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# 2007 FARM BILL:
## Description of the House-Passed Nutrition Provisions

By Dorothy Rosenbaum

On July 27, 2007, the House of Representatives passed its 2007 Farm Bill: H.R. 2419, The Farm, Nutrition, and Bioenergy Act of 2007. The nutrition provisions include about $4 billion over five years in improvements for the Food Stamp Program and the Emergency Food Assistance Program (TEFAP), as well as numerous program oversight, reauthorization, and technical provisions.[1]

The most significant nutrition provisions in the House bill that make up the $4 billion over five years in estimated cost include:

- The minimum **standard deduction** that households of 1 to 3 members receive (75 percent of food stamp households) would increase from $134 to $145 in 2008 and would be indexed for inflation in later years. The standard deduction for these households has been frozen since 1995, resulting in cuts of $24 a month in 2008 for a typical working family. The change would provide a typical family an additional $5 a month in 2008, rising to $11 a month by 2012. (Section 4006: 5-year CBO cost, $2.180 billion.)

- The $10 **minimum benefit**, which goes overwhelmingly to people who are elderly or have a disability and has not been adjusted for inflation in 30 years, would increase to $16 and would be increased for increases in food prices in later years. (Section 4013: 5-year CBO cost, $243 million.)

- The **dependent care deduction** would no longer be capped, so that working households that pay for child care could deduct the full amount of costs they incur in order to work. (Section 4007: 5-year CBO cost, $249 million.)

- The food stamp **resource limits**, which have been frozen since 1986 at $2,000 for most households and $3,000 for households with members who are elderly or disabled, would begin to be adjusted for inflation, to encourage savings. (Section 4008: 5-year CBO cost, $60 million.)

[1] The total estimated outlays for food stamps and TEFAP are $3.9 billion over five years. See the table at the end of the report for detail. The overall farm bill was designed to meet the budgetary requirements of the House's pay-as-you-go rules, which require that provisions that increase entitlement costs or reduce revenues be fully offset by reducing the costs of other entitlements or increasing revenues.

- **Tax-preferred retirement accounts and education accounts** would no longer be counted as resources, removing the current disincentive for working households to save for retirement and education. (Section 4009 and 4010: 5-year CBO cost, $572 million.)

- The funds for commodity purchases for **TEFAP** under the Food Stamp Program would be increased from $140 million each year to $250 million in 2008 with adjustments for increases in food prices in later years. (Section 4028: 5-year CBO cost, $606 million.)

This description of the bill's nutrition provisions are organized based on their section number in H.R. 2419. Information on the number of people affected and increased benefits in each State are provided in tables at the end of the report.

## Subtitle A — Food Stamp Program

### *Section 4001: Renaming the Food Stamp Program*

Food stamp benefits are no longer issued in stamp form; instead they are delivered on Electronic Benefit Transfer (EBT) cards that program participants swipe at the supermarket counter like credit or debit cards. This change has significantly enhanced program integrity, while also reducing the stigma associated with receiving food stamps.

Virtually all program supporters have called for the program's name to be changed to reflect this transformation in benefit delivery. This section of the House bill would rebrand the Food Stamp Program as the Secure Supplemental Nutrition Access Program (SNAP).

### *Section 4002: Definition of Drug Addiction or Alcoholic Treatment and Rehabilitation Program*

This provision would codify the current USDA policy regarding the eligibility of Drug and Alcohol Treatment Centers to receive reimbursement under the Food Stamp Program on behalf of their residents.

### *Section 4003: Nutrition Education*

This provision affirms nutrition education as a component of the Food Stamp Program.

### *Section 4004: Food Distribution on Indian Reservations*

This section would reformat the authorization for the Food Distribution Program on Indian Reservations (FDPIR), which some Indians may receive in lieu of food stamps. It also would authorize appropriations for the Secretary to purchase traditional and local foods for the program and would require the Secretary to submit a report on the FDPIR food package.

### *Section 4005: Excluding combat related military pay from countable income*

In each of the last several years, the Administration has proposed that special military pay for military personnel deployed to a designated combat zone be excluded from food stamp income calculations, and Congress has enacted this proposal as part of the appropriations process. As a result, low-income households with a spouse or parent overseas in a combat zone have not had their special pay count towards household income when they apply for food stamp benefits. Nor have low-income families seen their food stamp benefits go down when a family member is sent to combat. The House bill would make this income exclusion permanent.

CBO estimates that this provision would cost about $3 million over the five years from fiscal years 2008 through 2012.

### *Sec. 4006: Increasing the Standard Deduction*

As a result of benefit cuts enacted in 1996, the purchasing power of most households' food stamp benefits is eroding each year. In 2008, a typical working parent with two children will receive about $37 less in food stamps each month than she would have received without the 1996 cuts. By 2017, the average benefit reduction from those cuts will reach almost $45 a month (in 2008 dollars). In fact, by 2017 the benefit cuts will cost a typical working parent of two the equivalent of more than one and a half months' worth of food stamps each year.

