



Legislative Bulletin.....September 19, 2013

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H.R. 3102 - Nutrition Reform and Work Opportunity Act of 2013

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(Lucas, R-OK)**

Order of Business: The legislation is scheduled to be considered on September 19, 2013, under a proposed rule. This document will be updated once the Rules Committee posts a rule for the bill.

Summary: The text of H.R. 3102 resembles that of Title IV of H.R. 1947 that failed the House on June 20, 2013, by a [roll call vote of 195-234](#), and it includes the text of amendments that were adopted on the House floor. After H.R. 1947 failed, it was split into farm-only and nutrition-only bills, with some amendments. The farm-only portion passed the House on July 11, 2013, by a [roll call vote of 216-208](#). H.R. 3102 is the nutrition-only bill, with some additional amendments, mainly work requirements.

CBO’s May 2013 baseline for current law Farm Bill programs and provisions estimates the outlays of Title IV to be \$764,432,000,000 over the fiscal year 2014-2023 period. CBO estimates this legislation would result in a decrease of outlays of approximately \$39 billion over the same period, bringing outlays to approximately \$725.432 billion over the fiscal year 2014-2023 period.

CBO has not estimated the additional discretionary spending for nutrition programs that would result from implementing the bill. With respect to Title IV of H.R. 1947, CBO had estimated the legislation would authorize \$33,400,000,000 in discretionary spending over the 2014-2023 period.

Notable Changes from H.R. 1947:

Repeal of State Work Program Waiver Authority: The legislation removes the ability of states to get a waiver for the work requirement for able-bodied adults without dependents, thereby requiring certain individuals to work 20 hours or more per week, averaged monthly. These work requirements apply to individuals who receive benefits for more than 3 months. These work requirements do not apply to individuals who receive benefits for less than 3 months in a 36-month period. Current law extends this waiver to a state if the state has an unemployment rate of over 10 percent or if the state “does not have a sufficient number of jobs to provide employment for the individuals.”

This requirement does not change the portion of current law which exempts individuals under the age of 18 or over 50 from this work requirement. Also exempt from this requirement, pursuant to

current law, are those medically certified as physically or mentally unfit for employment, a parent or other member of a household with responsibility for a dependent child, or pregnant women. The legislation does not change these exemptions.

Three Year Authorization versus Five Year Authorization: H.R. 1947 authorized appropriations for the Supplemental Nutrition Assistance Program (SNAP) through fiscal year 2018, and authorized several farm programs through fiscal year 2018.

The farm-only portion of the farm bill, H.R. 2642, authorized farm programs through fiscal year 2018. However, this legislation only authorizes appropriations for SNAP through fiscal year 2016.

If enacted, and if the two bills were addressed on five and three year intervals, respectively, this would decouple SNAP from the authorization of farm programs until 2031.

Extended Summary:

Supplemental Nutrition Assistance Program: The legislation extends the authorization for appropriations through fiscal year 2016. The legislation further restricts the use of benefits to prevent the payment for substantial bottle deposits that can be returned for a cash refund. The legislation also requires that participating retailers pay all of the costs associated with electronic benefit transfer (EBT) point-of-sale equipment and supplies.

The legislation restricts categorical eligibility for SNAP to only “households in which each member receives cash assistance,” and to those individuals who receive “cash assistance under a state program.” Current policy allows states to provide broad-based categorical eligibility for food stamps to any person or household that receives cash aid or any other service funded by TANF (non-cash aid). CBO has estimated this provision will reduce direct spending by \$5,635,000,000 over the 2014-2018 period.

The legislation directs the Secretary to issue rules to ensure that medical marijuana is not treated as a medical expense for purposes of income deductions.

In order to receive the SNAP Standard Utility Allowance (SUA) deduction when calculating SNAP benefits, the legislation requires a household to receive a Low Income Heating and Energy Assistance Program (LIHEAP) payment of \$20 or more annually. However, the legislation gives states the option to delay implementing this requirement for up to 180 days. CBO has estimated this provision will decrease outlays by \$8.690 billion over the 2014-2023 period.

