
<p><b>Food Distribution Program on Indian Reservations (FDPIR).</b> Authorizing statute for FDPIR contains discretionary authority for a “Traditionally and Locally-grown Food Fund.” These funds are for USDA purchase of traditional and locally-grown foods to be distributed to FDPIR households. Authority to appropriate \$5 million annually to this fund for FY2008-FY2013. [7 U.S.C. 2013(b)(6); 7 U.S.C. 612c note(a)-(b), P.L. 93-86]]</p>	<p>Requires USDA to study the feasibility of a demonstration project for Tribes to administer nutrition assistance programs in lieu of states. Extends FDPIR’s appropriations authority for “Traditionally and Locally-grown Food Fund” through FY2018. Allows Tribes to substitute local, tribal foods for up to 5% of their FDPIR entitlement commodities. [Sec. 4003][See also Section 4101]</p>	<p>Extends FDPIR’s appropriations authority for “Traditionally and Locally-grown Food Fund” through FY2016. [Sec. 4004] Like Senate bill, requires USDA to study the feasibility of a demonstration project for Tribes to administer nutrition assistance programs in lieu of states. [Sec. 4041]</p>
<p><b>Commonwealth of the Northern Mariana Islands.</b> While Guam and the Virgin Islands participate in SNAP, Puerto Rico, American Samoa, and the Commonwealth of the Northern Mariana Islands (CNMI) do not. Puerto Rico, American Samoa, and CNMI, instead receive a nutrition assistance block grant in lieu of SNAP. [7 U.S.C. 2028; P.L. 96-597]</p>	<p>No comparable provision.</p>	<p>Authorizes and provides \$1 million in FY2013 and FY2014 for a study to gauge CNMI’s capacity to administer a SNAP pilot. Authorizes and provides administrative and technical assistance funds to support pilot based on study results (\$13.5 million in FY2015, \$8.5 million in each of FY2016 and FY2017. [Sec. 4032]</p>
<p><b>Puerto Rico.</b> As part of Puerto Rico’s administration of Nutrition Assistance Program block grant funds (see above), program recipients receive 25% of their benefits as cash. Current law does not bar this flexibility.</p>	<p>No comparable provision.</p>	<p>Bars Puerto Rico from using the NAP federal funds to distribute cash benefits. [Sec. 4025]</p>

**Table A-10. Commodity Distribution Programs**

Current Law/Policy	Senate-Passed 2013 Farm Bill (S. 954)	House-Passed 2013 Farm Bill (H.R. 2642, Including Text of H.R. 3102)
<b>The Emergency Food Assistance Program (TEFAP)</b>		
<p>For FY2009, mandates \$250 million in TEFAP commodity purchases. For FY2010-FY2013, mandates \$250 million is to be adjusted for food-price inflation each year. This funding is available only in the year that it is provided. <b>[7 U.S.C. 7511a(d), P.L. 112-240]</b></p> <p>Authorizes appropriations (\$15 million a year through FY2013) for TEFAP “infrastructure grants.” Grants are to be made to emergency feeding organizations (emphasizing those serving mostly rural communities) for projects that improve storage, distribution, and other capacity building. <b>[7 U.S.C. 7511a(d), P.L. 112-240]</b></p>	<p>Increases funding by \$54 million over 10 years. Entitlement commodity funding increases are in the first 4 years of the budget window: +\$22 million for FY2014, +\$18 million for FY2015, +\$10 million for FY2016, +\$4 million for FY2017. Inflation adjustment between years remains in place. Makes annual commodity entitlement funding available for a 2-year period. <b>[Sec. 4016]</b></p> <p>Extends discretionary authority through FY2018. <b>[Sec. 4016]</b></p>	<p>Increases funding by \$209 million over 5 years and \$333 million over 10 years (according to CBO). Makes annual commodity entitlement funding available for a 2-year period. <b>[Sec. 4027(a)]</b> Requires USDA to devise a plan for increasing the purchasing of and modifying the labeling of Kosher and Halal foods for food banks. <b>[Sec. 4054]</b></p> <p>Extends discretionary authority through FY2016. <b>[Sec. 4027(b)]</b></p>
<b>Commodity Supplemental Food Program (CSFP)</b>		
<p>Authority to purchase and distribute CSFP and FDPIR foods expires at the end of FY2013. <b>[7 U.S.C. 612c note(a)-(b), P.L. 93-86, P.L. 112-240]</b></p> <p>Income-eligible pregnant and post-partum women, infants, children, and the elderly (defined as 60 years or older) are eligible to participate in CSFP. <b>[7 U.S.C. 612c note(g), P.L. 93-86]</b> (According to FY2011 USDA-FNS data, 97% of CSFP participants were elderly.)</p>	<p>Reauthorizes through FY2018. <b>[Sec. 4101]</b></p> <p>Only income-eligible elderly would be eligible for CSFP. Enrolled women, infants, and children (who are disqualified by this new provision) would be allowed to participate until their certification period expires. <b>[Sec. 4102]</b></p>	<p>Reauthorizes through FY2016. <b>[Sec. 4042]</b></p> <p>Identical to the Senate bill. <b>[Sec. 4043]</b></p>



