

Side-by-Side Comparison of Food Stamp Provisions in Proposed Farm Bills

This document compares the provisions amending the Food Stamp Act in three bills now before the Congress: the House-passed Farm Bill (H.R. 2646, The Farm Security Act), Senator Lugar's proposed amendment to the Farm Bill that will be considered on the Senate floor, and the Senate Agriculture Committee-passed Farm Bill to be considered on the Senate floor (S. 1731, The Agriculture Conservation, and Rural Enhancement Act). The Congressional Budget Office (CBO) has provided a final cost estimate for H.R. 2646. (The Food Stamp Act provisions cost \$3.6 billion over 10 years.) Similarly, CBO estimates the cost of the Senate Agriculture Committee-passed nutrition title to be \$6.2 billion over the same period. Similar figures are not yet available for Senator Lugar's amendment, though based on information from CBO, Senator Lugar has indicated that the 10-year cost of his nutrition title is estimated to be \$12.4 billion.

These descriptions are not meant to be comprehensive, but to provide a useful guide to compare the bills. The details of Senator Lugar's amendment are based on the bill he introduced as S. 1571, The Farm and Ranch Equity Act, revised for changes based on discussions with Senate staff.

In addition to provisions amending the Food Stamp Act, both of the Senate bills contain additional provisions that affect other programs, including: reauthorizing various discretionary commodity programs, temporarily excluding certain military housing allowances in determining eligibility for school lunches and WIC, additional commodity purchases for the School Lunch Program, funding for the senior farmers' market nutrition program, and establishing a Congressional Hunger Fellows Program.

	H.R. 2646: The Farm Security Act (House-passed Farm Bill)	Senator Lugar's proposed amendment	S. 1731: The Agriculture, Conservation, and Rural Enhancement Act (Senate Agriculture Committee-passed)
Eligibility provisions			
Restoration of benefits for legal immigrants	No provision.	<p>Section 1252: Allows legal immigrants who can claim 16 quarters of work history to qualify for benefits (instead of the current 40 quarters).</p> <p>Section 1253: For legal immigrants, lifts the ban on eligibility <i>five years</i> after the immigrant entered the country or adjusted status. After the five-year period sponsor deeming would apply.</p>	<p>Section 452: Like Lugar amendment, allows legal immigrants who can claim 16 quarters of work history to qualify for benefits (instead of the current 40 quarters).</p> <p>Restores eligibility to all legal immigrant children, regardless of date of entry to U.S. (In addition, sponsor deeming would not apply to children.) Effective 10/1/03.</p> <p>Restores full eligibility to refugees and asylees. (Current rules provide eligibility for the first seven years the refugee or asylee is in the U.S.)</p> <p>Restores eligibility to disabled legal immigrants who entered the U.S. after August 22, 1996 and receive a disability benefit such as SSI.</p>
Time-limit for unemployed childless adults	No provision.	Section 1228: Changes the time-limit for participation by unemployed childless adults from three months out of 36 months to six months out of 12 months. Removes the second three month period of eligibility for individuals who work after losing eligibility.	Section 421: Same as Lugar amendment, except: 1) changes the time-limit from three months out of 36 months to six months out of 24 months, and 2) Allows certain job search activities to qualify as a work program that meets the work requirement.

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Vehicles	No provision.	Section 1223: Completely excludes the value of all licensed motor vehicles when determining eligibility for food stamps.	No provision.
Categorical eligibility	No provision.	Section 1211: Restricts the application of categorical eligibility to households in which all members receive SSI or TANF-funded cash assistance. Current law extends food stamp categorical eligibility to recipients of TANF-funded services.	No provision.
Retirement assets	No provision.	Section 1224: Excludes the value of dedicated retirement savings accounts from consideration as a resource.	No provision.
Asset limit for households with a disabled member	No provision.	Section 1222: Aligns the resource limit for households with disabled members to the \$3,000 limit for households with elderly members.	No provision.
Standard deduction			
Benefit improvement through a restructured standard deduction	Section 402: Increases the standard deduction to recognize that larger families have greater expenses than smaller ones. Specifically, sets the standard deduction at 9.7 percent of the fiscal year 2002 poverty level for each household size, but not less than the current standard deduction of \$134. (Households with more than six members would receive the standard deduction for a six person household.)	Section 1216: Same as H.R. 2646 except: 1) sets the standard deduction (by 2011) at 10 percent of each year's poverty level for a given household size (up to six persons). Phases up to 10 percent in 2011 from 8 percent in 2002. 2) ensures that the standard deduction keeps pace with inflation.	Section 413: Same as H.R. 2646 except: 1) sets the standard deduction (by 2011) at 9 percent of each year's poverty level for a given household size (up to six persons). Phases up to 9 percent in 2011 from 8 percent in 2002. 2) ensures that the standard deduction keeps pace with inflation.
Income and Resource Simplifications			

