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SNAP and Related Nutrition Provisions of the 2014 Farm Bill (P.L. 113-79)

Randy Alison Aussenberg

Analyst in Nutrition Assistance Policy

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Summary

After action to reauthorize the 2008 farm bill in both the 112th and 113th Congresses, the Agriculture Act of 2014 (P.L. 113-79; “2014 farm bill”) was enacted on February 7, 2014. In addition to farm programs and other agricultural policies, this newest omnibus farm bill reauthorizes the Supplemental Nutrition Assistance Program (SNAP) and other related nutrition programs. Farm bills since 1973 have included reauthorization of the Food Stamp Program (now called SNAP).

The enacted 2014 law reconciles differences between the House-passed bill (H.R. 2642, as combined with H.R. 3102, Nutrition Reform and Work Opportunity Act) and the Senate-passed bill (S. 954). The Nutrition Title reauthorizes SNAP and related programs for five years, and CBO estimates that the Nutrition Title will reduce spending by \$8.0 billion over 10 years (FY2014-FY2023). The SNAP provisions alone are estimated to reduce spending by slightly more than \$8.6 billion over 10 years. Certain other Nutrition provisions are estimated to increase spending, which together result in the total estimated reduction of \$8.0 billion.

Farm bill conferees were faced with significant differences in the SNAP provisions in the Senate- and House-passed bills. Over the 10-year budget window (FY2014-FY2023), CBO estimated that the Senate’s Nutrition Title would have reduced spending by approximately \$4 billion and the House’s Nutrition Title would have reduced spending by approximately \$39 billion. The House bill would have reauthorized SNAP and related programs for three years, while the Senate would have reauthorized the programs for five years.

Although the Nutrition Title of the 2014 law contains a number of provisions that change aspects of SNAP and related nutrition programs, conferees largely retained the provisions in the Food and Nutrition Act of 2008 and other nutrition program authorizing statutes. The budgetary impact of the 2014 farm bill’s Nutrition Title is largely the result of changes to SNAP eligibility and benefit calculation rules. The law’s treatment of major issues in households’ eligibility and benefit amounts include the following:

- The 2014 farm bill amends how Low-Income Home Energy Assistance Program (LIHEAP) payments are treated in the calculation of SNAP benefits. According to information from June 2012, this change to benefit calculation is expected to reduce household benefit amounts in approximately 17 states.
- The 2014 farm bill disqualifies from SNAP certain ex-offenders who are not complying with the terms of their sentence. This is a narrower disqualification than that proposed in the House and Senate bills.
- The law includes policies related to the SNAP Employment and Training (E&T) program, including a pilot project authority and related funding (\$200 million over FY2014 and FY2015) for states to implement and USDA to evaluate a variety of work programs for SNAP participants. The law includes the House bill’s provisions that would expand reporting measures for all E&T programs.
- The law makes no changes to broad-based categorical eligibility.
- The law does not give states the option to administer drug testing as part of their eligibility determination processes (as had been proposed in the House bill).

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 2014 farm bill includes the changes to retailer and redemption provisions that had been included in both the House and Senate bills. The law now requires stores to stock more fresh foods, requires retailers to pay for their electronic benefit transfer (EBT) machines, and provides additional funding for combatting trafficking (the sale of SNAP benefits). The 2014 farm bill also includes \$100 million in mandatory funding (over 10 years) for Food Insecurity Nutrition Incentive grants, which will support organizations that offer bonus incentives for SNAP purchases of fruits and vegetables.

The law increases funding 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 conference agreement is estimated to provide an additional \$205 million for TEFAP over 10 years, \$125 million of which is provided in the first five years.

The law's Nutrition Title includes many other changes to SNAP and related program 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. The 2010 child nutrition reauthorization (Healthy, Hunger-Free Kids Act of 2010, P.L. 111-296) has already reauthorized WIC and the child nutrition programs through FY2015, but the 2014 farm bill does include related policies, such as farm-to-school efforts.

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Introduction

Most recently, the farm bill nutrition programs were reauthorized by the Agricultural Act of 2014 (“2014 farm bill”; P.L. 113-79; enacted on February 7, 2014) after related action in the 112th Congress and the 113th Congress. The “farm bill” is an omnibus bill which reauthorizes dozens of agriculture and agriculture-related statutes and their programs approximately every five years.¹ Since 1973, the farm bill has included the Supplemental Nutrition Assistance Program (SNAP) (formerly, Food Stamp Program) and has come to include certain other (new and existing) nutrition programs administered by the U.S. Department of Agriculture’s Food and Nutrition Service (USDA-FNS).²

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, after which, most nutrition programs operated under the authority and funding of FY2014 appropriations (P.L. 113-76).³

This report discusses the Nutrition Title (Title IV) of the enacted 2014 farm bill. As Congress formulated the Nutrition provisions of the 2014 farm bill, policy makers grappled 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?⁴
- 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.
- Should certain populations (e.g., students, ex-offenders, lottery winners) be disqualified from receiving food assistance?

¹ See CRS Report RS22131, *What Is the Farm Bill?*, by Renée Johnson and Jim Monke.

² 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).

³ For further details, including operation of nutrition programs during the October 2013 partial shutdown, see CRS Report R42442, *Expiration and Extension of the 2008 Farm Bill*, by Jim Monke, Randy Alison Aussenberg, and Megan Stubbs, pp. 15-18.

⁴ After October 31, 2013, benefits decreased across the board. This change was the result of legislation passed in the 111th 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.

- 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 summarizes key SNAP and other nutrition provisions in the new law and in the 113th Congress's Senate and House farm bills. 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. The law's conference report, H.Rept. 113-333, is also a resource.

CRS Resources on Nutrition Assistance Programs and the 2014 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 2014 Farm Bill/Reauthorization

CRS Report R42591, *The 2014 Farm Bill: Changing the Treatment of LIHEAP Receipt in the Calculation of SNAP Benefits*, by Randy Alison Aussenberg and Libby Perl.

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

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

CRS Report R43400, *Work Requirements, Time Limits, and Work Incentives in TANF, SNAP, and Housing Assistance*, by Gene Falk, Maggie McCarty, and Randy Alison Aussenberg.

All Titles of 2014 Farm Bill

CRS Report R43076, *The 2014 Farm Bill (P.L. 113-79): Summary and Side-by-Side*, coordinated by Ralph M. Chite.

First, this report summarizes the enacted law's 113th Congress legislative history. Next, it presents the Congressional Budget Office (CBO) cost estimates of the new law's Nutrition Title as compared to those of the Senate and House bills. Finally, the report summarizes the new 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.

Appendix A provides a more detailed CBO estimate comparison table, and **Appendix B** includes a side-by-side table of every provision in the Nutrition Title conference proposals and enacted law.⁷

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

Tracking USDA’s Implementation of the 2014 Farm Bill

The USDA updates the public on farm bill implementation on its website.⁵ Implementation actions are organized by title; see “Title IV” for a list of SNAP and related nutrition programs implementation. Also, USDA-FNS’s *Federal Register* publications may assist in following implementation action.⁶

113th Congress Legislative Timeline of the Reauthorization of SNAP and Related Programs⁸

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.⁹ 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.

⁵ <http://www.usda.gov/wps/portal/usda/usdahome?contentidonly=true&contentid=progress-2014-farm-bill.html>.

⁶ <https://www.federalregister.gov/agencies/food-and-nutrition-service>.

⁷ Note: The tables in **Appendix B** have the same information as the Title IV table in CRS Report R43076, *The 2014 Farm Bill (P.L. 113-79): Summary and Side-by-Side*, coordinated by Ralph M. Chite.

⁸ This timeline does not include the 112th Congress actions that contributed to 113th Congress actions. See CRS Report R42829, *Domestic Food Assistance in 112th Congress 2012 Farm Bill Proposals: S. 3240 and H.R. 6083*, by Randy Alison Aussenberg.

⁹ 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.

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.

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 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.¹⁰ 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.

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.

October 1, 2013 through January 27, 2014: Conference Deliberations

The Senate appointed conferees on October 1, 2013; the House appointed conferees on October 13, 2013. October 30, 2013, was the first (and only) public meeting of the 40-member conference committee.

January 27, 2014, through February 7, 2014: Conference Report Introduction, Passage, and Enactment

On January 27, 2014, a conference agreement reconciling the differences between the two measures was reported as the Agricultural Act of 2014 (H.R. 2642, H.Rept. 113-333). Within eight days, both chambers approved the conference agreement, the House on January 29 by a vote of 251-166 and the Senate on February 4 by a vote of 68-32. On February 7, 2014, the President signed the bill, enacting P.L. 113-79.

CBO Cost Estimates

The Congressional Budget Office (CBO) estimates that over 10 years (FY2014-FY2023), the enacted 2014 farm bill will reduce spending by approximately \$8.0 billion.

¹⁰ See media coverage, for example, 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 the prior law baseline) of provisions in the Senate proposal, House proposal, and Conference Report (now, current law).

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.

As **Table 1** shows, CBO estimated that the 2014 farm bill's Nutrition Title—which contains SNAP and non-SNAP provisions—will result in a net reduction in spending of approximately \$8.0 billion over 10 years. The SNAP provisions alone are estimated to reduce spending by slightly more than \$8.6 billion over 10 years; certain non-SNAP provisions are estimated to result in spending increases. This is compared to the Senate bill's \$4 billion reduction and the House bill's \$39 billion reduction. The law's Nutrition Title cost estimate is largely the result of three SNAP policy decisions: the House's more stringent LIHEAP Standard Utility Allowance language, creating certain work-related pilot projects and related funding, and declining to make changes on SNAP categorical eligibility.