State SNAP Employment and Training programs are limited to providing assistance to college students that are enrolled in specific career and technical education courses or basic adult education, literacy, or English as a second language courses.

Households will lose SNAP eligibility if a member receives substantial lottery or gambling winnings, which will be defined by the Secretary. Additionally, the legislation allows states to request an explanation from individuals who repeatedly lose their EBT cards. The legislation contains protections for homeless persons, persons with disabilities, victims of crimes, etc.

The Secretary is required to implement a pilot project to test the feasibility and implications of accepting benefits of mobile transactions. The Secretary is required to complete this pilot program by July 1, 2016, and report to Congress.

The legislation prohibits the USDA from recruitment activities via television, radio, or billboard advertisements, and it prohibits the USDA from entering into any agreements with foreign governments to encourage SNAP enrollment. Additionally, an amendment was added during the Committee markup that prohibits entities that receive funds under the legislation to compensate any person for conducting outreach activities relating to participation in the program.

The legislation eliminates the performance bonus program that provides bonuses to states for administering the program. Current law allows \$48,000,000 in bonuses, each fiscal year, for state agencies that meet standards for “high or most improved performance.” T

The legislation directs the Secretary of Agriculture to monitor employment and training programs at the state level. The legislation directs the Secretary to develop reporting measures that identify improvements in the programs, and the legislation contains reporting requirements for the states.

Community Food Projects: The legislation extends the program’s authorization through fiscal year 2016. The legislation doubles funding for these programs from \$5,000,000 to \$10,000,000 annually. The 1996 farm bill created this program, which offers a 50 percent match on local efforts to improve food, farm, or nutrition issues and provide incentives for low-income individuals to consume fruits and vegetables.¹

Emergency Food Assistance: The legislation extends the program’s authorization through fiscal year 2016. The legislation authorizes \$265,750,000 for fiscal year 2013, even though the amendments made by the legislation are to take affect after fiscal year 2013. This program was funded at \$140,000,000 per fiscal year in the 2002 farm bill, and was funded at \$308,000,000 for fiscal year 2012.² This program was designed in 1981-1982 as a “temporary” program to dispose of government-held stocks of commodities. In 1998 the Administration indicated plans to dissolve the program but Congress mandated funding to buy new commodities for the program. The food and monetary support is provided to states, which chose local agencies to administer the food distribution to the needy.³

SNAP Nutrition Education Program: The legislation adds “physical activity” as an allowable activity under the SNAP nutrition education program. The legislation decreases the authorization level to \$372,000,000 for each fiscal year. The legislation keeps this level of funding for subsequent fiscal years, but allows for adjustments to reflect the Consumer Price Index.

Retailer Trafficking: The legislation authorizes \$5,000,000 each fiscal year for the USDA to prevent trafficking in violation with the SNAP program.

USDA Agreement with the Republic of Mexico: The legislation terminates the existing memorandum of understanding between the USDA and the Republic of Mexico. This agreement

¹ http://crs.gov/pages/Reports.aspx?PRODCODE=RL33829&Source=search#_Toc322092990

² http://crs.gov/pages/Reports.aspx?PRODCODE=R42353&Source=search#_Toc345073637

³ http://crs.gov/pages/Reports.aspx?PRODCODE=RL33829&Source=search#_Toc322092986

was entered into on July 22, 2004, and is known as the “Partnership for Nutrition Assistance Initiative.” USDA has used this memorandum of understanding in order to work with the Mexico to promote the SNAP program. This language was sponsored by Rep. Black (R-TN).

Drug Testing: The language clarifies that nothing in the legislation, or in any other federal law, prevents states from enacting legislation to require drug testing as a condition of SNAP eligibility. This language was sponsored by Rep. Hudson (R-NC).