The bulk of the benefit loss caused by the 1996 law, and the cut that deepens with each passing year, results from a freeze in the "standard deduction." Similar to income tax rules, food stamp rules allow households to subtract a standard deduction from their income to reflect the cost of non-food essentials such as housing and transportation. Prior to 1996, the standard deduction was indexed to inflation, since basic living expenses rise with inflation. The welfare law, however, froze the standard deduction permanently. This causes a deeper cut in benefits with each passing year, for most households.

In the 2002 Farm Bill, Congress changed the standard deduction from a flat $134 for all households to 8.31 percent of the federal poverty income guidelines. This helped larger households (since the poverty guidelines are higher for larger households), raising their benefit levels and stopping the erosion of their benefits. But the 2002 change has had no effect thus far on households with three or fewer members, a group that makes up *three-quarters* of all food stamp households. For these households, the standard deduction is scheduled to remain frozen at $134 — and benefits will continue to erode in purchasing power — for another 7 to 31 years.

This provision of the bill would raise the standard deduction from $134 to $145 on October 1, 2007 and index it for inflation each year thereafter. This would end the erosion in food stamps' purchasing power and make up some of the ground lost since 1996. (If the standard deduction had not been frozen, it would be $188 in 2008.) As a result, a typical household of three or fewer members would see its benefits increase by about $11 a month by 2012.

This provision would help more than 12 million recipients in an average month and would increase food stamp benefits by about $280 million in 2008, rising to almost $600 billion in 2012; or a total of $2.180 billion over the five years from fiscal year 2008 through fiscal year 2012.

The estimated state-by-state effects of the change can be found in tables at the end of this report.

### *Section 4007: Excluding Dependent Care Expenses*

For low-income working families who have preschool or young school-age children, high quality, affordable child care is a critical support for finding and keeping employment. Some low-income working families receive child care subsidies, have children who attend Head Start, or have satisfactory and affordable informal child care arrangements with family or friends. Many other families, however, do not have these options available, or, even with help, face substantial co-payments or other out-of-pocket child care costs. According to the U.S. Census Bureau, about one-quarter of poor families with employed mothers pay for child care and "[a]mong families who paid for child care, those below the poverty level spent roughly three times the percentage of their income on child care as other families (25 percent compared with 7 percent)."

The food stamp benefit formula allows families to deduct some of their child care expenses from their income so they can receive more help from the Food Stamp Program to reflect the fact that they have less money available to purchase food. Yet under current law, this deduction is capped at $175 per month ($200 for infants), well below the amounts that some low-income families must pay for child care.

This provision of the bill would allow households to deduct the full amount of dependent care costs they incur in order to work (or participate in approved education and training programs). That, in turn, would qualify them for larger food stamp benefits. By allowing households to deduct their child care costs, the proposal targets more food assistance to working families that are less able to afford food because of this important expense. President Bush proposed this policy in his 2007 Farm Bill proposal.

CBO estimates that this provision would help about 100,000 households in an average month and would increase food stamp benefits by about $50 million each year, or $249 million over five years. The estimated state-by-state effects of the change can be found in tables at the end of this report.

### *Section 4008: Adjusting Countable Resources for Inflation*

The food stamp asset limit ($2,000 for most households, $3,000 for households with members who are elderly or have a disability) has not been adjusted for inflation for most households since it was set in 1986. If the limits had maintained their real 1986 values, in 2008 they would be $3,700 for most households and $5,500 for elderly or disabled households.

The steady shrinkage in the value of the asset limits discourages saving and undermines a key path to self-sufficiency. Policymakers from across the political spectrum agree that asset development is important to helping low-income Americans transition out of poverty.

This provision of the bill would index the asset limits to inflation. (The inflation-adjusted asset limit would be rounded to the nearest $100 increment.) Senators Chambliss and Harkin have introduced similar bipartisan legislation (S. 591) to index the asset limits to inflation and thereby end the erosion in their value.

According to CBO the change would increase food stamp benefits by $60 million over five years.

### *Section 4009: Excluding education accounts from countable income*[2]

Similar to the below section on retirement accounts, this provision would exclude certain education savings accounts (such as 529 plans) from the food stamp asset test, thereby removing the Food Stamp Program's disincentive for households to save for education. President Bush included this change in his 2007 Farm Bill proposal; it is also in the bill Senators Chambliss and Harkin introduced.

CBO estimates that this provision would cost $8 million over five years.

### *Section 4010: Excluding retirement accounts from countable income*[2]

Under this proposal, which was included in President Bush's 2007 budget and in legislation that Senators Chambliss and Harkin introduced earlier this year, retirement savings accounts would no longer count toward the food stamp asset limit. Currently, working families who manage to save more than $2,000 for retirement in an Individual Retirement Account (IRA) must partially liquidate that account in order to qualify for food stamps during periods of unemployment. This forces families to choose between hardship when they lose their job and a higher risk of poverty in their old age.

Many low-income families rely on means-tested programs such as food stamps at times during their working years — for example, during temporary spells of unemployment or when their earnings are insufficient to make ends meet. To qualify for these programs, applicants often must have total countable assets that do not exceed a dollar limit set by the program. The food stamp asset limit has not been raised for most households in over 20 years and penalizes those who save for retirement.