Subsequent sections of this report 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 113th Congress Farm Bills

10-year Estimates FY2014-FY2023

	Senate Conference Proposal ^a	House Conference Proposal ^b	Agricultural Act of 2014 (P.L. 113-79) ^c
<i>SNAP Categorical Eligibility</i>	Not applicable	-\$11.6 billion	Not applicable
<i>LIHEAP Treatment in SNAP Benefit Calculation</i>	-\$4.1 billion	-\$8.7 billion	-\$8.6 billion ^d
<i>Repeal of SNAP Performance Bonuses</i>	Not applicable	-\$480 million	Not applicable
<i>Repeal of States' SNAP Work Program Waiver Authority</i>	Not applicable	-\$19 billion	Not applicable
<i>SNAP Employment & Training (E&T) and Related Pilot Programs</i>	+\$26 million	+\$34 million	+\$250 million
<i>The Emergency Food Assistance Program (TEFAP)</i>	+\$54 million	+\$333 million	+\$205 million
<i>Misc. Decreases for SNAP and Other Nutrition Programs^e</i>	-\$79 million	-\$938 million	-\$95 million
<i>Misc. Increases and Interactions for SNAP and Other Nutrition Programs^e</i>	+\$244 million	+\$183 million	+\$191 million
NUTRITION TOTAL^f	-\$3.94 billion	-\$39.0 billion	-\$8.00 billion

	Senate Conference Proposal ^a	House Conference Proposal ^b	Agricultural Act of 2014 (P.L. 113-79) ^c
Cost Estimate as a Percentage of CBO's May 2013 Baseline SNAP Spending^g	-0.5%	-5.1%	-1.0%

Source: Table created by CRS based on the 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_0.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. 3102, <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.
- c. CBO estimate of H.R. 2642, Agricultural Act of 2014, <http://cbo.gov/publication/45049> (January 28, 2014).
- d. This cost estimate differs slightly from the House bill's estimate due to the timing of implementation.
- e. These rows condense multiple policies that CBO estimated will change Nutrition spending. The expanded list of these cost estimates is in **Table A-1**.
- f. Numbers may not add due to rounding by CRS.
- g. Calculations based on CBO's May 2013 baseline estimates of spending under SNAP current law, <http://cbo.gov/publication/44211>. Under current law, the May 2013 baseline estimates that SNAP spending will be approximately \$764 billion over 10 years.

For a more detailed look at the CBO cost estimates, see **Table A-1**, which breaks down the cost estimates of the 2014 law and proposals into further detail.

Supplemental Nutrition Assistance Program (SNAP): Selected 2014 Farm Bill Issues¹¹

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, like the farm bills before it, the vast majority of the spending authorized by the 2014 farm bill is for SNAP and related nutrition programs. According to CBO's baseline, direct spending projections authorized by the Nutrition Title represent approximately 79% of the 2014 farm bill's direct spending.¹² SNAP is an open-ended appropriated entitlement and program benefits are 100% federally funded.

In FY2013, SNAP benefits were provided to (a monthly average of) 47.6 million individuals at a cost of \$79.6 billion (96% of which was the cost of the benefits themselves). SNAP participation

¹¹ 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" also have implications for SNAP.

¹² Table 3 of CBO estimate of H.R. 2642, Agricultural Act of 2014, <http://cbo.gov/publication/45049> (January 28, 2014). See also CRS Report R42484, *Budget Issues That Shaped the 2014 Farm Bill*, by Jim Monke.

ebbs and flows in relation to the nation's economy.¹³ 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.¹⁴ Effective November 1, 2013 the ARRA's SNAP benefit boost has ended; for this and other economic reasons, CBO forecasts reductions in SNAP participation and spending beginning in FY2014.¹⁵

This statistical backdrop has affected the congressional debate over reauthorization of SNAP. This section of the report highlights SNAP issues in the new law (and Senate and House proposals to a lesser extent). SNAP topics are organized into five categories: 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 new law and the conference proposals, please see Table B-1 through Table B-7 in **Appendix B**.

SNAP Authorization and Appropriations

Background and Prior Law

Section 18(a) of the Food and Nutrition Act (codified at 7 U.S.C. 2027(a)) had authorized appropriations for SNAP through September 30, 2012, and P.L. 112-240 extended this authorization through September 30, 2013. Between October 1, 2013, and the enactment of P.L. 113-79 on February 7, 2014, Congress provided for FY2014 appropriations or other authority that allowed SNAP operations to continue.¹⁶

2014 Farm Bill: SNAP Reauthorized Through FY2018

The 2014 farm bill authorized appropriations for SNAP and the other programs that are funded through the SNAP account through September 30, 2018, the end of FY2018. In most farm bills in the past, SNAP was authorized for five years.¹⁷

¹³ 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>.

¹⁴ 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.

¹⁵ See CBO's May 2013 baseline for SNAP at <http://cbo.gov/publication/44211>.

¹⁶ After September 30, 2013, 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 partial 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. Note: This ARRA authority ended after October 31, 2013. See CRS Report R43257, *Background on the Scheduled Reduction to Supplemental Nutrition Assistance Program (SNAP) Benefits*, by Randy Alison Aussenberg and Gene Falk.

¹⁷ 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.

The House bill would have reauthorized the nutrition programs for *three* years (FY2014-FY2016), and the Senate's would have reauthorized the programs for *five* years (FY2014-FY2018). Throughout the farm bill formulation, some policy makers 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 was a step in that direction.

Table B-1 summarizes these differences.

SNAP Eligibility: Categorical Eligibility

Background and Current Law

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;¹⁸ 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 July 2013, 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 above as “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 line.¹⁹ As of July 2013, 43 states had chosen to implement broad-based categorical eligibility in

¹⁸ 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 FY2014, 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).

¹⁹ 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.

addition to traditional eligibility. Since few of the non-cash TANF-funded benefits require a test of assets, this option often means that applicants' assets are not checked.²⁰

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.

2014 Farm Bill: No Changes to Categorical Eligibility

Although the 113th Congress debated this policy, ultimately the new law did not include any changes to categorical eligibility.

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

Section 4005 of the House proposal would have repealed "broad-based categorical eligibility," and limited categorical eligibility to SNAP applicants that receive TANF cash assistance, SSI, or state-funded general assistance cash benefits. As shown in **Table 1**, CBO estimated that this change would have reduced spending by approximately \$11.6 billion over 10 years. CBO estimated that about 1.8 million people per year, on average, would lose benefits if they were subject to SNAP's income and asset tests.²¹

These provisions are summarized in **Table B-2**.

SNAP Eligibility: Work and Work-Related Rules

Background

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.²² 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 of 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

²⁰ 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.

²¹ CBO's estimate reflects reduced participation in SNAP as well as fewer children being eligible for free school meals. 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. In 2012, in their FY2013-FY2022 cost estimate for the 112th 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.

²² 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 2014 farm bill, policy makers debated whether to require more SNAP participants to be working in addition to or instead of receiving food assistance. Policy makers have also debated the potential paths to such an outcome, and the challenges of accomplishing the outcome during a still fragile economic recovery.

Before discussing the work-related policies enacted by the 2014 farm bill, this section discusses the aspects and relevant background for work requirements in SNAP. Ultimately, the farm bill made little change to these rules, but this background can assist in following ongoing debate and implementation of new policies.

In All States: Overview of SNAP Work-Related Requirements

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.²³ 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.²⁴

²³ 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; 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.

²⁴ Based on CRS tabulations of the FY2011 SNAP quality control data files.

In FY2013, states reported that 13.3 million participants were subject to SNAP work requirements and registered for work.²⁵

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.²⁶ 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.²⁷

In FY2013, states placed nearly 640,000 participants in E&T services.²⁸ Aside from these measures of participation, there has been little national data available on E&T programs. Ultimately, the enacted farm bill expands the capacity, reporting, and evaluation of states' E&T programs (more information under "2014 Farm Bill: Maintains Current Law, Adds and Funds Work-Related Pilot Program, Requires E&T Reporting").

"ABAWD" Time Limit²⁹

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

²⁵ See USDA FNS FY2015 Budget Explanatory Notes, <http://www.obpa.usda.gov/32fns2015notes.pdf>, pages "32-106"- "32-107."

²⁶ 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.

²⁷ 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.

²⁸ See USDA FNS FY2015 Budget Explanatory Notes, <http://www.obpa.usda.gov/32fns2015notes.pdf>, pages "32-106"- "32-107."

²⁹ 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 or Gene Falk at gfalk@crs.loc.gov.

Personal Responsibility and Work Opportunity Reconciliation Act of 1996 (PRWORA, P.L. 104-193).

SNAP law limits benefits for ABAWDs to 3 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.³⁰

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. (Further detail on the available waivers and exemptions from the ABAWD time limit is available in CRS Report R42505, *Supplemental Nutrition Assistance Program (SNAP): A Primer on Eligibility and Benefits*, by Randy Alison Aussenberg.)

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 6 months in a 36-month period.

Although the House proposal included changes to this rule, ultimately, the enacted law did not include those policies (more under “House Proposal—Proposed Four Approaches to Changing Work Rules.”

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.³¹ 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

³⁰ 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).

³¹ See 7 U.S.C. 2025(h).

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).³²

2014 Farm Bill: Maintains Current Law, Adds and Funds Work-Related Pilot Program, Requires E&T Reporting

The 2014 farm bill maintains the \$90 million per year in mandatory funding for E&T, including reversing the reduction to \$79 million made by the FY2014 Agriculture Appropriations law (P.L. 113-76). It makes no changes to the existing funding discussed above in the “SNAP E&T Financing” and no changes to the ““ABAWD” Time Limit.” For the most part, work registration and state E&T requirements remain the same, but Section 4022 does include an opportunity for some states to expand and test their SNAP E&T programs; the provision also requires reporting on outcomes and other performance indicators.

Section 4022 of the Agriculture Act of 2014 (P.L. 113-79, the “Farm Bill”) requires USDA to conduct pilot projects to test work and job readiness strategies for SNAP participants. This provision was a compromise conference agreement, between (1) no changes to work rules in the Senate-passed bill and (2) House-passed changes that would have required additional monitoring and reporting, a repeal of USDA’s authority to grant areas waivers from the ABAWD time limit, and a work-related pilot that would have offered fiscal incentives for states to reduce their SNAP caseloads. (See the following sections and **Table B-3** for more detail on the Senate and House bills.)