	H.R. 2646: The Farm Security Act (House-passed Farm Bill)	Senator Lugar's proposed amendment	S. 1731: The Agriculture, Conservation, and Rural Enhancement Act (Senate Agriculture Committee-passed)
Treatment of infrequent and unanticipated income	No provision.	Section 1212: Increases the disregard for infrequent or irregular income from \$30 to \$100.	No provision.
Definition of Income	Section 401: Allows a state option to exclude certain uncommon types of income if the state also does not count them in its TANF cash assistance or Medicaid program. Also allows states to exclude two obscure types of income: certain unusual educational benefits and "complementary assistance" from states.	Section 1214: Substantively the same as H.R. 2646.	Section 411: Same as Lugar amendment.
Interest and dividend income	No provision.	Section 1215: Excludes interest and dividend income from consideration as income in determining eligibility and benefits.	No provision.
Earned income	No provision.	Section 1220: Creates a new state option to multiply average weekly paychecks by four and average biweekly paychecks by two in the monthly income computation, thus eliminating the confusion between working households that are paid every other week and those paid twice a month. In states taking the option the earned income deduction for all households would be lowered to ensure cost neutrality.	Section 416: Same as Lugar amendment.

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Resources	No provision.	Section 1225: Allows a state option to exclude certain uncommon types of resources if the state also does not count them in its TANF cash assistance or Medicaid program.	Section 418: Same as Lugar amendment.

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Deduction simplification			
Treatment of individuals paying child support	No provision.	Section 1213: Simplifies treatment of individuals paying child support. 1) Allows a state option to replace the current deduction for amounts paid in child support with an income exclusion in the same amount. 2) Permits states to use information from their child support enforcement (IV-D) agencies to determine the amount of child support paid, even if that information is several months old, and 3) Allows states to freeze the amount assumed to be paid in child support in between eligibility reviews.	Section 412: Same as Lugar amendment.

	H.R. 2646: The Farm Security Act (House-passed Farm Bill)	Senator Lugar's proposed amendment	S. 1731: The Agriculture, Conservation, and Rural Enhancement Act (Senate Agriculture Committee-passed)
Determination of shelter costs for shelter deduction	No provision.	<p>Section 1219: Allows states two simplifications in the application of its Standard Utility Allowance (SUA) if the state elects to require all households to have their utility costs determined with the SUA instead of their actual bills. The simplifications would eliminate the current rules requiring that:</p> <ol style="list-style-type: none"> 1) the SUA must be prorated (or disallowed) if an eligible household is doubled up with another individual or family; and 2) the SUA may not be used by certain households in public housing whose utility costs are partially covered by the housing authority <p>Section 1218: Further simplifies the determination of shelter costs:</p> <ol style="list-style-type: none"> 1) Allows households to claim as shelter expenses any money they pay to their landlord on a regular basis (including such items as parking fees, pet surcharges, and other extras that currently must be separated out); 2) Allows states to give homeless households a flat \$143 deduction in lieu of the shelter deduction, rather than requiring states wishing to use this option to document that homeless households typically have incidental shelter costs in that amount. 	Section 414 and 415: Same as Lugar amendment.

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Dependent care deduction	No provision	Section 1217: Gives a state option to standardize the dependent care deduction by establishing estimates of dependent care costs that families pay, similar to state standard utility allowances. States would also have the option to require all households claiming the dependent care deduction to use the standard rather than their actual costs.	No provision.
Determination of amount of deductions	No provision.	Section 1221: Gives states the option to freeze most deductions between scheduled reviews of a household's eligibility. Exceptions include adjusting the earned income deduction for reported changes in earnings and recalculating the shelter deduction when a household reports that it moved.	Section 417: Same as Lugar amendment.
Simplifications to Eligibility and Benefit Determination Procedures			
Transitional Food Stamps	Section 403: Extends from three to six months the time families that leave TANF can continue to receive food stamps without additional paperwork requirements. During this period the household's food stamp benefit are the same as it received prior to its TANF case closure. Households must reapply to have their benefits adjusted. Also makes it easier for states to administer by allowing recertification to be postponed until the end of the transitional period.	Section 1235: Substantively the same as H.R. 2646 except the household's benefits are adjusted for the loss of TANF income. Also, a household's benefits must be adjusted for any other changes that the household elects to report to the state agency that would increase benefits.	Section 428: Same as Lugar amendment.