Current food stamp rules are inconsistent and can disqualify workers who lose their jobs and need temporary help affording food for their families. The Food Stamp Program excludes amounts in 401(k) retirement plans from the asset test, but *counts* amounts in IRAs. Workers who have saved in 401(k) plans but change (or lose) their job often must take retirement benefits out of the employer's 401(k) plan and roll them over into an IRA. Thus, the food stamp rule means that changing jobs or being laid off can cause a low-wage working family with a modest retirement account to be terminated from the Food Stamp Program unless the family liquidates its retirement account and spends the proceeds.

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[2] This is the bill's name for the section, though the provision would exclude certain education and retirement savings accounts from *resources* rather than income.

In 2006 the Department of Labor convened the National Summit on Retirement Savings to "promote the importance for every American of saving for the future." The summit, which focused on four specific groups of individuals, including low-income workers, recommended removing the "disincentives to retirement savings" by exempting retirement accounts from asset tests for food stamps and other means-tested programs. Consistent with this recommendation, the President's budget recommends allowing workers who experience hard times "to maintain ownership of their retirement assets, preserving their stake in America's future."

Senator Saxby Chambliss, who has proposed exempting retirement accounts in food stamps, echoed these themes at a recent Heritage Foundation event on his bill:

> I am pleased to be here today to express my support for reforms to the food stamp program's asset test rules which will strengthen efforts to help families escape the cycle of poverty. Reforming the food stamp asset test is an idea that spans the political spectrum. … Today's food stamp asset rules conflict with families' ability to save for their future, and discourage working families from utilizing all the financial investment tools encouraged by the tax code for working Americans. … Furthermore, permitting participants to invest in their own retirement may ease the federal burden of caring for the participants once they retire.

CBO estimates that this change would enable 100,000 people to start participating in the Food Stamp Program, at a cost of $564 million over five years.

### *Section 4011: Deobligate Food Stamp Coupons*

This proposal, part of the Administration's Farm Bill proposal, would phase out food stamp coupons as legal tender. Electronic Benefit Transfer (EBT cards) has been implemented nationally and few coupons are being redeemed each month. The change is estimated to increase federal costs by $2 million in 2008, as people redeem coupons they may still possess in anticipation of the change. But over five years it would save $3 million, since stores would no longer accept — and the Treasury would no longer redeem — outstanding food stamp coupons.

### *Section 4012: Allow for the Accrual of Benefits*

Many food stamp households receive small food stamp benefits. This is particularly true for seniors and people with disabilities, many of whom have enough Social Security income that they qualify for only the $10 minimum food stamp benefit. Under the former coupon-based system, these households had no deadline for when they could spend their food stamps. Many would spend them as they received them each month, but some would accumulate them over several months to use all in one shopping trip or to save for a special occasion, such as a large family gathering or holiday meal.

Under the EBT system, states may move recipients' food stamps "offline" after 3 months. Though technically states must reinstate these benefits within a year if the household contacts the state, many households are not aware of this fact and just assume their benefits are gone when they cannot access them on their EBT card. Some states have taken action to keep clients' benefits available longer; Minnesota, for example, recently passed legislation to keep benefits available to clients unless the account has not been accessed for 12 months.

This provision of the bill would require states to maintain benefits "online" for 12 months when a household receives a small food stamp allotment. Specifically, it would allow states to take benefits offline after three months in which a household fails to access a balance of more than $1,000. For a household with a large allotment, this inactivity likely indicates that the household has moved or has elected to drop off of the Food Stamp Program. For households whose balances are smaller, however, the state could take the balance offline after 12 months. In either case, the state would have to notify the household of its action and explain how the household could reactivate those benefits if the inactivity were due to a misunderstanding.

### *Section 4013: Increasing the Minimum Benefit*

This provision would raise the food stamp minimum benefit by more than 50 percent, from $10 a month to $16 a month. The minimum benefit value would be set at 10 percent of the maximum benefit (or Thrifty Food Plan) for a household of one. Because the value of the maximum benefit is adjusted annually for inflation, under this change the minimum benefit would automatically be adjusted for inflation each fiscal year to ensure that it does not lose purchasing power over time.

Under current food stamp rules, one- and two-person households that qualify for a monthly benefit amount of less than $10 receive a $10 "minimum benefit." The minimum benefit was put in place when the current benefit calculation rules were established in the Food Stamp Act of 1977, on the rationale that a larger benefit would give small households — primarily individuals and couples who are elderly or have a disability — a greater incentive to participate in the program. The vast majority of households that receive the minimum benefit (almost 90 percent) have income from Supplemental Security Income (SSI) and/or Social Security.

Because the minimum benefit has not been adjusted for inflation in almost 30 years, households that receive it can purchase only about one-third as much food as they could have in 1979, when the minimum benefit went into effect.

Approximately 650,000 households would receive higher benefits under this provision, nearly all of them containing seniors or people with disabilities. Food stamp spending would increase by about $243 million over five years. The estimated state-by-state effects of this change can be found in tables at the end of this report.