USDA is to select up to 10 pilot projects and provide grants to the states administering the chosen projects. Taken together, the projects must represent geographic diversity, target different subpopulations (e.g. participants subject to the ABAWD time limit, participants with limited work experience, or participants already working), test mandatory and voluntary E&T participation models, as well as meet other criteria. While the pilots could test some features comparable to TANF work programs, regular SNAP work rules regarding maximum hours of participation and limits to household sanctions still apply.

Each project may run for no longer than three years. USDA is to conduct an independent, longitudinal evaluation of the projects’ impact on participants’ employment and earnings outcomes.

³² 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. 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.

To fund the projects and their evaluation, the law provides mandatory funding of \$10 million in FY2014 and \$190 million in FY2015. The funding is available until the end of FY2018.

In addition to pilot projects, the law also requires all states to set performance goals for their existing SNAP Employment & Training (E&T) programs and to report annually. This policy was also included in the House bill.

Senate Proposal—Proposed No Changes to Work Rules

The Senate’s proposal would have made no change to work-related policies. By continuing to fund the SNAP E&T funding at \$90 million, the proposal incurred a cost from CBO, since the rescissions described earlier have reduced this amount in prior years.

House Proposal—Proposed Four Approaches to Changing Work Rules

The House’s conference proposal took four approaches to work rules. Section 4021 would have required additional monitoring of the reporting on SNAP E&T programs. Section 4023 would have provided \$10 million in mandatory funding each year in FY2014, FY2015, and FY2016 for an evaluation of pilot projects to identify best practices in SNAP E&T programs. Section 4009 would have repealed the authority for states and portions of states to apply for labor-market-based waivers of the ABAWD time limit. Section 4039 would have created a new pilot/state option where states would require a minimum of 20 hours of work for able-bodied individuals; this proposal would have reduced available E&T funding, but to the extent that an evaluation shows that such a pilot resulted in reduced federal spending, states would have been able to share half of those savings.

Table B-3 compares the House, Senate, and enacted work-related proposals.

SNAP Eligibility: Other Disqualifications

In addition to work-related disqualifications, like the ABAWD time limit, SNAP law provides various causes for temporary or permanent disqualification from the SNAP program. The 2014 farm bill added some additional disqualifications and amended some existing disqualifications. In addition to the discussion below, these disqualification provisions are summarized in **Table B-4**. The new law did not include the House’s proposal to allow states to drug test SNAP applicants and recipients.

College Students; Lottery Winners

Already prior to the 2014 farm bill, **college students** (attending higher education courses half-time or more) between ages 18 and 49 were—for the most part—ineligible for SNAP. A student enrolled in an institution of higher education more than half-time was 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);³³ (5) receiving TANF cash

³³ An otherwise ineligible student is eligible for SNAP if the student is (1) a single parent enrolled in school full-time (continued...)

assistance benefits; or (6) enrolled in school because of participation in certain programs (including SNAP E&T).³⁴

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

2014 Farm Bill: Identical Changes for College Students' and Lottery Winners' Disqualification

As proposed in the House and Senate bills, P.L. 113-79 made some additions regarding post-secondary students and gambling winnings:

- For post-secondary students, the law—retaining the existing rules for college students—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.
- The law creates more specific rules that 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.³⁵

Drug Testing for Applicants and Participants³⁶

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

(...continued)

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.

³⁴ 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).

³⁵ 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.”

³⁶ 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.

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).³⁷

2014 Farm Bill: Did Not Add a Drug Testing Requirement

The conference agreement did not include the House bill's provision that would have allowed states to enact legislation authorizing drug testing for SNAP applicants at full cost to the state.

Felony Convictions³⁸

Under prior law, the only criminal convictions that could impact eligibility for SNAP benefits were drug felony offenses (with some states opting out of or modifying the drug felony disqualification). The drug felony disqualification was added by the 1996 welfare reform law (PRWORA, P.L. 104-193).

2014 Farm Bill: Disqualifies Additional Ex-Offenders If They Are Not Compliant with the Terms of their Sentence

The 2014 farm bill disqualifies individuals convicted of specified federal crimes (including murder, rape, and certain crimes against children) and state offenses determined by the Attorney General to be substantially similar from receiving SNAP; however, *only when such individuals are not compliant with the terms of their sentence or are "fleeing felons."* The law still allows the disqualified ex-offender's household members to apply for and potentially receive benefits, but the household's benefit amount will likely be smaller than if the ex-offender is included. The amendments require the state agency that administers SNAP benefits to collect, in writing, information on SNAP applicants' convictions. The law also specifies that this disqualification is not to apply to convictions that occurred before the new law's enactment (February 7, 2014); this specification had been included in the House bill but not the Senate bill.

The new law is expected to affect fewer people than the broader disqualifications included in both the House and Senate conference bills. Both Section 4020 of the Senate bill and Section 4037 of the House proposal would have barred from receiving benefits individuals convicted of those same crimes listed in the final law (specified federal crimes, including murder, rape, and certain crimes against children, and state offenses determined by the Attorney General to be substantially similar).³⁹ The Senate and House proposals were 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.⁴⁰

³⁷ 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.

³⁸ See footnote 36.

³⁹ 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 raussenberg@crs.loc.gov or Richard M. Thompson II at rthompson@crs.loc.gov.

⁴⁰ 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-FY2023), depending upon whether the provision is interpreted to (continued...)

SNAP Benefit Calculation⁴¹

Becoming *eligible* for SNAP is only one part of the application process. Once deemed eligible, a household's *benefit amount is 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 2014 farm bill, for the most part, maintains current federal law on SNAP benefit calculation; however, the 2014 bill changes 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 law also included a restriction for medical marijuana in calculating an excess medical expenses deduction.

Table B-5 provides a side-by-side summary of SNAP benefit calculation provisions.

Standard Utility Allowances and the Treatment of LIHEAP Benefits⁴²

Prior Law: Receipt of Less than \$20 of LIHEAP Can Increase Benefit Amounts

The SNAP statute allows for certain deductions from income when calculating a household's monthly benefit amount; one of these deductions is the “excess shelter deduction,” which incorporates utility costs. If a family incurs heating and/or cooling expenses, this deduction from income can be higher than for households not incurring these expenses, allowing for a higher SNAP benefit for the household.

One way households can document heating and cooling expenses is by showing receipt of LIHEAP assistance. The documentation of LIHEAP receipt triggers a standard utility allowance (SUA), a state-specific figure based on the state's average utility costs that then enters into the SNAP benefit calculation equation. (Proof of heating or cooling expenses will trigger a higher SUA than proof of only telephone or water expenses.) 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 or if the SUA calculation results in a higher excess shelter deduction. Under prior law, any amount of LIHEAP assistance could increase benefit amounts;

(...continued)

apply to convictions that occurred before the change to SNAP eligibility law.

⁴¹ For an explanation of SNAP benefit calculation in general, see CRS Report R42505, *Supplemental Nutrition Assistance Program (SNAP): A Primer on Eligibility and Benefits*, by Randy Alison Aussenberg.

⁴² For further details and analysis of this policy, please see CRS Report R42591, *The 2014 Farm Bill: Changing the Treatment of LIHEAP Receipt in the Calculation of SNAP Benefits*, by Randy Alison Aussenberg and Libby Perl.

under the 2014 farm bill change (described below), LIHEAP assistance will have to be greater than \$20 per year in order to be included in a household's benefit calculation.

While virtually all SNAP states use LIHEAP in their benefit calculations, approximately 16 states had provided nominal LIHEAP benefits through a “Heat and Eat” practice.⁴³ “Heat and Eat” is a phrase that the low-income and anti-hunger advocacy community has used to describe state and program policies that leverage nominal (as little as 10 cents) LIHEAP payments into an increase in households' SNAP benefits that is larger than the initial LIHEAP payment. Also, a 17th state allowed SNAP applicants to benefit from an SUA if the household applied for LIHEAP. Thus, the farm bill is expected to change 17 states' administration of SNAP and is expected to reduce some households' benefit amounts.⁴⁴

2014 Farm Bill: Requires a LIHEAP Payment of Greater than \$20 to Trigger a Standard Utility Allowance

The 2014 farm bill's change in the law requires more than \$20 a year in LIHEAP assistance in order to trigger this potential increase in benefits. This change is expected to affect some households' SNAP benefit amounts, but it will not affect households' eligibility for SNAP benefits. This change is expected to particularly affect states that had implemented “Heat and Eat” policies.

Within the provisions of the new law, however, states and households may have some options to reduce the impact of this change. For instance, the law gives states the option to delay implementation or reduce its impact for as long as five months after the law takes effect. In addition to the option to delay implementation, a state continues to have the option to issue LIHEAP payments greater than \$20 to maintain benefit levels that had been based on more nominal LIHEAP payments. Following enactment, some states have already chosen to provide \$20 of energy assistance, at least in the short-term. USDA has issued two implementing memos to guide state planning.⁴⁵

Because SNAP benefits are 100% federally funded and because SNAP is an open-ended entitlement, policy changes to benefit amounts or eligibility can generate substantial changes in spending. As shown in **Table 1**, the Congressional Budget Office (CBO) estimated that this LIHEAP-related change included in the 2014 farm bill will reduce SNAP spending by approximately \$8.6 billion over the 10-year budget window of FY2014-FY2023.⁴⁶ (Although this change is similar to the House-passed proposal, it is estimated to impact spending slightly less

⁴³ Based on a June 2012 survey by USDA-FNS, there were 16 “heat and eat” states and one state that did 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 to implement the practice in October 2011 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.

⁴⁴ A 17th 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).

⁴⁵ http://www.fns.usda.gov/sites/default/files/LIHEAP_Implementation_Memo.pdf; <http://www.fns.usda.gov/snap-section-4006-agricultural-act-2014-questions-and-answers>.