	H.R. 2646: The Farm Security Act (House-passed Farm Bill)	Senator Lugar's proposed amendment	S. 1731: The Agriculture, Conservation, and Rural Enhancement Act (Senate Agriculture Committee-passed)
Semi-annual reporting	No provision.	Section 1227: Gives states the option to adopt semi-annual reporting systems for almost their entire caseload, rather than for only households with earnings, as is currently allowed by regulation. Under semi-annual reporting food stamp benefits can be frozen for six months at a time, with households required to report only if their income exceeds the program's gross income limit (130 percent of the poverty line).	Section 420: Same as Lugar amendment.
Periodic redetermination of eligibility	No provision.	Section 1233: Conforms the food stamp procedures for redetermining recipient households' continuing eligibility to those applied in Medicaid, SCHIP, SSI, and other programs. Replaces fixed certification periods with a more flexible redetermination process where households are considered eligible until the state determines they are ineligible or until a household fails to cooperate in a review of eligibility.	Section 426: Same as Lugar amendment.

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Procedures for residents of certain group facilities	No provision.	<p>Section 1231: Gives states the option to provide a standardized monthly benefit to residents of group homes and substance abuse centers, rather than going through the individualized benefit calculation for each resident. The standard benefit would be based on the current average issuance adjusted annually for food inflation.</p> <p>Section 1232: Provides authority for group living arrangements to access residents' benefits directly using a point of sale (POS) device installed at the facility.</p>	Section 424: Same as Lugar amendment section 1231.
Application procedures for SSI recipients	No provision.	Section 1234: Gives statutory authority for current SSI joint application demonstration projects. Allows states the option of treating applications for SSI as applications for food stamps if all members of the applicant's households are applying for SSI. Provides for a standardized benefit since the SSI application lacks sufficient information to apply the regular food stamp benefit calculation. Households would retain the right to participate in the regular food stamp program rather than the demonstration.	No provision.

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Quality Control			
Fiscal Sanctions	<p>Section 404: Reforms quality control so that only states with serious, persistent problems would be sanctioned by:</p> <ol style="list-style-type: none"> 1) increasing the threshold for automatic sanctions to the national average error rate plus one percentage point, 2) imposing sanctions only if there is a 95 percent statistical probability that the state is above the threshold for sanctions, and 3) imposing sanctions only on states whose error rates have been above the target for three consecutive years. <p>Also makes a technical adjustment to the formula for computing sanctions which prevents sanctions from becoming more severe as the national average declines.</p> <p>Effective for error rates based on fiscal year 2000 and later years.</p>	<p>Section 1236: Same as H.R. 2646 with two additional changes:</p> <ol style="list-style-type: none"> 1) requires USDA to adjust states' error rates for fiscal years 2001 and 2002 to eliminate the impact of high or increasing numbers of low-income working households or immigrant households. The adjustments are similar to adjustments that USDA made when calculating sanctions based on fiscal year 1998 through 2000 error rates. For subsequent years USDA would be directed to study whether to continue or modify the adjustments, 2) requires USDA to investigate the state's administration of the program in the first or second year in certain instances when a state's error rate is above the threshold. If USDA found serious negligence it could impose a sanction of up to five percent of the state's administrative funding. Otherwise USDA would work with the state to correct the problem. <p>Effective for error rates based on fiscal year 2001 and later years.</p>	<p>Section 430: Same as Lugar amendment except would require USDA to continue the adjustments to states' error rates for high or increasing numbers of low-income working households or immigrant households beyond fiscal year 2002. In later years USDA could make additional adjustments.</p>