Current Law/Policy	Senate-Passed 2013 Farm Bill (S. 954)	House-Passed 2013 Farm Bill (H.R. 2642, Including Text of H.R. 3102)
<b>Food Distribution for Child Nutrition Programs</b>		
<p>Authority for USDA to enter into reprocessing agreements with private companies in order to process commodity foods for donation and distribution to nutrition programs expires at the end of FY2013. [7 U.S.C. 1431e(2)(A), P.L. 112-240] USDA, through a pilot project, is currently contracting with processors to provide processed foods to schools.</p>	<p>Reauthorizes through FY2018. [Sec. 4103] Explicitly authorizes USDA to contract with a processor and retain title to those foods during processing. [Sec. 4104]</p>	<p>Identical to Senate bill, except reauthorizes through FY2016. [Sec. 4044, 4045]</p>
<p>In addition to the minimum (\$200 million-a-year) acquisitions required by the 2002 farm bill, USDA is required to purchase additional fruits, vegetables, and tree nuts for use in domestic nutrition assistance programs using Section 32 funds. The added purchases required are: \$190 million (FY2008), \$193 million (FY2009), \$199 million (FY2010), \$203 million (FY2011), and \$206 million (FY2012 and each year thereafter). Of this money for additional purchases, at least \$50 million annually is required for USDA fresh fruit and vegetable acquisitions for schools. (The Department of Defense Fresh Fruit and Vegetable Program (“DoD Fresh”) is one of the ways this is accomplished). [7 U.S.C. 612c-4]</p>	<p>Establishes that the \$50 million fresh fruit and vegetable acquisition requirement remains in effect through FY2018. [Sec. 4201]</p>	<p>Establishes that the \$50 million fresh fruit and vegetable acquisition requirement remains in effect through FY2016. Includes a pilot grant program that would allow 5 states to use this fresh fruit and vegetable funding for their own local sourcing of produce. [Sec. 4049]</p>
<p>No comparable provision.</p>	<p>Creates a pilot project to purchase pulse crops (dry beans, dry peas, lentils, and chick peas) and pulse crop products for schools. This pilot is analogous to the whole grain pilot and also includes an evaluation component [42 U.S.C. 1755a; Sec. 14222(d) of P.L. 110-246]. Authorizes up to \$10 million in discretionary appropriations. [Sec. 4206]</p>	<p>No comparable provision.</p>

Current Law/Policy	Senate-Passed 2013 Farm Bill (S. 954)	House-Passed 2013 Farm Bill (H.R. 2642, Including Text of H.R. 3102)
<p><b>Farm-to-School Programs.</b> Section 9(d) of the Russell National School Lunch Act encourages schools to use available school lunch funds for local food purchases and to incorporate a local preference <b>[42 U.S.C. 1758(d)]</b>. Schools redeem National School Lunch Program commodity entitlement food assistance based on USDA's purchases and offerings <b>[42 U.S.C. 1754]</b>. P.L. 111-296 authorized and provided \$4 million for farm-to-school projects <b>[42 U.S.C. 1769(g)]</b>.</p>	<p>Requires USDA to conduct demonstration projects "to facilitate the purchase of unprocessed and minimally processed locally grown and locally raised agricultural products" for schools that participate in the National School Lunch and School Breakfast Programs. <b>[Sec. 4208]</b></p>	<p>Allows USDA to permit school food authorities with low annual commodity entitlement values to substitute local foods entirely or partially instead of USDA provided foods. Gives USDA discretion to establish cost-neutral farm-to-school demonstration projects. <b>[Sec. 4050]</b> (See also <b>[Sec. 4049]</b> discussed above)</p>