⁴⁶ Congressional Budget Office, *Cost Estimate: H.R. 2642: Agricultural Act of 2014*, January 28, 2014, <http://www.cbo.gov/sites/default/files/cbofiles/attachments/hr2642LucasLtr.pdf>.

due to the timing of implementation.)⁴⁷ CBO last published an estimate of households affected with their cost estimate for the House bill; at that time, CBO estimated that 850,000 SNAP-recipient households each year, on average, would have their benefits reduced by an average of \$90 per household per month.⁴⁸

Congress's final decision to change the law came after the passage of related proposals in both the House and the Senate. The 113th Congress's Senate-passed farm bill (S. 954) would have set a \$10 threshold for LIHEAP payments to confer this potential advantage. The House-passed farm bill (H.R. 2642 combined with H.R. 3102) included the \$20 threshold.

Medical Marijuana and Excess Medical Expense Deduction

Background

Section 5(e) of the Food and Nutrition Act, 7 U.S.C. 2014(e)(5), specifies the parameters for an excess medical expense deduction. Households that contain an elderly or disabled member are eligible to have this deduction included in their net income (where applicable) and benefit calculation processes.

It was reported that certain states were including a household's medical marijuana expenses to determine a household's excess shelter deduction. In a July 10, 2012, memorandum to regional directors, FNS "reaffirmed its longstanding policy that a household may not use the SNAP medical deduction for the cost of any substance considered illegal under Federal law," and went on to say that, "States that currently allow for the deduction of medical marijuana must cease this practice immediately and make any necessary corrections to their State policy manuals and instructions. Cases that cannot be readily identified must be corrected at the time of recertification or periodic report, whichever is sooner. States that are not in compliance may face penalties for any overissuance of SNAP benefits."⁴⁹

2014 Farm Bill: Requires USDA to Promulgate Regulations on the Exclusion of Medical Marijuana from Excess Medical Expense Calculation

The law 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. The House bill had included this provision, but the Senate bill did not.

⁴⁷ CBO estimated the change included in House-passed H.R. 3102 would have resulted in savings of \$8.7 billion over the same 10-year period. Congressional Budget Office, *Cost Estimate: Nutrition Reform and Work Opportunity Act of 2013*, September 16, 2013, <http://cbo.gov/sites/default/files/cbofiles/attachments/HR3102.pdf>. CBO estimated that the policy change in S. 954, as passed by the Senate, would have garnered savings of \$4.1 billion over 10 years (FY2014-FY2023), Congressional Budget Office, *Cost Estimate: Agriculture Reform, Food, and Jobs Act of 2013*, May 17, 2013, http://www.cbo.gov/sites/default/files/cbofiles/attachments/s954_StabenowLtr.pdf.

⁴⁸ Congressional Budget Office, *Cost Estimate: Nutrition Reform and Work Opportunity Act of 2013*, September 16, 2013, <http://cbo.gov/sites/default/files/cbofiles/attachments/HR3102.pdf>.

⁴⁹ Lizbeth Silbermann, Director, Program Development Division, *Medical Deductions - Medical Marijuana and Other Illegal Substances*, USDA Food and Nutrition Service, Memorandum to All SNAP Regional Directors, July 10, 2012.

SNAP-Authorized Retailers and Benefit Redemption Issues

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*.⁵⁰

During the formulation of the 2014 farm bill, proposals that relate to eligibility and benefit amounts have garnered the most attention, but arguably it is the law's retailer-related provisions that present the biggest changes to how SNAP will operate. The 2014 farm bill makes changes to (1) the requirements for becoming a SNAP retailer ("Definition of Retail Food Store: Store Inventory and EBT Service"), (2) using technology for EBT transactions ("New Technology for EBT Redemption"), and (3) specific types of retailers that may accept SNAP ("Specific Retailers"). The law also includes resources and policies intended to further prevent the illegal use of benefits ("Trafficking"). In addition to those discussed below, **Table B-6** includes a summary of all of the related provisions.

Definition of Retail Food Store: Store Inventory and EBT Service

Prior Law and Background

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 included—before the 2014 farm bill—within that definition an establishment that either (1) offers, on a continuous basis, *a variety of* foods in each of four staple food categories,⁵¹ including perishable foods in at least *two* of the categories, or (2) has over 50% of its sales in staple foods. While the authority existed to consider the nature and extent of the food business conducted, there was no statutory provision tying a retailer's sales of non-food items (e.g., alcohol and tobacco) to its authorization.⁵²

2014 Farm Bill: Requirements to Carry a Greater Variety of Foods, Before Accepting SNAP

The 2014 farm bill amended SNAP's definition of retail food store. The law requires 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, stores must offer *at least seven* foods in each of the four staple food categories. The law gives USDA the authority "to consider whether the applicant is located in an area with significantly limited access to food" in its authorization of stores. The law also adds requirements about the adequacy of the store's EBT service.

⁵⁰ CRS Report R42505, *Supplemental Nutrition Assistance Program (SNAP): A Primer on Eligibility and Benefits*, by Randy Alison Aussenberg, pp. 15-18, provides a primer on the issuance and redemption of benefits.

⁵¹ 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."

⁵² 7 U.S.C. 2012(p)(1), 2018.

The House and Senate bills would have required stores to carry perishable foods in at least three of the staple food categories. The Senate bill during the 112th Congress would have required SNAP-authorized retailers to have limited sales of alcohol and tobacco.⁵³

Electronic Benefit Transfer Equipment and Manual Vouchers

Prior Law and Background

Prior to the 2014 farm bill, an electronic benefit transfer (EBT) point-of-sale machine could 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. 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. Prior to the 2014 law, there were no statutory requirements regarding unique terminal identification numbers for EBT machines.⁵⁴

2014 Farm Bill: Requires Retailers to Purchase EBT Machinery, Further Limits Manual Vouchers

The 2014 law changed the policy around EBT equipment and the related topic of manual vouchers. The law shifts the costs of EBT machinery to retailers. CBO estimated that this change would save \$77 million over 10 years (see **Table A-1**).

The law also bars 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.

It requires 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 law includes further details for the “unique terminal 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.

For the most part, these proposals about EBT machinery and manual vouchers were included in both the House and Senate bills.

⁵³ See CRS Report R42829, *Domestic Food Assistance in 112th Congress 2012 Farm Bill Proposals: S. 3240 and H.R. 6083*, by Randy Alison Aussenberg.

⁵⁴ 7 U.S.C. 2016(f), 2018(h)(3).

New Technology for EBT Redemption

Prior Law and Background

Prior to the new farm bill, government funding typically provided for only *wired* EBT machines. No provisions of the authorizing statute explicitly authorized redemption of SNAP benefits via wireless EBT machinery or online SNAP transactions.

Advocates had asked for technological accommodations for farmers' markets and other direct-to-consumer venues.⁵⁵ From FY2012 appropriated resources, USDA used \$4 million to expand EBT point of sale devices at farmers' markets.⁵⁶

Also, prior to the new law, using a SNAP EBT card to make purchase over the Internet was neither allowed nor technologically feasible.

2014 Farm Bill: Authorizes Technology Modernization Demonstration Projects That Could Lead to More Permanent Authorization

The enacted law requires USDA, depending on results of an authorized demonstration project, to authorize retailers that conduct EBT transactions using mobile technologies (defined as "electronic means other than wired point of sale devices") if retailers meet certain requirements. Similar to the mobile technologies provision, the bill includes a 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.

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

Specific Retailers

Prior Law and Background

Prior to the 2014 farm bill, shares in a **Community Supported Agriculture**⁵⁷ (CSA) establishment were 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.

⁵⁵ 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.

⁵⁶ P.L. 112-55. 7 U.S.C. 2016(h). See also USDA-FNS Website update on this funding, <http://www.fns.usda.gov/sites/default/files/FM-update.pdf>.

⁵⁷ 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.

Also prior to the 2014 law, **nonprofit grocery delivery services** for the elderly and disabled were not included as a “retail food store” that can accept SNAP benefits. Such establishments would have to 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 had been able to choose to operate **restaurant meals programs**,⁵⁸ 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. FY2012 redemption data indicate that approximately \$44.3 million (or less than 0.1% of SNAP benefits) were redeemed at “meal delivery/private restaurants.”⁷

2014 Farm Bill: CSAs and Certain Grocery Delivery Services to Accept SNAP, Changes to Restaurant Meal Program

The 2014 farm bill makes SNAP benefits redeemable for shares of Community-Supported Agriculture (CSA). This was included in the Senate and House bills.

The law adds “governmental or private nonprofit food purchasing and delivery service” 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. The law requires USDA regulations to include certain protections and limitations, and, until the regulations have been issued, the USDA may not approve more than 20 such purchasing and delivery services. This change is substantially similar to the Senate and House proposals.

Also, the law added responsibilities for state agencies, private establishments, and USDA before restaurants would be able to participate in a restaurant meals program. For restaurants that had contracted with the state to accept SNAP benefits before this provision was enacted, the restaurant would be able to continue to accept SNAP without meeting the additional requirements for no more than 180 days. This had been included in the Senate and House bills as well.

Trafficking

Prior Law and Background

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 a 2006-2008 study.⁵⁹

⁵⁸ 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).

⁵⁹ 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 (continued...)

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).⁶⁰ 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.⁶¹ Prior to the 2014 farm bill, the only mention of replacement cards in the authorizing statute was 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.⁶²

2014 Farm Bill: New Trafficking Funding, Replacement Card Measures

To track and prevent SNAP trafficking, the 2014 farm bill provides \$15 million in mandatory funding in FY2014, which is available until expended. The law also authorizes up to \$5 million, subject to appropriations, for each year from FY2014 through FY2018. The Senate's bill would have provided USDA \$5 million in FY2014 in additional mandatory funding; it also would have authorized \$12 million subject to appropriations for each year from FY2014 to FY2018. The House proposal was similar to the Senate's except that the House would have provided USDA \$5 million annually for three years.

