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SUMMARY ANALYSIS OF THE SENATE AGRICULTURE COMMITTEE NUTRITION TITLE

By Dorothy Rosenbaum and Stacy Dean

On October 25, 2007, the Senate Agriculture, Nutrition and Forestry Committee passed by voice vote its farm bill proposal, “The Food and Energy Security Act of 2007.” Including improvements expected to be added to the bill by a manager’s amendment after the bill passed out of Committee, the nutrition provisions of the bill include about \$4.2 billion over five years in improvements for the Food Stamp Program and the Emergency Food Assistance Program (TEFAP), \$1.1 billion for an expanded program under the School Lunch Program to provide free fresh fruits and vegetables in schools, as well as various provisions that reauthorize and improve the Food Stamp Program and various commodity distribution and other nutrition programs.

The bill’s most significant nutrition provisions would:

- **End the erosion of food stamp benefits.** The minimum **standard deduction** that households with 3 or fewer members receive — a group that makes up 75 percent of all food stamp households — would increase from \$134 to \$140 in 2008 and be indexed in each subsequent year for inflation. The change would provide a typical working family of three with an additional \$4 a month in 2009, rising to \$8 a month by 2012. 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. As a result of indexing, the food stamp benefit’s purchasing power would no longer shrink each year and some of the lost ground would be made up. (5-year CBO cost, \$1.4 billion.)

In addition, 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 rise to \$16 in fiscal year 2009 and would be adjusted for increases in food prices in later years. (5-year CBO cost estimate, \$214 million.)

- **Support work.** The bill would eliminate the cap on the **dependent care deduction**, so that working families that pay for child care could deduct the full amount of costs they incur in order to work. (5-year CBO cost, \$213 million.)
- **Encourage savings.** The food stamp **asset limits** have been frozen since 1986 at \$2,000 for most households and \$3,000 for households with members who are elderly or disabled. The steady shrinkage in the inflation-adjusted value of the asset limits discourages saving and

undermines a key path to self-sufficiency. The bill would address this problem by **raising the asset limits to \$3,500 and \$4,500** respectively and indexing them to inflation in future years. In addition, under the bill, **tax-preferred retirement accounts and education accounts** would no longer be counted toward the asset limit; this would remove the current disincentive for working households to save for retirement and education. (5-year CBO cost, \$1.5 billion.)

- ***Moderate and simplify the overly harsh three-month time limit.*** The bill would change the Food Stamp Program's **time limit on unemployed childless adults** from three out of every 36 months to six out of every 36 months, and would eliminate the second three month period that individuals can currently qualify for if they subsequently become employed, apply for food stamps, and then lose their job. (5-year CBO cost, \$64 million.)
- ***Build on the successes of the 2002 Farm Bill.*** The bill would build up popular state options to simplify service delivery enacted in the 2002 Farm Bill, such as streamlining paperwork burdens on seniors and people with disabilities, expanding the "transitional benefit" option to cover more families leaving welfare for work, and supporting state efforts to modernize service delivery. The bill also enhances program integrity by increasing penalties for retailers who abuse the program. The expanded simplified reporting state option mentioned above is the only food stamp provision with an estimated cost that would continue past 2012. (5-year CBO cost for simplified reporting, \$123 million, and for transitional food stamps, \$58 million.)
- ***Increase support for emergency feeding organizations.*** Annual funding for commodity purchases for **TEFAP** under the Food Stamp Program would increase from \$140 million to \$250 million. (5-year CBO cost, \$550 million.)
- ***Expand free fresh fruits and vegetables in schools.*** The bill would dramatically expand the Fresh Fruit and Vegetable Program under the Richard B. Russell National School Lunch Act. The expanded program would provide free fresh fruits and vegetables to children in schools in all 50 states and the District of Columbia. (5-year CBO cost, \$1.1 billion)

Under the Senate Agriculture Committee bill, all of the food stamp improvements listed above, with one small exception that is noted, would expire after five years. This unprecedented approach to food stamp legislation appears to result from the bill not including sufficient budgetary offsets to make these improvements permanent. Unless Congress later took action to extend the proposed policies, more than 10 million recipients would experience benefit cuts and over 100,000 low-income people would be cut off food stamps in 2013. It appears that many provisions in other titles of the bill would also expire. At this date, we have not yet determined whether all provisions in other titles with estimated costs would expire and what the impacts of those policies would be. (Note: Provisions of the nutrition title that do not have an estimated budgetary cost would be made permanent under the bill.)