**Table A-11. Other Farm Bill Nutrition Program Proposals**

Current Law/Policy	Senate-Passed 2013 Farm Bill (S. 954)	House-Passed 2013 Farm Bill (H.R. 2642, including text of H.R. 3102)
<b>Senior Farmers' Market Nutrition Program</b>		
<p>Authorizes and provides \$20.6 million annually for the Senior Farmers' Market Nutrition Program through FY2012. <b>[7 U.S.C. 612c-4(b)]</b></p>	<p>Reauthorizes and continues to provide CCC mandatory funding of \$20.6 million annually through FY2018. <b>[Sec. 4202]</b></p>	<p>Provides CCC mandatory funding of \$20.6 million annually through FY2016. Expands eligibility from "low-income seniors" to "low-income seniors and low-income families who are determined to be at nutritional risk." Requires that at least 50% of the funds be reserved for seniors. Also adds an authorization to appropriate "such sums as are necessary" to the mandatory funding of \$20.6 million per year. <b>[Sec. 4046]</b></p>

Current Law/Policy	Senate-Passed 2013 Farm Bill (S. 954)	House-Passed 2013 Farm Bill (H.R. 2642, including text of H.R. 3102)
<b>Community Food Projects</b>		
<p>Permanently authorizes a grant program for eligible nonprofit organizations, in order to improve community access to food. Grants require 50% in matching funds. Provides \$5 million annually in mandatory funding for this purpose. 2008 farm bill added an authority and \$1 million in mandatory funding for FY2009-2011 for a Healthy Urban Food Enterprise Development Center. 2002 farm bill added a \$200,000 set-aside for Innovative Programs for Addressing Common Community Problems. <b>[7 U.S.C. 2034]</b></p>	<p>Amends the definition of Community Food Project, to include many of the entities and areas of expertise that may have been eligible for Hunger-free Community Grants [see Section 4204 below]. Deletes Healthy Urban Food Enterprise Development Center and Innovative Programs for Addressing Common Community Problems provisions. Adds the requirement that USDA report to Congress on these Community Food Project grants by September 30, 2014. Funding remains at \$5 million in annual mandatory funds. <b>[Sec. 4015]</b></p>	<p>Does not make any changes to organizations and purposes eligible for funds. Increases funding for community food projects to a total of \$15 million annually and carves out \$5 million of these funds for projects that would incentivize low-income households' fruit and vegetable purchases. <b>[Sec. 4026]</b></p>
<b>Other Nutrition and Food Security Programs</b>		
<p><b>Fresh Fruit and Vegetable Program</b> (program that provides fruit and vegetable snacks to school children throughout the day) purchases are limited to fresh fruits and vegetables. <b>[42 U.S.C. 1769a]</b></p> <p><b>Hunger-free Community Grants.</b> Authorized to be appropriated such sums as are necessary through FY2012 for matching grants (1) to food program service providers and nonprofits for collaborative efforts to assess community hunger problems and to achieve "hunger-free communities" and (2) to emergency feeding organizations for infrastructure development. Any available funding is to be divided equally between these 2 grant initiatives, and the federal matching percentage is limited to 80%. <b>[P.L. 110-246, Sec. 4405]</b> The 2008 farm bill also authorized pilot projects designed to improve the health status of participants, including a mandatory provision of \$20 million for "point of purchase incentive" projects. (USDA has since implemented the <i>Healthy Incentives Pilot</i> in Hampden County, Massachusetts) <b>[7 U.S.C. 2026(k)]</b></p>	<p>No comparable provision.</p> <p>Extends and amends the hunger-free community grants to "incentive grants" for projects that incentivize SNAP participants to buy fruits and vegetables. Limits federal cost share to 50%. Provides \$100 million in mandatory funding over 5 years. Discretionary authority of \$5 million per year. <b>[Sec. 4204]</b></p>	<p>Changes the name of the program to "Fruit and Vegetable Program." Would allow purchase and provision of frozen, canned, dried fruits and vegetables. <b>[Sec. 4048]</b></p> <p>No comparable provision.</p>