The 2014 farm bill adds additional statutory measures regarding "the purposeful loss of cards." The law permits USDA to authorize a state agency to decline a participant's request for a replacement card, unless the household provides an explanation for the loss of the card. The provisions specify that USDA regulations 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. This change to the prior law was included in the Senate and House bills.

Other SNAP Funding, Policies

Throughout the formulation of the new law, policy makers showed interest in reducing federal spending, including in the Nutrition Title. For some policy makers, there was interest in doing that without affecting benefits, but that can be difficult. Each year, roughly 95% of SNAP spending is on the benefits themselves,⁶³ and around 5% is on non-benefit costs, such as the federal match to states' administrative costs, the related Nutrition Education and Obesity

(...continued)

and Nutrition Service, August 2013., <http://www.fns.usda.gov/extent-trafficking-supplemental-nutrition-assistance-program-2009-2011-august-2013>.

⁶⁰ 7 U.S.C. 2021(b)(3).

⁶¹ 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.

⁶² 7 U.S.C. 2016(h)(8).

⁶³ See SNAP annual spending data on USDA-FNS website, <http://www.fns.usda.gov/pd/SNAPsummary.htm>.

Prevention Grant program, SNAP Employment and Training funds, and the awards for high-performing states. This section summarizes two areas addressed in formulation of the new law, and a complete summary of the other SNAP provisions is in **Table B-7**.

SNAP Performance Bonuses for State Agencies

Prior Law and Background

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.⁶⁴ 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.⁶⁵ There had been 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.

2014 Farm Bill: Retains Performance Award Program, but Requires Reinvestment

The law amended the SNAP performance bonus payments so their reinvestment in the program is required. This was the same as the Senate bill.

The House bill would have repealed USDA's 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 prevention program for eligible individuals that promotes healthy food choices consistent with the most recent Dietary Guidelines for Americans.”⁶⁶ The authorizing law provides mandatory funding of \$375 million in FY2011 and adjusts for inflation each year thereafter. The program received \$401 million in FY2014.

⁶⁴ 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.

⁶⁵ Based on USDA-FNS information provided at <http://www.fns.usda.gov/snap/government/program-improvement.htm>.

⁶⁶ 7 U.S.C. 2036a(b).

2014 Farm Bill: No Change to Funding Level, Broadens Use of Funds

The law amends the Nutrition Education and Obesity Prevention Grants so that funds may also be used for programs that promote physical activity. This was a change included in the House and Senate bills.

The House bill would have reduced funding in FY2014 and then would have adjusted for inflation in subsequent years; CBO estimated that that proposal would have reduced funding for the program by \$146 million over 5 years and \$308 million over 10 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”), the 2014 farm bill continues operations for the programs in general. **Table B-8** summarizes the other proposals for these programs.

FDPIR

Background

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.

2014 Farm Bill: Reauthorizes Local Foods Pilot, Authorizes Feasibility Study

The law, as House and Senate bills proposed, continues to authorize FDPIR and reauthorizes the local foods pilot program through the end of FY2017. The law requires USDA to study the feasibility of tribes, as opposed to states, operating nutrition assistance programs, in addition to FDPIR, and it provides (in FY2014 but available until expended) \$1 million in mandatory funding. An authorization of this feasibility study was also included in the House and Senate bills.

The law also directs USDA to carry out a demonstration project for the purchase of traditional and local foods. The Senate bill had included a set-aside from existing funding which would allow tribes to substitute local, tribal foods for up to 5% of the USDA commodities received through FDPIR; the 2014 farm bill does not include this policy.

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

Background

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 2010.⁶⁷ 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.⁶⁸

2014 Farm Bill: Phases Out Puerto Rico's Provision of Cash; SNAP Pilot in CNMI

The 2014 farm bill includes a policy that will phase out the block grant's provision of cash assistance over time. It first provides a mandatory \$1 million in FY2014 for USDA (and HHS) to study aspects of Puerto Rico's 25% cash practice. After a report to Congress on the study, USDA is to annually phase out the provision of cash beginning in FY2017 until no cash is provided in FY2021. The law includes exceptions for vulnerable populations. The House proposal would have amended 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 had to provide benefits only in EBT form.

For the Commonwealth of the Northern Mariana Islands, similar to the House's proposal, the law authorizes and provides \$1 million in both FY2014 and FY2015 for a feasibility study of CNMI's capacity to administer a SNAP pilot. Then—if determined to be feasible—the law authorizes and

⁶⁷ 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>.

⁶⁸ *Ibid.*, at p. iii.

provides administrative and technical assistance funds to support the pilot (\$13.5 million in FY2016, \$8.5 million in each of FY2017 and FY2018). Different from the House proposal, the law adds that if the pilot is found to be unfeasible, then the funding will instead be added to CNMI's existing block grant.

The Senate bill did 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.⁶⁹ 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).⁷⁰ All of the new law and conference proposal provisions that pertain to commodity distribution are summarized in **Table B-9**.

The Emergency Food Assistance Program (TEFAP)

Background and Prior Law

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.

TEFAP's mandatory funding for “entitlement commodities” for FY2012 and subsequent years (FY2013, FY2014) 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; in recent years, funding of approximately \$50 million has been provided. The law also authorizes to be appropriated up to \$15 million in TEFAP infrastructure grants; funds have not been appropriated for these grants since FY2010.

⁶⁹ “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.

⁷⁰ 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>.

Before the 2014 farm bill, there was no statutory requirement about Kosher or Halal foods.

2014 Farm Bill: Increases Entitlement Commodities Funding, Makes Funds Available for Two Years

According to CBO's accounting for inflation, the 2014 farm bill increases funding for TEFAP's entitlement commodities by \$125 million over five years and \$205 million over 10 years. The increases will first take effect in FY2015 with an increase of \$50 million above prior law.

Both proposals would have increased mandatory funding for TEFAP, but in differing amounts and with different approaches. The Senate bill would have increased entitlement commodity funding by \$54 million over 10 years, and the House bill would have increased entitlement commodity funding by \$333 million over 10 years.

In addition, the new law includes a provision that requires USDA to devise a plan for increasing purchases and modifying the labeling of Kosher and Halal foods at emergency feeding organizations. This policy had been included in the House bill, but not in the Senate bill.

The new law also requires funding for TEFAP to be available to be spent over a two-year period, and it reauthorizes the discretionary program, TEFAP infrastructure grants. Both of these policies had been included in the House and Senate bills.

Commodity Supplemental Food Program (CSFP)

Background and Prior Law

CSFP is a household-based food assistance program that provides distribution of USDA commodity foods to a household. The program operates in 39 states, DC, and through two Indian Tribal Organizations. Prior to the 2014 farm bill, low-income women, infants, children under six, and the elderly (60 or over) could participate in the program. In FY2013, over 97% of CSFP participants were elderly, with under 3% being non-elderly women, infants, and children under 6.

2014 Farm Bill: Reauthorizes CSFP as a Seniors-Only Program

The new law reauthorizes CSFP through FY2018.

As included in the House and Senate bill, the new law makes a change to eligibility rules, 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, and women, infants, and children usually opt to participate in the Special Supplemental Nutrition Program for Women, Infants, and Children (WIC). The provision includes some protections for the low-income women, infants, and children already participating in CSFP.

FNS has already issued guidance on how this provision is to be implemented.⁷¹

⁷¹ USDA-FNS, *Commodity Supplemental Food Program (CSFP) - Implementation of the Agricultural Act of 2014 (P.L. 113-79)*, http://www.fns.usda.gov/sites/default/files/CSFP_Farm_Bill_Implementation_Memo.pdf.

Commodity Foods in School Meals

Background

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, which also serves adult day care settings) 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 FY2013, approximately 10% of the federal assistance for the National School Lunch Program was in the form of donations of USDA commodity purchased foods.⁷² 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) from USDA's offerings.⁷³ Some stakeholders have been interested in assuring that entitlement commodity assistance can instead be used for local purchases instead of USDA foods.

The 2014 farm bill contained various policies that 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 B-9**.

2014 Farm Bill: Added Additional Options for Commodity Foods

Processing of USDA Commodities. The new law, like the House and Senate bill proposed, extends the authority for USDA to enter into reprocessing agreements with private companies in order to process commodity foods. The law, like the House and Senate bills, also includes a new provision that allows USDA to contract with a processor and retain title to those foods while processing.

USDA purchases of fresh fruits and vegetables; farm to school. The new law, like the House and Senate bills proposed, continues the requirement that \$50 million of USDA's additional acquisitions of fruits and vegetables be fresh fruit and vegetables. The law, similar to the House proposal, also creates a pilot grant program that would allow eight states to use this funding for their own local sourcing of fresh fruits and vegetables.

⁷² See USDA-FNS data at <http://www.fns.usda.gov/pd/cncosts.htm>.

⁷³ USDA commodity foods per-meal rate is codified in law at 42 U.S.C. 1754. See USDA-FNS factsheet for more information on USDA commodity foods in the child nutrition programs, [http://www.fns.usda.gov/sites/default/files/pfs-schcnp_final_revised-11-26-12\(2\).pdf](http://www.fns.usda.gov/sites/default/files/pfs-schcnp_final_revised-11-26-12(2).pdf).

Pulse crop pilot program. The new law included the Senate bill’s proposal to 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 are authorized.

Other Farm Bill Nutrition Program Provisions

The 2014 farm bill’s Nutrition Title contains numerous other new and reauthorized programs and policies. 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 new mandatory funding that makes federal funding available for SNAP bonus incentive projects. While only a select overview is included in the list below, all remaining provisions are summarized in **Table B-10**.