Eligibility Disqualification for Certain Convicted Felons: The 1996 welfare reform law provided a lifetime ban of SNAP benefits for convicted drug felons. However, the law also allowed States to opt out of the prohibition, and most States have modified or opted out of the ban. This legislation would extend this SNAP ban to other dangerous felons, and would enact a lifetime ban on convicted violent rapists, pedophiles, and murderers. This language was sponsored by Rep. Reed (R-NY).

Expungement of Unused Supplemental Nutrition Assistance Program Benefits: The legislation directs state agencies to expunge from the EBT account of a household any benefits that are not used within 60 days.

Pilot Projects to Promote Work and Increase State Accountability in the SNAP: The amendment directs the Secretary to carry out pilot projects within the SNAP program, at the state level. Any state may operate a pilot project, however it is not a requirement. These pilot projects shall apply to the entire state. When a state agrees to operate a work requirement program, the state shall agree to carry out the program for at least three years, have a robust data collection system, and the state will ensure that the pilot project offers a work activity to adults.

The legislation contains a definition for “work activity” that includes subsidized and nonsubsidized employment, life training, career and technical training programs, education, etc. The work requirements shall be mandatory to adults, except those with one or more dependent children under one year old, or under six years old in cases where child care is unavailable. The adult must participate in 20 hour per week of a work activity. The maximum age for adults in these programs is not less than 50 and not more than 60.

Within 90 days after the end of FY 2014, and annually thereafter, the Secretary shall submit a report to Congress regarding the status of each pilot project that was carried out by the states. The report shall also describe the impact, and public benefit outcomes, of the work requirements.

If a state decides to operate a pilot project, their waiver for able-bodied adults without dependents (ABWADS) is void. The state has the option to assign penalties to nonparticipants without good causes. The legislation makes exemptions for the work requirements in certain cases, including where there is a disabled family member in the household, or where the recipient is a victim of domestic violence.

The Secretary shall make available up to \$1,000,000 for each fiscal year 2014 through 2017 for the program evaluations, and they shall also make available amounts equal to ½ of the accumulated supplemental nutrition assistance benefit dollars saved over each year for bonus grants to the states.

This language was offered by Rep. Southerland as an amendment, and passed the floor by a [roll call vote of 277-198](#).

Pilot Program for the Northern Mariana Islands: The legislation establishes a study that would then launch a SNAP pilot program for the Commonwealth of Northern Mariana Islands (CNMI). The pilot program would test the feasibility of extending the SNAP program to the CNMI. The legislation authorizes \$1,000,000 for both fiscal year 2014 and 2015. The legislation authorizes \$13,500,000 for fiscal year 2016, and \$8,500,000 for each fiscal year 2017 and 2018.

Of U.S. territories, Guam and the U.S. Virgin Islands currently participate in the SNAP program.⁴ In lieu of the SNAP program, the Commonwealth of Puerto Rico, American Samoa, and the CNMI receive Nutrition Assistance Block Grants.⁵ The CNMI received \$13,100,000 for this grant during fiscal year 2012. The CNMI has a per capita GDP of \$13,600 (2010 est.)⁶ compared with \$49,800 of the overall United States.⁷ Additionally, the minimum wage in CNMI is \$5.55 per hour⁸ as compared with the federal minimum wage of \$7.25 per hour that does not apply to the CNMI.

Commodity Distribution Program: The legislation extends the program through fiscal year 2016. USDA Commodity foods are purchased by the USDA for distribution to their various nutrition programs. Those programs include 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).⁹

Seniors Farmers' Market Nutrition Program: The legislation extends the program through fiscal year 2016, but strikes "Senior's" from the program's name. The program is expanded beyond seniors and is open to low-income families who are at "nutritional risk." The legislation authorizes \$20,600,000 for each fiscal year for the program, this is consistent with current funding levels.¹⁰ This program gives vouchers to seniors to use in farmer's markets and other places that sell fresh produce.