The Center on Budget and Policy Priorities has conducted a preliminary analysis of the state-by-state impacts of some of the key provisions: the standard deduction, child care deduction, minimum benefit, and TEFAP changes. Tables at the end of this report present information on the number of people affected in each state and the size of the benefit increases under the bill based on CBPP analysis of 5-year preliminary CBO costs.

IMPACT OF SELECTED PROVISIONS OF THE SENATE AGRICULTURE COMMITTEE FARM BILL

Additional Benefits, FY 2009*
(\$ millions)

State	Standard Deduction Provision	Dependent Care Deduction Provision**	Minimum Benefit Provision	TEFAP Provision	Total**
Alabama	\$5	\$1.6	\$0.6	\$2.0	\$9
Alaska	\$1	—	\$0.2	\$0.3	\$1
Arizona	\$4	\$1.0	\$0.6	\$2.2	\$8
Arkansas	\$3	\$0.8	\$0.8	\$1.4	\$6
California	\$17	\$0.7	\$1.1	\$14.9	\$34
Colorado	\$2	\$0.2	\$0.5	\$1.5	\$4
Connecticut	\$2	\$0.5	\$0.7	\$1.0	\$4
Delaware	\$1	\$0.2	\$0.2	\$0.2	\$1
District of Columbia	\$1	—	\$0.2	\$0.3	\$1
Florida	\$14	\$2.5	\$2.7	\$6.1	\$25
Georgia	\$7	\$2.3	\$1.2	\$2.9	\$14
Hawaii	\$2	—	—	\$0.4	\$2
Idaho	\$1	\$0.6	\$0.2	\$0.4	\$2
Illinois	\$10	\$2.3	\$1.6	\$4.7	\$19
Indiana	\$5	\$0.8	\$0.9	\$2.0	\$8
Iowa	\$2	\$0.1	\$0.5	\$0.9	\$3
Kansas	\$2	\$0.1	\$0.6	\$0.9	\$3
Kentucky	\$6	\$0.6	\$1.0	\$1.7	\$9
Louisiana	\$6	\$3.1	\$0.5	\$2.1	\$12
Maine	\$2	\$0.3	\$0.5	\$0.4	\$3
Maryland	\$3	\$1.4	\$0.8	\$1.5	\$7
Massachusetts	\$4	\$0.3	\$1.2	\$2.2	\$8
Michigan	\$8	\$2.2	\$3.5	\$3.9	\$18
Minnesota	\$4	\$0.1	\$2.5	\$1.4	\$8
Mississippi	\$3	\$0.3	\$0.5	\$1.4	\$5
Missouri	\$6	\$3.1	\$1.8	\$2.3	\$13
Montana	\$1	—	\$0.1	\$0.4	\$1
Nebraska	\$1	—	\$0.5	\$0.5	\$2
Nevada	\$1	\$0.2	\$0.3	\$0.7	\$2
New Hampshire	\$1	\$0.1	\$0.2	\$0.3	\$1
New Jersey	\$5	\$0.9	\$1.1	\$2.5	\$9
New Mexico	\$2	\$0.2	\$0.3	\$0.9	\$3
New York	\$17	\$3.4	\$3.3	\$8.2	\$32
North Carolina	\$7	\$2.1	\$2.2	\$3.5	\$15
North Dakota	—	\$0.3	\$0.1	\$0.2	\$1
Ohio	\$9	\$0.7	\$1.6	\$4.1	\$15
Oklahoma	\$3	—	\$1.8	\$1.4	\$6
Oregon	\$4	\$1.1	\$1.6	\$1.5	\$8
Pennsylvania	\$10	\$1.6	\$3.3	\$4.2	\$19
Rhode Island	\$1	\$0.1	\$0.4	\$0.4	\$2
South Carolina	\$4	\$0.9	\$0.9	\$1.8	\$8
South Dakota	\$0.4	—	\$0.1	\$0.2	\$1
Tennessee	\$7	\$2.2	\$2.7	\$2.4	\$14
Texas	\$17	\$7.8	\$1.8	\$10.0	\$37
Utah	\$1	\$0.3	\$0.3	\$0.8	\$2
Vermont	\$1	\$0.1	\$0.2	\$0.2	\$1
Virginia	\$5	\$0.8	\$1.7	\$2.0	\$9
Washington	\$5	\$0.2	\$0.8	\$2.4	\$8
West Virginia	\$3	\$0.1	\$0.6	\$0.8	\$4
Wisconsin	\$2	\$0.5	\$2.0	\$1.8	\$7
Wyoming	\$0.2	—	\$0.1	\$0.1	\$0.5
Guam	\$0.2	—	—	—	\$0.2
Virgin Islands	\$0.1	—	—	—	\$0.1
Total	\$225	\$49	\$53	\$110	\$437