### *Section 4014: State Option for Telephonic Signature*

Historically, food stamp applicants have been required to apply in person at a local welfare office, and food stamp recipients have been required to come to the welfare office to renew their eligibility.

In an effort to reach out to populations that can have a hard time coming to welfare offices, such as working families (who often have difficult schedules) and senior citizens (who often have difficulty traveling), some states have experimented with policies such as online applications and telephone interviews. Also, the Food Stamp Act has been amended to allow for electronic signatures.

Similar changes are included in the House bill to give states the option to allow households to apply for food stamps and establish a filing date over the telephone. Without the latter change, households that wish to apply using the telephone may experience a delay in their benefits; ultimately they would receive smaller benefits for the first month because their application would not be accepted on the day they contacted the office. For program integrity purposes, the provision requires recording of both the household's assent and the information it provided to the food stamp office and requires other safeguards.

### *Section 4015: Review of Major Changes in Program Design*

The Food Stamp Act requires that state civil servants make all decisions about individual households' *eligibility* for benefits. This provision would reaffirm and clarify longstanding practice in the program regarding the appropriate balance of the role of private contractors and civil servants Private employees may conduct other aspects of program operations, such as facilities management, outreach, computer design, nutrition education, and secretarial services.

USDA recently permitted Texas to experiment with privatizing significant portions of the food stamp application and eligibility determination processes. The results were disastrous. Thousands of needy Texans were denied assistance or saw their benefits improperly delayed or reduced. In some cases, clients' privacy was violated as applications were faxed to third parties because the contractor provided the wrong number for submitting applications. The Texas comptroller concluded that the "project has failed the state and the citizens it was designed to serve" and therefore that the contract "must be ended." This experiment underscores the need to maintain the long-standing rule that civil service employees make food stamp eligibility decisions.

This provision of the House bill would reestablish the proper public-private balance in the Food Stamp Program. Many functions are appropriate to turn over private contractors, but some should remain with the government. Not all food stamp clients are easy to serve, meet a fixed service delivery model, or can be moved through the system within a few minutes in order to meet production quotas. For example, elderly people with complicated medical expenses may require several hours of attention from a state worker in order to ensure that they are thoroughly screened for benefits and receive the accurate amount.

At the same time, nothing in the provision would undermine states' contracts with private businesses in areas such as operating debit card systems and developing computer systems. In addition, the provision makes an exception for non-profit groups conducting outreach, application assistance, or providing translation services. The provision also allows states to use non-merit systems personnel to operate a disaster food stamp program in the event of a natural disaster.

For the very limited number of states affected by the change, the provision provides a four month transition period for states to renegotiate their contracts. It also includes language intended to help states avoid financial penalties related to renegotiating or canceling their contract.

***Section 4016: Grants for Simple Application and Eligibility Determination Systems and Improved Access to Benefits***

In 2002 Congress allocated $5 million a year for USDA to award to states to use (often in partnership with community-based organizations) to simplify food stamp eligibility procedures and improve access for eligible households. This provision would extend these grants.

***Section 4017: Civil Money Penalties and Disqualification of Retail Food Stores and Wholesale Food Concerns***

This provision, included in President Bush's 2007 Farm Bill proposal, would give USDA more flexibility in setting disqualification periods and fines for certain retailer violations. USDA has asked for this change to allow it to assess fines, disqualify retailers that have committed egregious violations, and be more lenient in circumstances where there is less reason for ongoing concern.

***Section 4018: Major Systems Failures***

This provision, included in President Bush's 2007 Farm Bill proposal, would prohibit states from collecting overissuances (or overpayments) in cases where the overissuance was caused by a major systems failure by the state agency. Instead, the state would be responsible for reimbursing the federal government for the claim.

When a state discovers it has paid too much in food stamps to a household, federal food stamp rules require the state to establish a claim against the household and collect repayment of the overissuance. If the overissuance was a result of an intentional program violation (i.e., fraud), the individual is disqualified and must repay the amount. But even if the overissuance was caused by an honest mistake on the part of the household or the state agency, the household still must repay the overissued food stamps. Indeed, even if the mistake is caused by a major systems failure by the state, the household generally must repay the overissuance.

If the household is participating in the Food Stamp Program, the state must collect the overissuance by reducing the household's monthly benefit by $10 or 10 percent (whichever is greater) until the overissuance is fully repaid. This reduces the household's ability to purchase food, as it is unlikely the household would have saved up food stamps or other money while receiving food stamp overpayments in order to prepare for such a contingency.

This provision of the bill would prohibit states from establishing and collecting claims if the overissuance resulted from a major systems failure, such as a faulty new computer system. It is appropriate to forgive overissuances in these cases because the mistake is clearly not the household's fault. When major state problems occur, the state should focus on fixing the problem rather than pursuing households for overissuances.

This provision would encourage states to pilot test their computer systems thoroughly to ensure that benefits will be issued accurately. USDA's Farm Bill proposal states, "as States have moved to replace outdated computer systems, there have been situations where time and budget have driven implementation of systems before they have been thoroughly tested." By holding states accountable for these errors, this provision would create a greater incentive to prevent such large-scale system mistakes in the future.