Senior Farmers’ Market Nutrition Program: Reauthorization. The new law reauthorizes the Senior Farmers’ Market Nutrition Program, which provides formula grants to participating states to run programs for seniors to redeem vouchers at area farmers’ markets, through FY2018.⁷⁴ Funding remains at \$20.6 million in mandatory funding per year, transferred from the Commodity Credit Corporation, so appropriations are not required. The House and Senate had proposed reauthorization at \$20.6 million, but the House bill had also proposed further amendments to the program, which were not adopted. Namely, the House proposal would have expanded eligibility from “low-income seniors” to “low-income seniors and low-income families who are determined to be at nutritional risk,” and a House amendment further specified that 50% of the funding would be for seniors.

Fresh Fruit and Vegetable (“Snack”) Program: Pilot Project to Include Frozen, Canned, and Dried Products. 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 have made changes to the program’s authorization; namely, it would have stricken “fresh” from the program’s title and authorization and would allow the inclusion of frozen, dried, and canned fruits and vegetables. Instead, the new law includes a pilot project that requires USDA to test schools offering frozen, dried, and canned fruits and vegetables in at least five states. The new law includes \$5 million to implement and evaluate this pilot.

Community Food Projects: Increased Funding, Eligibility for Gleaners. 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.⁷⁵ The 2014 farm bill reauthorized the program, and increased mandatory funding by \$4 million each year to a total of \$9 million in FY2015 and each fiscal year thereafter. The new law also included the Senate bill’s expansions of eligible organizations and purposes, plus added gleaners (entities that glean fields for food donations to nutrition programs) as eligible. The Senate bill would have continued to provide the \$5 million, and the House would have increased funding to \$15 million per year, carving out \$5 million of those funds for projects that would incentivize low-income households’ fruit and vegetable purchases.

⁷⁴ In FY2012, SFMNP operated in 42 states, DC, Puerto Rico, and 7 Indian Tribal Organizations.

⁷⁵ 7 U.S.C. 2034.

“Food Insecurity Nutrition Incentive” Grants. The 2014 farm bill includes a new mandatorily funded grant program to support programs that provide SNAP households incentives when they purchase healthy foods. This policy (under the name Hunger-free Community Incentive Grants) was included in the Senate bill but not the House. Like the Senate bill, the new law includes \$100 million in mandatory funding over five years for these grants. These competitive grants will be for projects that incentivize SNAP participants to buy fruits and vegetables. Until this federal funding opportunity, such bonus incentive projects were funded only by non-federal funds.⁷⁶

Healthy Food Financing Initiative: Streamlined Program at USDA. 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 included 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. The new law included this language.

⁷⁶ 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 A. 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 ^a	House Conference Proposal ^b	Conference Report ^c
SNAP Retailer Equipment	-\$79 million	-\$79 million	-\$77 million
SNAP Categorical Eligibility	Not applicable	-\$11.6 billion	Not applicable
SNAP Treatment of LIHEAP in Benefit Calculation	-\$4.1 billion	-\$8.7 billion	-\$8.6 billion ^d
Repeal of SNAP Performance Bonuses	Not applicable	-\$480 million	Not applicable
Nutrition Education and Obesity Prevention Grant Program (SNAP Nutrition Education)	\$0	-\$308 million	\$0
Repeal of labor-market-based ABAWD waivers	Not applicable	-\$19.0 billion	Not applicable
Testing applicants for the unlawful use of controlled substances	Not applicable	-\$35 million	Not applicable
Eligibility Disqualifications for Certain Convicted Felons	Not available ^e	-\$21 million	\$0 ^f
Expungement of Unused SNAP Benefits	Not applicable	-\$95 million	Not applicable
SNAP Retailer Trafficking	+\$5 million	+\$50 million	+\$15 million
SNAP Employment & Training (E&T) Program and Pilot Projects (when applicable)	+\$26 million	\$34 million ^g	\$250 million ^h
Wage Verification Using the National Directory of New Hires	Not applicable	Included in the E&T estimate above	-\$18 million
Hunger-free Communities Grants and Bonus Incentives	+\$100 million	Not applicable	+\$100 million ⁱ
The Emergency Food Assistance Program (TEFAP)	+\$54 million	+\$333 million	+\$205 million
Community Food Projects	\$0	+\$100 million	+\$36 million
Food Distribution Program on Indian Reservations	+\$60 million	Not applicable	+\$1 million
CNMI Pilot	Not applicable	+\$33 million	+\$33 million
Pilot project for Canned, Frozen, or Dried Fruits and Vegetables	Not applicable	Not applicable	+\$5 million
Interactions Between SNAP Eligibility and Benefit Calculation Proposals	Not applicable	+\$715 million	Not applicable

	Senate Conference Proposal ^a	House Conference Proposal ^b	Conference Report ^c
Total Estimated Savings from Title IV (Over 10 years)	-\$4.0 billion	-\$39.0 billion	-\$8.0 billion

Source: Table created by CRS based on the 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_0.pdf (May 17, 2013). Does not include estimates of amendments that were added during floor consideration.
- b. 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.
- c. CBO estimate of H.R. 2642, Agricultural Act of 2014, <http://cbo.gov/publication/45049> (January 28, 2014).
- d. This cost estimate differs slightly from the House bill’s estimate due to the timing of implementation.
- e. 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. Senate revision
- f. The conference agreement includes a modified provision on ex-offenders eligibility for SNAP, CBO has not estimated any costs or savings associated with the modified provision.
- g. This is the sum of CBO’s H.R. 3102 10-year cost estimates of \$30 million and \$4 million for two different pilot project provisions.
- h. In the conference agreement, SNAP Employment and Training and “Pilot projects to reduce dependency and increase work requirements and work effort” are included in the same section and therefore in the same CBO cost estimate.
- i. In conference agreement, these are called “Food Insecurity Nutrition Incentive Grants.”

Appendix B. Comparison of the Enacted 2014 Farm Bill (P.L. 113-79) Nutrition Title to the Nutrition Titles of the 2013 Conference Proposals and Prior Law

Table B-1. SNAP Authorization and Appropriations

Prior Law/Policy	Senate-Passed 2013 Farm Bill (S. 954)	House-Passed 2013 Farm Bill (H.R. 2642, including text of H.R. 3102)	Enacted 2014 Farm Bill (P.L. 113-79)
Appropriations. 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]	Identical to the Senate bill. [Sec. 4024]

Table B-2. SNAP Eligibility: Categorical Eligibility

Prior Law/Policy	Senate-Passed 2013 Farm Bill (S. 954)	House-Passed 2013 Farm Bill (H.R. 2642, Including Text of H.R. 3102)	Enacted 2014 Farm Bill (P.L. 113-79)
Broad-based Categorical Eligibility. 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]	No comparable provision.

Table B-3. SNAP Eligibility: Work and Work-related Rules

Prior Law/Policy	Senate-Passed 2013 Farm Bill (S. 954)	House-Passed 2013 Farm Bill (H.R. 2642, Including Text of H.R. 3102)	Enacted 2014 Farm Bill (P.L. 113-79)
<p>Employment and Training (E&T) Funding. The federal government funds SNAP E&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&T 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. [7 U.S.C. 2025(h)]</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. [Sec. 4013]</p>	<p>Reduces the \$90 million to \$79 million for each year of authorization. [Sec. 4020]</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. [Sec. 4039 (discussed further below)]</p>	<p>Similar to the Senate bill except that it includes additional specifications for USDA's reallocation of E&T funding. [Sec. 4022]</p>
<p>Administration, Evaluation of Work Requirements and Work Programs. 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&T activity. Each state is required to submit an E&T plan to USDA. State E&T programs' available activities vary. Program requirements, uptake of these funds, and activities designed vary by state. [7 U.S.C. 2015(d)(4), 7 U.S.C. 2025(h)]</p>	<p>No comparable provision.</p>	<p>Establishes additional monitoring, performance measures, and reporting requirements for SNAP E&T. [Sec. 4021] See also Sec. 4022 below.</p> <p>Authorizes pilot projects to identify best practices for E&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. [Sec. 4023]</p> <p>Requires USDA to authorize all interested and eligible states to participate in a work-related requirement pilot. This pilot would</p>	<p>Includes requirements that are similar to House's monitoring provision except that it includes additional specifics for USDA's oversight. [Sec. 4022]</p> <p>Incorporating some aspects of the House proposal's sections 4023 and 4039, requires USDA to conduct pilot projects to test work and job readiness strategies for SNAP participants. USDA is to select up to 10 pilot projects and provide grants to the states that run them. Projects are to represent a diversity of states, target different subpopulations, include mandatory and voluntary participation models, run for no more than three years, and meet other specified criteria. USDA is to conduct an independent longitudinal evaluation of the projects' impact on employment and earnings outcomes for SNAP</p>

Prior Law/Policy	Senate-Passed 2013 Farm Bill (S. 954)	House-Passed 2013 Farm Bill (H.R. 2642, Including Text of H.R. 3102)	Enacted 2014 Farm Bill (P.L. 113-79)
<p>Time limits for ABAWDs. 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. [7 U.S.C. 2015(o)]</p>	<p>No comparable provision.</p>	<p>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-FY2017 for program evaluations. [Sec. 4039]</p> <p>Repeals the authority to grant waivers for a geographic 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. [Sec. 4009]</p>	<p>participants. Provides mandatory funding of \$10 million in FY2014 and \$190 million in FY2015; funding is available until end of FY2018. Project funding is not conditioned on caseload reductions and while pilot may test features comparable to TANF programs, regular SNAP work rules regarding maximum hours of participation and limits to sanctions still apply. [Sec. 4022]</p> <p>No comparable provision.</p>

Table B-4. SNAP Eligibility: Other Disqualifications

Prior Law/Policy	Senate-Passed 2013 Farm Bill (S. 954)	House-Passed 2013 Farm Bill (H.R. 2642, Including Text of H.R. 3102)	Enacted 2014 Farm Bill (P.L. 113-79)
<p>Student Eligibility. 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. [7 U.S.C. 2015(e)]</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. [Sec. 4004]</p>	<p>Identical to the Senate bill. [Sec. 4008]</p>	<p>Identical to the House and Senate bills. [Sec. 4007]</p>
<p>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]</p>	<p>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]</p>	<p>Identical to the Senate bill. [Sec. 4010]</p>	<p>Identical to the House and Senate bills. [Sec. 4009]</p>