— 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.

* 2009 is the first year the provisions will be effective.

** 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 SENATE AGRICULTURE
COMMITTEE FARM BILL**

**Additional Benefits, FY 2008-2012
(\$ millions)**

State	Standard Deduction Provision	Dependent Care Deduction Provision	Minimum Benefit Provision	TEFAP Provision	Total*
Alabama	\$28	\$7.1	\$2.6	\$10.2	\$48
Alaska	\$4	—	\$0.8	\$1.3	\$6
Arizona	\$24	\$4.1	\$2.5	\$10.8	\$42
Arkansas	\$19	\$3.4	\$3.2	\$6.8	\$32
California	\$106	\$3.2	\$4.4	\$74.3	\$187
Colorado	\$12	\$1.0	\$2.2	\$7.5	\$23
Connecticut	\$14	\$2.0	\$2.8	\$4.9	\$24
Delaware	\$3	\$0.7	\$0.7	\$1.1	\$6
District of Columbia	\$5	—	\$0.9	\$1.6	\$7
Florida	\$85	\$11.0	\$11.0	\$30.4	\$138
Georgia	\$46	\$10.0	\$4.7	\$14.5	\$76
Hawaii	\$12	\$0.2	\$0.2	\$1.9	\$15
Idaho	\$5	\$2.6	\$0.8	\$2.2	\$10
Illinois	\$64	\$9.9	\$6.3	\$23.3	\$104
Indiana	\$29	\$3.4	\$3.5	\$10.1	\$46
Iowa	\$11	\$0.3	\$1.9	\$4.3	\$18
Kansas	\$11	\$0.5	\$2.3	\$4.4	\$18
Kentucky	\$36	\$2.6	\$3.9	\$8.3	\$51
Louisiana	\$39	\$13.5	\$2.2	\$10.6	\$65
Maine	\$12	\$1.2	\$2.0	\$2.2	\$17
Maryland	\$18	\$6.3	\$3.2	\$7.4	\$35
Massachusetts	\$27	\$1.4	\$4.8	\$10.9	\$44
Michigan	\$53	\$9.7	\$14.0	\$19.6	\$97
Minnesota	\$25	\$0.6	\$10.3	\$7.1	\$43
Mississippi	\$16	\$1.5	\$2.2	\$6.9	\$27
Missouri	\$37	\$13.5	\$7.2	\$11.6	\$69
Montana	\$5	—	\$0.5	\$1.8	\$7
Nebraska	\$6	—	\$2.0	\$2.5	\$11
Nevada	\$8	\$0.8	\$1.3	\$3.3	\$13
New Hampshire	\$4	\$0.6	\$1.0	\$1.5	\$7
New Jersey	\$28	\$4.0	\$4.3	\$12.7	\$49
New Mexico	\$12	\$1.0	\$1.3	\$4.5	\$19
New York	\$106	\$14.6	\$13.2	\$40.9	\$175
North Carolina	\$44	\$9.1	\$9.0	\$17.4	\$80
North Dakota	\$3	\$1.2	\$0.4	\$1.0	\$5
Ohio	\$56	\$3.0	\$6.5	\$20.6	\$86
Oklahoma	\$19	—	\$7.4	\$6.8	\$33
Oregon	\$26	\$5.0	\$6.5	\$7.5	\$45
Pennsylvania	\$63	\$7.1	\$13.1	\$20.8	\$104
Rhode Island	\$5	\$0.5	\$1.5	\$2.0	\$9
South Carolina	\$25	\$3.9	\$3.7	\$9.0	\$41
South Dakota	\$2	—	\$0.5	\$1.2	\$4
Tennessee	\$45	\$9.4	\$10.8	\$11.9	\$77
Texas	\$108	\$33.9	\$7.4	\$50.0	\$199
Utah	\$6	\$1.4	\$1.1	\$3.8	\$12
Vermont	\$3	\$0.6	\$0.8	\$0.9	\$6
Virginia	\$30	\$3.6	\$6.7	\$10.1	\$50
Washington	\$29	\$0.8	\$3.2	\$11.9	\$45
West Virginia	\$16	\$0.4	\$2.6	\$4.0	\$23
Wisconsin	\$15	\$2.2	\$7.9	\$8.8	\$34
Wyoming	\$1	\$0.1	\$0.4	\$0.7	\$3
Guam	\$1	—	—	\$0.2	\$1
Virgin Islands	—	—	—	\$0.2	\$1
Total	\$1,408	\$213	\$214	\$550	\$2,385