### *Sections 4019-4021 and 4024-4025: Reauthorization of Certain Provisions in the Food Stamp Act*

These provisions would reauthorize the Food Stamp Program, including employment and training funds, the block grant for Puerto Rico and American Samoa. The bill also would extend the annual reduction in state administrative funding known as "cost allocation."

### *Section 4022: Findings of Congress Regarding Secure Supplemental Nutrition Assistance Program Nutrition Education*

This section directs the Secretary of Agriculture to support and encourage effective interventions for food stamp nutrition education and coordinate with other programs and resources.

### *Section 4023: Nutrition Education and Promotion Initiative to Address Obesity*

This section would authorize appropriations of $10 million a year for a demonstration program called Initiative to Address Obesity Among Low-Income Americans, which would test and evaluate strategies to reduce obesity. President Bush's Farm Bill proposal contained a similar initiative.

### *Section 4026: Study on Comparable Access to Secure Supplemental Assistance Program Benefits for Puerto Rico*

This section would require the Secretary of Agriculture to conduct a study of the feasibility and effects of having the Food Stamp Program treat Puerto Rico the same as one of the states, in lieu of the block grant it currently receives.

Puerto Rico has very high rates of poverty and food insecurity. Yet since the early 1980s, it has received a block grant for food assistance under the Food Stamp Act, rather than operating the regular Food Stamp Program. Unlike the regular Food Stamp Program, Puerto Rico's block grant does not respond to economic or demographic conditions such as changes in unemployment, incomes, or food costs. This study would examine the ramifications of treating Puerto Rico like a state for purposes of food stamp benefits.

### *Section 4027: Reauthorization of Community Food Project Competitive Grants*

The Food Stamp Act has provided $5 million annually for Community Food Security projects — projects designed to help communities become more self-reliant in meeting their food needs. This proposal would authorize appropriations of $30 million a year for these projects and would make other improvements.

### *Section 4028: Emergency Food Assistance Program*

Currently, federal mandatory funding under the Food Stamp Act for The Emergency Food Assistance Program (TEFAP), which supports food purchases by food banks, is set at $140 million per year. (The program also receives money through the appropriations process and from "bonus commodities" that USDA purchases and provides under other authority.) This provision would increase mandatory funding to $250 million a year and adjust it for inflation in subsequent years. The estimated state-by-state effects of the change can be found in tables at the end of this report.

## Subtitle B — Commodity Distribution

### *Section 4201: Authorization of Appropriations (TEFAP)*

The TEFAP program receives both mandatory funding (described in Section 4028) and annual appropriations. This provision would increase the authorization for annual appropriations from $60 million to $100 million.

### *Section 4202: Distribution of Surplus Commodities; Special Nutrition Projects*

This section extends a provision related to commodities that are purchased by USDA and distributed to domestic nutrition programs.

### *Section 4203: Commodity Distribution Program*

This provision would reauthorize the Commodity Supplemental Food Program (CSFP) and other programs using government commodities. It also establishes comparable requirements for CSFP elderly participants with women, infant and child participants by: (1) removing the priority for service to women, infants and children over the elderly, (2) raising the income eligibility cut-off for the elderly to 185% of poverty which is the level used for mothers and children.

## Subtitle C — Child Nutrition and Related Programs

### *Section 4301: Purchase of Fresh Fruits and Vegetables for Distribution to Schools and Service Institutions*

This section would extend authority that was created in the 2002 farm bill for the Secretary to purchase up to $50 million of fresh fruits and vegetables for the School Lunch program using funds available under Section 32. For 2010 through 2012 the amount would be raised to $75 million. The provision also extends the authority for the Secretary to use the Defense Department's procurement process for these purchases.

### *Section 4302: Buy American Requirements*

This amendment directs the USDA to undertake training, guidance, and enforcement of the various current "Buy American" statutory requirements and regulations.

### *Section 4303: Expansion of the Fresh Fruit and Vegetable Program*

This provision would increase the Fresh Fruit and Vegetable Program, which is authorized under the Richard B. Russell National School Lunch Act, from $9 million per year to $70 million per year. The cost would be $275 million over five years.

### *Section 4304: Purchases of Locally Produced Foods*

This provision would direct the Secretary of Agriculture to encourage institutions, such as schools, that receive funds from the Child Nutrition Programs to purchase locally produced foods to the "maximum extent practicable and appropriate."

## Subtitle D — Miscellaneous

### *Section 4401: Senior Farmers' Market Nutrition Program*

Currently, the Senior Farmers' Market Program is funded at $15 million per year. This provision would reauthorize the program and authorize additional funds via the appropriations process for expansion.

### *Section 4402: Congressional Hunger Center*

This section would authorize the Bill Emerson National Hunger Fellows and Mickey Leland International Hunger Fellows programs, which fund fellowships to address hunger and poverty in the United States and abroad, respectively. It would provide an authorization for annual appropriations of $3 million.

### *Section 4403: Joint Nutrition Monitoring and Related Research Activities*

This section instructs the Secretaries of Agriculture and Health and Human Services to jointly monitor and conduct research on diet, nutrition, physical activity, and related issues.