Prior Law/Policy	Senate-Passed 2013 Farm Bill (S. 954)	House-Passed 2013 Farm Bill (H.R. 2642, Including Text of H.R. 3102)	Enacted 2014 Farm Bill (P.L. 113-79)
<p>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.” [7 U.S.C. 2015(k)]</p> <p>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]</p>	<p>Bars individuals convicted of specified federal crimes (including murder, rape, and 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]</p> <p>No comparable provision.</p>	<p>Similar to the Senate bill but also specifies that restrictions will only apply to individuals with convictions after the date of enactment. [Sec. 4037]</p> <p>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]</p>	<p>Similar to the House bill except only disqualifies an individual who is not in compliance with the terms of his or her sentence or who is a “fleeing felon.” [Sec. 4008]</p> <p>No comparable provision.</p>

Table B-5. SNAP Benefit Calculation

Prior Law/Policy	Senate-Passed 2013 Farm Bill (S. 954)	House-Passed 2013 Farm Bill (H.R. 2642, Including Text of H.R. 3102)	Enacted 2014 Farm Bill (P.L. 113-79)
<p>Standard Utility Allowances. 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. [7 U.S.C. 2014(e)(6)(C)] According to a June 2012 survey, 16 states (including DC) distribute nominal LIHEAP payments to SNAP recipients, and a 17th grants SUAs based on LIHEAP application. [see CRS Report R42158]</p> <p>Excess Medical Expense Deduction. 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. [7 U.S.C. 2014(e)(5)]</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. [Sec. 4003]</p> <p>No comparable provision.</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. [Sec. 4007]</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. [Sec. 4006]</p>	<p>Similar to the House bill except effective date is 30 days after enactment. States have option to delay implementation as long as five months. [Sec. 4006]</p> <p>Identical to the House bill. [Sec. 4005]</p>

Table B-6. SNAP-Authorized Retailers and Benefit Redemption Issues

Prior Law/Policy	Senate-Passed 2013 Farm Bill (S. 954)	House-Passed 2013 Farm Bill (H.R. 2642, Including Text of H.R. 3102)	Enacted 2014 Farm Bill (P.L. 113-79)
<p>Governmental or nonprofit grocery delivery services. 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. Only food (not, for example, delivery fees) is to be paid for with SNAP benefits. Requires USDA regulations to include certain protections and limitations. Before issuing regulations, USDA may not approve more than 20 such purchasing and delivery services. [Sec. 4001]</p>	<p>Substantially similar to S. 954. Names these services, “governmental or private nonprofit food purchasing and delivery service[s].” [Sec. 4003]</p>	<p>Identical to the House bill. [Sec. 4003]</p>
<p>Retail Food Store Definition. 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 four 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 the 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>Similar to House and Senate bills except that in addition to perishable foods in three categories, retail food stores must also offer at least seven foods in each of the four staple food categories. [Sec. 4002(a)]</p> <p>Similar to House bill’s Sec. 4002(c)-(d) except that it includes certain specifications about retail food store’s Electronic Benefit Transfer (EBT) auditability. [Sec. 4002(c)-(g)]</p>

Prior Law/Policy	Senate-Passed 2013 Farm Bill (S. 954)	House-Passed 2013 Farm Bill (H.R. 2642, Including Text of H.R. 3102)	Enacted 2014 Farm Bill (P.L. 113-79)
<p>EBT Machinery, Manual Vouchers. 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>	<p>Nearly identical to the House bill. [Sec. 4002(b)]</p>
<p>Replacement of Cards. Permits state agencies to collect a fee for replacement of an EBT card by reducing the monthly allotment of the participating household. [7 U.S.C. 2016(h)(8)]</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. [Sec. 4007]</p>	<p>Nearly identical to the Senate bill. [Sec. 4011]</p>	<p>Identical to the House bill. [Sec. 4010]</p>

Prior Law/Policy	Senate-Passed 2013 Farm Bill (S. 954)	House-Passed 2013 Farm Bill (H.R. 2642, Including Text of H.R. 3102)	Enacted 2014 Farm Bill (P.L. 113-79)
<p>Technology Modernization. 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. [7 U.S.C. 2016(h), P.L. 112-55]</p> <p>No comparable provision.</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. [Sec. 4008]</p> <p>Community-Supported Agriculture. 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. [Sec. 4009]</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 bill’s provision does not set a date for the mobile technologies report to Congress. [Sec. 4012] With respect to authorizing retailers to accept benefits online, the House bill has no provision comparable to the Senate bill.</p> <p>Nearly identical to the Senate bill. [Sec. 4013]</p>	<p>Similar to the Senate bill except that the deadlines for demonstration project completion and report to Congress are later. [Sec. 4011]</p> <p>Identical to the Senate bill. [Sec. 4012]</p>

Prior Law/Policy	Senate-Passed 2013 Farm Bill (S. 954)	House-Passed 2013 Farm Bill (H.R. 2642, Including Text of H.R. 3102)	Enacted 2014 Farm Bill (P.L. 113-79)
<p>Restaurant Meals Program. 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>Identical to the House and Senate bills. [Sec. 4014]</p>
<p>Trafficking. 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>Provides USDA \$15 million in mandatory funding in FY2014; funding is available until expended (no-year). Also authorizes \$5 million subject to appropriations for each year FY2014-FY2018. [Sec. 4029]</p>

Prior Law/Policy	Senate-Passed 2013 Farm Bill (S. 954)	House-Passed 2013 Farm Bill (H.R. 2642, Including Text of H.R. 3102)	Enacted 2014 Farm Bill (P.L. 113-79)
<p>Bottle Deposits and Trafficking. 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 in the definition of trafficking [7 C.F.R. 271.2].</p>	No comparable provision.	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]	Identical to the House bill. [Sec. 4001]
<p>Expunging benefits. 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>	No comparable provision.	Requires unused benefits to be expunged after 60 days. [Sec. 4038]	No comparable provision.
<p>Retailer Trafficking Investigation and Enforcement Pilot Projects. 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>	No comparable provision.	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]	Identical to the House bill. [Sec. 4017]

Table B-7. Other SNAP Funding, Policies

Prior Law/Policy	Senate-Passed 2013 Farm Bill (S. 954)	House-Passed 2013 Farm Bill (H.R. 2642, Including Text of H.R. 3102)	Enacted 2014 Farm Bill (P.L. 113-79)
<p>Verification of Immigration Status. 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>Nearly identical to the House bill. [Sec. 4015]</p>
<p>National Directory of New Hires Wage Verification. 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. [Section 453(j)(10) of the Social Security Act., 42 U.S.C. 653(j)(10)]</p>	<p>No comparable provision.</p>	<p>Requires all states to data-match with the National Directory of New Hires for eligibility and benefit calculation purposes. [Sec. 4040]</p>	<p>Similar to the House bill except that data matching requirement is limited to the time of SNAP certification. [Sec. 4013]</p>
<p>Quality Control. 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 C.F.R. 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>	<p>Similar to the Senate and House bills except that sets error threshold at \$37. [Sec. 4019, 4020]</p>

Prior Law/Policy	Senate-Passed 2013 Farm Bill (S. 954)	House-Passed 2013 Farm Bill (H.R. 2642, Including Text of H.R. 3102)	Enacted 2014 Farm Bill (P.L. 113-79)
<p>Performance Bonus Awards. 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>Identical to the Senate bill. [Sec. 4021]</p>
<p>Nutrition Education and Obesity Prevention Grant Program. 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 10 years. [Sec. 4028]</p>	<p>Identical to the Senate bill. [Sec. 4028]</p>

Prior Law/Policy	Senate-Passed 2013 Farm Bill (S. 954)	House-Passed 2013 Farm Bill (H.R. 2642, Including Text of H.R. 3102)	Enacted 2014 Farm Bill (P.L. 113-79)
<p>Annual State Verification. 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>	<p>Similar to the House bill except that the agency reports on benefits provided to <i>permanently</i> disqualified individuals. [Sec. 4032]</p>
<p>Outreach. 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. [7 U.S.C. 2025(a), 7 U.S.C. 2027(a), 7 C.F.R. 272.5]</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. [Sec. 4018] Seeks to terminate the existing nutrition assistance agreement between USDA and the Mexican government. [Sec. 4034]</p>	<p>Nearly identical to the House bill. [Sec. 4018, 4211]</p>

Prior Law/Policy	Senate-Passed 2013 Farm Bill (S. 954)	House-Passed 2013 Farm Bill (H.R. 2642, Including Text of H.R. 3102)	Enacted 2014 Farm Bill (P.L. 113-79)
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. [7 U.S.C. 2026]	No comparable provision.	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. [Sec. 4022]	Identical to the House bill. [Sec. 4023]
Data Exchange Standardization. In recent years, authorizing laws of the Temporary Assistance for Needy Families block grant and Unemployment Insurance have been amended to include data exchange standards. [P.L. 112-96, Secs. 2105, 4003]	No comparable provision.	Adds these data exchange standards for SNAP to the Food and Nutrition Act. [Sec. 4016]	Identical to the House bill. [Sec. 4016]

Table B-8. Programs in Lieu of SNAP

Prior Law/Policy	Senate-Passed 2013 Farm Bill (S. 954)	House-Passed 2013 Farm Bill (H.R. 2642, Including Text of H.R. 3102)	Enacted 2014 Farm Bill (P.L. 113-79)
Food Distribution Program on Indian Reservations (FDPIR). 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]	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. 4002][See also Section 4101]	Extends FDPIR’s appropriations authority for “Traditionally and Locally-grown Food Fund” through FY2016. [Sec. 4004] Like the 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]	Includes the Senate bill’s reauthorization (through FY2018) of the “Traditionally and Locally-grown Food Fund,” but strikes the 5% set-aside provision. Directs USDA to conduct a demonstration project on traditional and local foods. Includes the House and Senate bills’ authorization of a feasibility study and provides \$1 million in mandatory funding in FY2014, available until expended. [Sec. 4004]