— 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 SENATE AGRICULTURE COMMITTEE FARM BILL

People Receiving Additional Benefits in 2012
(000s)

State	Standard Deduction Provision*	Dependent Care Deduction Provision**	Minimum Benefit Provision**	Total* ***
Alabama	200	11	10	209
Alaska	27	—	2	30
Arizona	174	4	9	184
Arkansas	129	6	11	140
California	850	4	17	866
Colorado	80	2	7	88
Connecticut	88	3	11	98
Delaware	25	1	3	28
District of Columbia	38	—	4	41
Florida	535	20	45	575
Georgia	323	16	19	339
Hawaii	71	—	1	72
Idaho	33	4	3	36
Illinois	415	14	29	438
Indiana	194	4	15	204
Iowa	76	—	7	82
Kansas	71	1	8	77
Kentucky	234	4	16	247
Louisiana	265	21	9	272
Maine	69	2	7	75
Maryland	120	9	13	131
Massachusetts	178	2	21	197
Michigan	395	14	50	446
Minnesota	176	1	18	192
Mississippi	136	2	11	142
Missouri	243	20	28	266
Montana	31	—	2	33
Nebraska	43	—	7	49
Nevada	46	1	5	51
New Hampshire	24	1	4	28
New Jersey	196	8	15	211
New Mexico	96	2	5	100
New York	877	17	40	912
North Carolina	311	15	33	340
North Dakota	17	2	2	18
Ohio	369	4	33	389
Oklahoma	135	—	25	157
Oregon	160	9	24	185
Pennsylvania	408	12	39	450
Rhode Island	33	1	4	38
South Carolina	201	5	14	213
South Dakota	16	—	2	17
Tennessee	309	15	38	345
Texas	857	46	34	890
Utah	41	2	5	44
Vermont	20	1	3	23
Virginia	198	8	23	220
Washington	228	1	12	239
West Virginia	104	1	11	112
Wisconsin	110	3	29	140
Wyoming	10	—	1	11
Guam	4	—	—	4
Virgin Islands	4	—	—	4
Total	9,992	320	780	10,697

— 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.