### *Section 4404: Sense of the Congress*

This section states the sense of the Congress that food provided in the national school breakfast and lunch programs should be selected to reduce the incidence of juvenile obesity and to maximize nutritional value.

| PRELIMINARY COST ANALYSIS FOR HOUSE-PASSED FARM BILL<br>CBO estimated outlays (or revenues) in millions of dollars | | |
|---|---|---|
| **Sec.** | | **5 year<br>08-12** |
| 4005 | Excluding combat pay from income | 3 |
| 4006 | Increasing the standard deduction ($145 indexed) | 2,180 |
| 4007 | Lifting cap on child care deduction | 249 |
| 4008 | Indexing asset limits | 60 |
| 4009 | Excluding education accounts | 8 |
| 4010 | Excluding retirement accounts | 564 |
| 4013 | Increasing the minimum benefit | 243 |
| 4028 | Increasing commodity purchases for TEFAP | 606 |
| 4303 | Expansion of Fresh Fruit and Vegetable Program | 275 |
| | Other, including interaction among provisions* | 7 |
| | ***Title IV - Total Cost*** | ***4,195*** |
| | ***Subtotal Food Stamps and TEFAP*** | ***3,921*** |
| | ***Subtotal Food Stamps*** | ***3,314*** |

* includes $10 million in revenues from section 4017 on civil penalties

## IMPACT OF SELECTED PROVISIONS OF THE HOUSE-PASSED FARM BILL

Additional Benefits, FY 2008
($ millions)

| State | Standard Deduction Provision | Dependent Care Deduction Provision | Minimum Benefit Provision | TEFAP Provision | Total* |
|---|---|---|---|---|---|
| Alabama | $6 | $1.6 | $0.5 | $2.0 | $10 |
| Alaska | $1 | — | $0.2 | $0.3 | $1 |
| Arizona | $5 | $0.9 | $0.5 | $2.2 | $8 |
| Arkansas | $4 | $0.8 | $0.7 | $1.4 | $7 |
| California | $21 | $0.7 | $0.9 | $14.9 | $37 |
| Colorado | $2 | $0.2 | $0.5 | $1.5 | $5 |
| Connecticut | $3 | $0.4 | $0.6 | $1.0 | $5 |
| Delaware | $1 | $0.2 | $0.2 | $0.2 | $1 |
| District of Columbia | $1 | — | $0.2 | $0.3 | $1 |
| Florida | $17 | $2.5 | $2.3 | $6.1 | $28 |
| Georgia | $9 | $2.2 | $1.0 | $2.9 | $15 |
| Hawaii | $3 | — | — | $0.4 | $3 |
| Idaho | $1 | $0.6 | $0.2 | $0.4 | $2 |
| Illinois | $13 | $2.2 | $1.3 | $4.7 | $21 |
| Indiana | $6 | $0.8 | $0.7 | $2.0 | $9 |
| Iowa | $2 | $0.1 | $0.4 | $0.9 | $4 |
| Kansas | $2 | $0.1 | $0.5 | $0.9 | $4 |
| Kentucky | $7 | $0.6 | $0.8 | $1.7 | $10 |
| Louisiana | $8 | $3.0 | $0.5 | $2.1 | $13 |
| Maine | $2 | $0.3 | $0.4 | $0.4 | $3 |
| Maryland | $4 | $1.4 | $0.7 | $1.5 | $7 |
| Massachusetts | $5 | $0.3 | $1.0 | $2.2 | $9 |
| Michigan | $10 | $2.2 | $2.9 | $3.9 | $19 |
| Minnesota | $5 | $0.1 | $2.2 | $1.4 | $9 |
| Mississippi | $3 | $0.3 | $0.5 | $1.4 | $6 |
| Missouri | $7 | $3.1 | $1.5 | $2.3 | $14 |
| Montana | $1 | — | $0.1 | $0.4 | $1 |
| Nebraska | $1 | — | $0.4 | $0.5 | $2 |
| Nevada | $2 | $0.2 | $0.3 | $0.7 | $3 |
| New Hampshire | $1 | $0.1 | $0.2 | $0.3 | $1 |
| New Jersey | $6 | $0.9 | $0.9 | $2.5 | $10 |
| New Mexico | $2 | $0.2 | $0.3 | $0.9 | $4 |
| New York | $21 | $3.3 | $2.8 | $8.2 | $35 |
| North Carolina | $9 | $2.0 | $1.9 | $3.5 | $16 |
| North Dakota | $1 | $0.3 | $0.1 | $0.2 | $1 |
| Ohio | $11 | $0.7 | $1.4 | $4.1 | $17 |
| Oklahoma | $4 | — | $1.6 | $1.4 | $7 |
| Oregon | $5 | $1.1 | $1.4 | $1.5 | $9 |
| Pennsylvania | $13 | $1.6 | $2.8 | $4.2 | $21 |
| Rhode Island | $1 | $0.1 | $0.3 | $0.4 | $2 |
| South Carolina | $5 | $0.9 | $0.8 | $1.8 | $8 |
| South Dakota | $1 | — | $0.1 | $0.2 | $3 |
| Tennessee | $9 | $2.1 | $2.3 | $2.4 | $16 |
| Texas | $22 | $7.6 | $1.6 | $10.0 | $41 |
| Utah | $1 | $0.3 | $0.2 | $0.8 | $2 |
| Vermont | $1 | $0.1 | $0.2 | $0.2 | $1 |
| Virginia | $6 | $0.8 | $1.4 | $2.0 | $10 |
| Washington | $6 | $0.2 | $0.7 | $2.4 | $9 |
| West Virginia | $3 | $0.1 | $0.5 | $0.8 | $5 |
| Wisconsin | $3 | $0.5 | $1.7 | $1.8 | $7 |
| Wyoming | $0.3 | — | $0.1 | $0.1 | $2 |
| Guam | $0.2 | — | — | — | $1 |
| Virgin Islands | $0.1 | — | — | — | $1 |
| **Total** | **$280** | **$48** | **$45** | **$110** | **$483** |