Prior Law/Policy	Senate-Passed 2013 Farm Bill (S. 954)	House-Passed 2013 Farm Bill (H.R. 2642, Including Text of H.R. 3102)	Enacted 2014 Farm Bill (P.L. 113-79)
<p>Commonwealth of the Northern Mariana Islands. 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 FY2014 and FY2015 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>Similar to the House bill except that if feasibility study determines that CNMI cannot administer a SNAP pilot, the funding is available for for CNMI's existing nutrition assistance block grant. [Sec. 4031]</p>
<p>Puerto Rico. As part of Puerto Rico's administration of Nutrition Assistance Program (NAP) block grant funds (see above), program recipients receive 25% of their benefits as cash. Prior 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>	<p>Provides \$1 million in FY2014 funds for USDA (together with HHS) to study aspects of Puerto Rico's 25% cash practice. USDA is required to report to Congress on the study and to (from FY2017 through FY2021) phase out Puerto Rico's 25% cash practice. Exceptions for certain vulnerable populations are permitted. [Sec. 4025]</p>

Table B-9. Commodity Distribution Programs

Prior Law/Policy	Senate-Passed 2013 Farm Bill (S. 954)	House-Passed 2013 Farm Bill (H.R. 2642, Including Text of H.R. 3102)	Enacted 2014 Farm Bill (P.L. 113-79)
The Emergency Food Assistance Program (TEFAP)			
<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. [7 U.S.C. 7511a(d), P.L. 112-240]</p>	<p>Increases funding by \$54 million over 10 years. Entitlement commodity funding increases are in the first four 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 two-year period. [Sec. 4016]</p>	<p>Increases funding by \$209 million over five years and \$333 million over 10 years (according to CBO). Makes annual commodity entitlement funding available for a two-year period. [Sec. 4027(a)]</p> <p>Requires USDA to devise a plan for increasing the purchasing of and modifying the labeling of Kosher and Halal foods for food banks. [Sec. 4054]</p>	<p>Increases entitlement commodity funding by \$125 million over five years and \$205 million over 10 years (according to CBO). Makes annual commodity entitlement funding available for a two-year period. [Sec. 4027(a)]</p> <p>Identical to the House bill on Kosher and Halal purchases. [Sec. 4207]</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. [7 U.S.C. 7511a(d), P.L. 112-240]</p>	<p>Extends discretionary authority through FY2018. [Sec. 4016]</p>	<p>Extends discretionary authority through FY2016. [Sec. 4027(b)]</p>	<p>Identical to the Senate bill. [Sec. 4207(b)]</p>
Commodity Supplemental Food Program (CSFP)			
<p>Authority to purchase and distribute CSFP and FDPIR foods expires at the end of FY2013. [7 U.S.C. 612c note(a)-(b), P.L. 93-86, P.L. 112-240]</p>	<p>Reauthorizes through FY2018. [Sec. 4101]</p>	<p>Reauthorizes through FY2016. [Sec. 4042]</p>	<p>Identical to the Senate bill. [Sec. 4102]</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. [7 U.S.C. 612c note(g), P.L. 93-86] (According to FY2011 USDA-FNS data, 97% of CSFP participants were elderly.)</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. [Sec. 4102]</p>	<p>Identical to the Senate bill. [Sec. 4043]</p>	<p>Identical to the Senate bill. [Sec. 4102]</p>

Prior Law/Policy	Senate-Passed 2013 Farm Bill (S. 954)	House-Passed 2013 Farm Bill (H.R. 2642, Including Text of H.R. 3102)	Enacted 2014 Farm Bill (P.L. 113-79)
Food Distribution for Child Nutrition Programs			
<p>Through the end of FY2013, USDA is authorized to enter into reprocessing agreements with private companies in order to process commodity foods for donation and distribution to nutrition programs. [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>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>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>Establishes that the \$50 million fresh fruit and vegetable acquisition requirement remains in effect through FY2018. [Sec. 4201]</p>	<p>Identical to Senate bill, except reauthorizes through FY2016. [Sec. 4044, 4045]</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] [See also Sec. 4050 below]</p>	<p>Identical to the Senate bill. [Sec. 4103-4104]</p> <p>Years reauthorized are identical to the Senate bill. [Sec. 4201]</p> <p>Requires USDA to carry out a pilot project for up to eight states participating in the National School Lunch Program to have additional flexibility in purchasing fresh fruits and vegetables from multiple suppliers and to allow for geographic preference. [Sec. 4202]</p>

Prior Law/Policy	Senate-Passed 2013 Farm Bill (S. 954)	House-Passed 2013 Farm Bill (H.R. 2642, Including Text of H.R. 3102)	Enacted 2014 Farm Bill (P.L. 113-79)
<p>No comparable provision.</p> <p>Farm-to-School Programs. 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 [42 U.S.C. 1758(d)]. Schools redeem National School Lunch Program commodity entitlement food assistance based on USDA’s purchases and offerings [42 U.S.C. 1754]. P.L. 111-296 authorized and provided \$4 million for farm-to-school projects [42 U.S.C. 1769(g)].</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>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. [Sec. 4208]</p>	<p>No comparable provision.</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. [Sec. 4050] (See also [Sec. 4049] discussed above)</p>	<p>Identical to the Senate bill. [Sec. 4213]</p> <p>[See Sec. 4202 above]</p>

Table B-10. Other Farm Bill Nutrition Program Proposals

Prior Law/Policy	Senate-Passed 2013 Farm Bill (S. 954)	House-Passed 2013 Farm Bill (H.R. 2642, including text of H.R. 3102)	Enacted 2014 Farm Bill (P.L. 113-79)
Senior Farmers' Market Nutrition Program			
<p>Authorizes and provides \$20.6 million annually for the Senior Farmers' Market Nutrition Program through FY2012. [7 U.S.C. 612c-4(b)]</p>	<p>Reauthorizes and continues to provide Commodity Credit Corporation (CCC) mandatory funding of \$20.6 million annually through FY2018. [Sec. 4202]</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. [Sec. 4046]</p>	<p>Similar to the Senate bill except that funds are retroactively available to the start of FY2014. [Sec. 4203]</p>
Community Food Projects			
<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-FY2011 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. [7 U.S.C. 2034]</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 and annually thereafter. Funding remains at \$5 million in annual mandatory funds. [Sec. 4015]</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. [Sec. 4026]</p>	<p>Similar to the Senate bill except that includes "gleaners" as eligible grantees in addition to public food program service providers, tribal organizations, and private nonprofit entities. Increases funding by \$4 million to a total of \$9 million in FY2015 and each fiscal year thereafter. [Sec. 4026]</p>

Prior Law/Policy	Senate-Passed 2013 Farm Bill (S. 954)	House-Passed 2013 Farm Bill (H.R. 2642, including text of H.R. 3102)	Enacted 2014 Farm Bill (P.L. 113-79)
Other Nutrition and Food Security Programs			
<p>Fresh Fruit and Vegetable Program (program that provides fruit and vegetable snacks to school children throughout the day) purchases are limited to fresh fruits and vegetables. Program is permanently authorized and permanently funded. [42 U.S.C. 1769a]</p>	<p>No comparable provision.</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. [Sec. 4048]</p>	<p>Requires USDA to administer a pilot project where at least five states that participate in the Fresh Fruit and Vegetable Program offer frozen, canned, and dried fruits and vegetables. \$5 million of the program’s funding is made available to implement and evaluate the pilot. [Sec. 4214]</p>
<p>Hunger-free Community Grants. 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%. [P.L. 110-246, Sec. 4405] 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) [7 U.S.C. 2026(k)]</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. [Sec. 4204]</p>	<p>No comparable provision.</p>	<p>Similar to the Senate bill except that the incentive grant program is named “Food Insecurity Nutrition Incentive.” [Sec. 4208]</p>

Prior Law/Policy	Senate-Passed 2013 Farm Bill (S. 954)	House-Passed 2013 Farm Bill (H.R. 2642, including text of H.R. 3102)	Enacted 2014 Farm Bill (P.L. 113-79)
<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>Identical to the House and Senate bills. [Sec. 4210]</p>
<p>Currently, the Administration administers a Healthy Food Financing Initiative (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. Since 2010, the Administration has operated related programs at USDA, Health and Human Services (HHS), and/or Treasury.</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 the Senate bill. [Sec. 4052]</p>	<p>Identical to the House and Senate bills. [Sec. 4206]</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>Identical to the Senate bill. [Sec. 4204]</p>

Prior Law/Policy	Senate-Passed 2013 Farm Bill (S. 954)	House-Passed 2013 Farm Bill (H.R. 2642, including text of H.R. 3102)	Enacted 2014 Farm Bill (P.L. 113-79)
<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>	<p>No comparable provision.</p>
<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. [Sec. 4209]</p>	<p>No comparable provision.</p>	<p>Identical to the Senate bill. [Sen. 4205]</p>

Prior Law/Policy	Senate-Passed 2013 Farm Bill (S. 954)	House-Passed 2013 Farm Bill (H.R. 2642, including text of H.R. 3102)	Enacted 2014 Farm Bill (P.L. 113-79)
No comparable provision.	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. [Sec. 4210]	No comparable provision.	Similar to the Senate bill except that the program is structured as a competitive grant program and administered wholly by NIFA. The 20% set-aside is removed. [Sec. 4209]
No comparable provision.	No comparable provision.	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. Includes liability protection for food service program. [Sec. 4035]	Similar to the House bill except that requirements are for USDA and the Food and Drug Administration (FDA). Also adds additional definitions and some additional detail to requirements. Liability protections for United States, Indian tribes, and tribal organizations. [Sec. 4033]
No comparable provision.	No comparable provision.	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. [Sec. 4053]	Identical to the House bill. [Sec. 4212]

Author Contact Information

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