Fresh Fruit and Vegetable Program: The legislation extends the program through 2016 but strikes all references to "fresh," thereby making the program open to include canned, frozen and dried foods. This program gives grants to schools to purchase fresh produce for school lunches in poorer districts.¹¹ The 2008 Farm Bill added the stipulation that food under this program be "fresh." According to CRS, companies that produce frozen, canned, and dried fruits and vegetables have been advocating for a change to this fresh limitation.

Review of White Potatoes: An amendment was added during the Committee markup by Rep. Ribble (R-WI) that requires the Secretary to conduct a review of the economic and public health benefits of white potatoes on low-income families who are determined to be at nutritional risk.

⁴ <http://www.fns.usda.gov/pd/29snapcurrrpp.htm>

⁵ http://www.fns.usda.gov/sites/default/files/NABGP_Quick_Facts.pdf

⁶ <https://www.cia.gov/library/publications/the-world-factbook/geos/cq.html>

⁷ <https://www.cia.gov/library/publications/the-world-factbook/geos/us.html>

⁸ <http://www.dol.gov/whd/regs/compliance/posters/cnmi.pdf>

⁹ <http://www.crs.gov/pages/Reports.aspx?PRODCODE=R42829&Source=search>

¹⁰ <http://www.crs.gov/pages/Reports.aspx?PRODCODE=R42829&Source=search>

¹¹ http://www.crs.gov/pages/Reports.aspx?PRODCODE=R42353&Source=search#_Toc345073637

Pilot Projects to Improve Federal-State Cooperation at Identifying and Reducing Fraud in SNAP: An amendment was added during the Committee markup by Rep. Benishek (R-MI) that directs the Secretary to carry out pilot programs to test innovative federal-state partnerships to identify, investigate, and reduce retail fraud in the SNAP program.

Healthy Food Financing Initiative: An amendment was added during the Committee markup that authorizes this new initiative. The legislation authorizes \$125,000,000 to remain available until expended. This initiative seeks to “improve access to healthy foods in underserved areas, to create and preserve quality jobs, and to revitalize low-income communities by providing loans and grants.” This amendment was sponsored by Rep. Fudge (D-OH). An amendment was offered to strike this language from H.R. 1947 and failed by a [roll call vote of 194-232](#).

Committee Action: H.R. 3102 was introduced on September 16, 2013, and was referred to the House Committees on Agriculture, Education and the Workforce, and Foreign Affairs, which took no action.

Outside Groups: The legislation is supported by the following groups:

- Americans for Prosperity – *scoring as a key vote*
- R Street Institute

The legislation is opposed by the following groups:

- AARP

Cost to Taxpayers: In their May 2013 baseline, CBO projected that spending for SNAP would total \$764 billion over the 2014-2023 period. Relative to that baseline, CBO estimates that enacting H.R. 3102 would reduce direct spending by \$39 billion over the 2014-2023 period. CBO’s full report can be [viewed here](#).

Does the Bill Expand the Size and Scope of the Federal Government?: The following authorizations are new, thereby expanding the size and scope of the government (this list may not be exhaustive): Pilot Projects to Improve Federal-State Cooperation at Identifying and Reducing Fraud in SNAP, Healthy Food Financing Initiative, Halal and Kosher Food and Emergency Food Assistance Program.

Does the Bill Contain Any Intergovernmental, Local Government or Private-Sector Mandates?: CBO has also not reviewed the bill for intergovernmental or private-sector mandates.

Does the Bill Contain Earmarks/Limited Tax Benefits/Limited Tariff Benefits?: No.

Constitutional Authority: Rep. Lucas states “Congress has the power to enact this legislation pursuant to the following: Congress has the power to provide for the general Welfare of the United States under Article 1, Section 8, Clause 1 which includes the power to provide nutrition assistance.” The statement can be [viewed here](#).

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NOTE: RSC Legislative Bulletins are for informational purposes only and should not be taken as statements of support or opposition from the Republican Study Committee.