— Estimated effect is less than $100,000.

National estimates are from CBO. For state estimates the national number is allocated based on CBPP analysis of food stamp administrative data.

* Total does not reflect the interaction of the three food stamp provisions, the actual impact may be slightly lower.

| IMPACT OF SELECTED PROVISIONS OF THE HOUSE-PASSED FARM BILL | | | | | |
|---|---|---|---|---|---|
| **Additional Benefits, FY 2008-2012 ($ millions)** | | | | | |
| **State** | **Standard Deduction Provision** | **Dependent Care Deduction Provision*** | **Minimum Benefit Provision** | **TEFAP Provision** | **Total**** |
| Alabama | $44 | $8.4 | $2.9 | $11.2 | $66 |
| Alaska | $7 | — | $0.9 | $1.4 | $9 |
| Arizona | $37 | $4.8 | $2.8 | $11.9 | $57 |
| Arkansas | $29 | $4.0 | $3.6 | $7.5 | $44 |
| California | $164 | $3.7 | $5.0 | $81.9 | $254 |
| Colorado | $18 | $1.2 | $2.5 | $8.3 | $30 |
| Connecticut | $22 | $2.3 | $3.2 | $5.4 | $33 |
| Delaware | $5 | $0.8 | $0.8 | $1.2 | $8 |
| District of Columbia | $7 | — | $1.0 | $1.7 | $10 |
| Florida | $132 | $12.9 | $12.5 | $33.6 | $191 |
| Georgia | $72 | $11.7 | $5.4 | $15.9 | $105 |
| Hawaii | $20 | $0.2 | $0.2 | $2.1 | $22 |
| Idaho | $7 | $3.1 | $0.9 | $2.5 | $14 |
| Illinois | $100 | $11.5 | $7.2 | $25.7 | $144 |
| Indiana | $45 | $3.9 | $3.9 | $11.2 | $64 |
| Iowa | $18 | $0.3 | $2.2 | $4.8 | $25 |
| Kansas | $17 | $0.6 | $2.6 | $4.9 | $25 |
| Kentucky | $56 | $3.0 | $4.4 | $9.1 | $72 |
| Louisiana | $59 | $15.8 | $2.5 | $11.7 | $89 |
| Maine | $18 | $1.4 | $2.3 | $2.5 | $24 |
| Maryland | $28 | $7.4 | $3.6 | $8.1 | $47 |
| Massachusetts | $41 | $1.6 | $5.5 | $12.1 | $61 |
| Michigan | $82 | $11.4 | $15.9 | $21.6 | $131 |
| Minnesota | $38 | $0.8 | $11.6 | $7.8 | $58 |
| Mississippi | $25 | $1.8 | $2.5 | $7.6 | $37 |
| Missouri | $57 | $15.8 | $8.1 | $12.8 | $94 |
| Montana | $7 | — | $0.6 | $2.0 | $10 |
| Nebraska | $10 | — | $2.3 | $2.8 | $15 |
| Nevada | $12 | $1.0 | $1.5 | $3.6 | $18 |
| New Hampshire | $6 | $0.7 | $1.1 | $1.7 | $9 |
| New Jersey | $44 | $4.7 | $4.9 | $13.9 | $68 |
| New Mexico | $19 | $1.1 | $1.5 | $4.9 | $27 |
| New York | $162 | $17.0 | $15.0 | $45.1 | $239 |
| North Carolina | $68 | $10.6 | $10.2 | $19.2 | $108 |
| North Dakota | $4 | $1.4 | $0.4 | $1.1 | $7 |
| Ohio | $87 | $3.5 | $7.4 | $22.7 | $121 |
| Oklahoma | $30 | — | $8.4 | $7.5 | $46 |
| Oregon | $41 | $5.8 | $7.4 | $8.2 | $62 |
| Pennsylvania | $97 | $8.3 | $14.9 | $22.9 | $144 |
| Rhode Island | $7 | $0.6 | $1.7 | $2.2 | $11 |
| South Carolina | $38 | $4.5 | $4.2 | $9.9 | $57 |
| South Dakota | $4 | — | $0.6 | $1.3 | $6 |
| Tennessee | $70 | $11.0 | $12.3 | $13.1 | $106 |
| Texas | $168 | $39.7 | $8.5 | $55.1 | $271 |
| Utah | $9 | $1.6 | $1.2 | $4.2 | $16 |
| Vermont | $5 | $0.7 | $1.0 | $1.0 | $8 |
| Virginia | $46 | $4.2 | $7.6 | $11.1 | $69 |
| Washington | $44 | $0.9 | $3.7 | $13.2 | $62 |
| West Virginia | $25 | $0.5 | $2.9 | $4.4 | $33 |
| Wisconsin | $23 | $2.6 | $9.0 | $9.7 | $44 |
| Wyoming | $2 | $0.1 | $0.4 | $0.8 | $4 |
| Guam | $2 | — | — | $0.2 | $2 |
| Virgin Islands | $1 | — | — | $0.2 | $1 |
| **Total** | **$2,180** | **$249** | **$243** | **$606** | **$3,278** |