Current Law/Policy	Senate-Passed 2013 Farm Bill (S. 954)	House-Passed 2013 Farm Bill (H.R. 2642, including text of H.R. 3102)
<p>2002 farm bill authorized and 2008 farm bill extended discretionary authority for a “Nutrition Information Awareness Pilot Program.” [7 U.S.C. 1755a]</p>	<p>Repeals this section. [Sec. 4203]</p>	<p>Identical to the Senate bill. [Sec. 4047]</p>
<p>Currently, the Administration administers a <b>Healthy Food Financing Initiative</b> (HFFI) by requesting appropriations for several existing statutory authorities in order to provide grants and tax credits to support development of food retailers in underserved communities. Congress provided no funding for USDA for this initiative, but did provide \$22 million for the U.S. Department of the Treasury to administer the New Market Tax Credits for retail food outlets. [P.L. 112-55]</p>	<p>Authorizes up to \$125 million to be appropriated for a “Healthy Food Financing Initiative” to remain available until expended. USDA is authorized to approve a community development financial institution as “national fund manager” that would administer these funds by supporting food retail projects that would “expand or preserve access to staple foods” (as defined within this section) and accept SNAP benefits. [Sec. 4205]</p>	<p>Identical to Senate bill [Sec. 4052].</p>
<p>The Dietary Guidelines for Americans are jointly published by USDA and the Department of Health and Human Services. The Guidelines provide advice for people 2 years and older about how good dietary habits can promote health and reduce risk for major chronic diseases. Every five years, the two departments charter a committee to review the peer-reviewed, published science on diet and health and develop a report of its recommendations for the next edition of the Guidelines. [7 U.S.C. 5341(a)]</p>	<p>Requires that the Guidelines include specifications for pregnant women and children under the age of 2 years, by no later than the 2020 edition. [Sec. 4207]</p>	<p>No comparable provision.</p>
<p>In recent years, USDA has promulgated regulations for the Special Supplemental Nutrition Program for Women, Infants and Children (WIC), National School Lunch Program (NSLP), and School Breakfast Program (SBP) that affect consumption of white potatoes by program participants. Regulations for NSLP and SBP implement the most recent child nutrition reauthorization (P.L. 111-296). [42 U.S.C. 1753(b)(3); 7 C.F.R. parts 210, 225, 246]</p>	<p>No comparable provision.</p>	<p>Requires USDA to conduct “a review of the economic and public health benefits of white potatoes on low-income families who are determined to be at nutrition risk.” [Sec. 4051]</p>

Current Law/Policy	Senate-Passed 2013 Farm Bill (S. 954)	House-Passed 2013 Farm Bill (H.R. 2642, including text of H.R. 3102)
<p>No comparable provision in current law. In 1994, USDA convened a tri-agency “Commodity Improvement Council” to discuss the balance of nutrition content of products with support for domestic agriculture. The Council was composed of the Under Secretary for Food, Nutrition and Consumer Services; Under Secretary for Farm and Foreign Agriculture Services; and, the Assistant Secretary for Marketing and Regulatory Programs. The council published a report in 1995.</p>	<p>Requires USDA to establish a multiagency task force to provide guidance to the commodity distribution programs. Task force must be composed of at least 4 members, representing FNS’s Food Distribution Division, Agricultural Marketing Service (AMS), Farm Service Agency (FSA), and Food Safety and Inspection Service (FSIS). Task force is to report to Congress not later than one year after convening. The section does not include appropriations language. <b>[Sec. 4209]</b></p>	<p>No comparable provision.</p>
<p>No comparable provision.</p>	<p>Creates a Food and Agriculture Service Learning Program with statutory purposes that include: increasing capacity for food, garden, and nutrition education; complementing the work of the federal farm-to-school grants; coordinating with the related National Institute of Food and Agriculture (NIFA) work. USDA is to evaluate the program regularly and report the results to congressional committees of jurisdiction. \$25 million is authorized to be appropriated and is to remain available until expended. 20% of funds set aside for NIFA for particular purposes. Funding is to “supplement not supplant” current efforts. <b>[Sec. 4210]</b></p>	<p>No comparable provision.</p>
<p>No comparable provision.</p>	<p>No comparable provision.</p>	<p>Service of traditional foods in public facilities. Requires USDA to allow the donation and provision of traditional tribal foods, if the food service provider meets certain conditions. <b>[Sec. 4035]</b></p>
<p>No comparable provision.</p>	<p>No comparable provision.</p>	<p>Review of sole-source contracts. Requires USDA to study and issue a report to Congress on the effect of “sole-source contracts” in the nutrition programs. <b>[Sec. 4053]</b></p>

## **Author Contact Information**

Randy Alison Aussenberg  
Analyst in Nutrition Assistance Policy  
raussenberg@crs.loc.gov, 7-8641