— Estimated effect is less than $100,000.
National estimates are from CBO. For state estimates the national number is allocated based on CBPP analysis of food stamp administrative data.
* Total does not reflect the interaction of the three food stamp provisions, the actual impact may be slightly lower.

| NUMBER OF PEOPLE BENEFITING FROM SELECTED PROVISIONS OF THE HOUSE-PASSED FARM BILL | | | | |
|---|---|---|---|---|
| | People Receiving Additional Benefits in 2012 (000s) | | | |
| **State** | **Standard Deduction Provision*** | **Dependent Care Deduction Provision**** | **Minimum Benefit Provision**** | **Total* *** |
| Alabama | 266 | 11 | 10 | 273 |
| Alaska | 41 | — | 2 | 44 |
| Arizona | 225 | 4 | 9 | 234 |
| Arkansas | 166 | 6 | 11 | 175 |
| California | 1,053 | 4 | 17 | 1,068 |
| Colorado | 99 | 2 | 7 | 106 |
| Connecticut | 102 | 3 | 11 | 111 |
| Delaware | 31 | 1 | 3 | 34 |
| District of Columbia | 42 | — | 4 | 44 |
| Florida | 632 | 20 | 45 | 670 |
| Georgia | 393 | 16 | 19 | 407 |
| Hawaii | 71 | — | 1 | 72 |
| Idaho | 41 | 4 | 3 | 44 |
| Illinois | 485 | 14 | 29 | 508 |
| Indiana | 254 | 4 | 15 | 262 |
| Iowa | 96 | — | 7 | 102 |
| Kansas | 90 | 1 | 8 | 95 |
| Kentucky | 295 | 4 | 16 | 307 |
| Louisiana | 328 | 21 | 9 | 333 |
| Maine | 83 | 2 | 7 | 90 |
| Maryland | 145 | 9 | 13 | 155 |
| Massachusetts | 217 | 2 | 21 | 236 |
| Michigan | 488 | 14 | 50 | 538 |
| Minnesota | 187 | 1 | 18 | 202 |
| Mississippi | 180 | 2 | 11 | 185 |
| Missouri | 340 | 20 | 28 | 360 |
| Montana | 37 | — | 2 | 38 |
| Nebraska | 54 | — | 7 | 60 |
| Nevada | 58 | 1 | 5 | 62 |
| New Hampshire | 29 | 1 | 4 | 33 |
| New Jersey | 232 | 8 | 15 | 244 |
| New Mexico | 120 | 2 | 5 | 123 |
| New York | 1,008 | 17 | 40 | 1,041 |
| North Carolina | 391 | 15 | 33 | 419 |
| North Dakota | 21 | 2 | 2 | 22 |
| Ohio | 459 | 4 | 33 | 473 |
| Oklahoma | 179 | — | 25 | 200 |
| Oregon | 203 | 9 | 24 | 227 |
| Pennsylvania | 492 | 12 | 39 | 532 |
| Rhode Island | 42 | 1 | 4 | 46 |
| South Carolina | 237 | 5 | 14 | 248 |
| South Dakota | 20 | — | 2 | 22 |
| Tennessee | 390 | 15 | 38 | 423 |
| Texas | 1,095 | 46 | 34 | 1,127 |
| Utah | 57 | 2 | 5 | 60 |
| Vermont | 25 | 1 | 3 | 27 |
| Virginia | 262 | 8 | 23 | 279 |
| Washington | 274 | 1 | 12 | 283 |
| West Virginia | 135 | 1 | 11 | 143 |
| Wisconsin | 142 | 3 | 29 | 171 |
| Wyoming | 12 | — | 1 | 13 |
| Guam | 6 | — | — | 6 |
| Virgin Islands | 4 | — | — | 4 |
| **Total** | **12,334** | **320** | **780** | **12,983** |

**Note: Updated November 2, 2007 for revised methodology.**

— Estimated effect is less than 1,000 people.

* CBPP estimate based on food stamp administrative data

** National estimates are from CBO. For state estimates the national number is allocated based on CBPP analysis of food stamp administrative data.

*** Total is less than the sum of the three preceding columns because of overlap in the participants who would benefit from the three provisions.