	H.R. 2646: The Farm Security Act (House-passed Farm Bill)	Senator Lugar's proposed amendment	S. 1731: The Agriculture, Conservation, and Rural Enhancement Act (Senate Agriculture Committee-passed)
Incentive payments and enhanced funding	Section 404: Provides annual incentive payments (of \$1 million each, or \$10 million total) for the five states with the highest performance and the five states with the greatest improvement on a combined measure of: 1) timely application processing, and 2) accuracy in denials and terminations. Incentive payments sunset after fiscal year 2007.	Section 1236 and 1238: Replaces the current system of enhanced funding with new, broader performance bonuses. Provides annual bonuses of \$1 million each across ten measures (or \$100 million total) to the ten states with the highest performance in each measure. Measures include claims collection, participation among low income households, overpayment errors, underpayment errors, accuracy in denials and terminations, and timely application processing. The new bonuses would apply to fiscal year 2003 and later.	Section 430 and 432: Replaces the current system of enhanced funding with \$30 million each year for new performance bonuses to states. Bonuses would be provided to states with the highest or most improved performance on five measures, including a measure of participation among low-income working families and four additional measures to be established by USDA in consultation with NGA, APHSA, and NCSL. One of the measures would be the provision of timely and appropriate services to applicants and recipients. The new bonuses would apply to fiscal year 2003 and later.
Date for announcement of QC error rates	No provision.	Section 1237: Extends from mid-April to June 30 USDA's deadline for resolving disputes over states' QC error rates and announcing state and national error rates.	Section 431: Same as Lugar amendment.

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Employment and Training			
Employment and Training	Section 406: Extends current policies and funding for food stamp employment and training (FSE&T) through 2011.	Section 1239: Expands state flexibility in spending on the FSE&T program by repealing: 1) the 80 percent set-aside to serve individuals subject to the three-month time limit, 2) the maintenance of effort requirement required to access new unmatched funds made available in 1997, and 3) the reimbursement rate limits on the amount states can be reimbursed for each work slot offered. Reduces the amount of unmatched federal funding available. Removes the current \$25 per month cap on the amount states may reimburse FSE&T participants for transportation and other work expenses.	Section 433: Same as Lugar amendment except: 1) reduces the amount of unmatched federal funds available by a greater amount and sets some of those funds aside for states that pledge to offer a work slot to every person who would otherwise be terminated under the three-month time limit, and 2) raises the current \$25 per month cap on reimbursement for work expenses to \$50.
Other Provisions			
Issuance of food stamps to disaster victims	No provision.	Section 1226: Gives USDA discretion to select the most practicable method of issuing emergency food stamps to disaster victims.	Section 419: Same as Lugar amendment.

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Access to EBT benefits	No provision.	Section 1229: Prohibits states from closing recipients' EBT accounts unless the account has been inactive for at least 6 months. When a state does close an account it would be required to send the household a notice informing it how to reinstate those benefits.	Section 422: Same as Lugar amendment.
EBT cost neutrality	No provision.	Section 1230: Eliminates the current requirement that EBT systems not cost the federal government more than the prior paper issuance systems did.	Section 423: Same as Lugar amendment.
Applications on the internet	No provision.	No provision.	Section 425: Requires states that have a website for the state agency that administers food stamps to make the application available on the website in each language in which the state makes a printed application available.
Clearinghouse for successful nutrition education efforts	No provision.	No provision.	Section 427: Requires the Secretary of Agriculture to solicit from states descriptions of successful nutrition education programs and make them available on the USDA website.
Delivery of adverse action notice to retailers	No provision.	No provision.	Section 429: Allows USDA flexibility on the postal method used to advise retailers of adverse action.

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Coordination of program information activities	No provision.	No provision.	Section 435: Allows states to use TANF or TANF maintenance of effort funds to pay for state administrative costs related to providing information about the food stamp program. (Currently allowed for other program such as Medicaid, SCHIP, child care, etc.)
Expanded grant authority	No provision.	Section 1241: Clarifies that USDA may provide grants to private entities to conduct research relating to the food stamp program.	Section 436: Same as Lugar amendment.
Waiver cost neutrality	No provision.	Section 1242: Grants USDA authority to approve demonstration waivers that are not cost neutral. Expands waiver cost neutrality to consider the effect over multiple years and over all federal programs. Total cost of such waivers may not exceed \$50 million over five years.	No provision.
Other provisions to improve access to benefits	Section 405: Provides \$10 million each year to help states develop and implement simplified application or eligibility determination systems.	Section 1243: Allows demonstration projects for up to five states to test in part of the state specific promising approaches to simplifying the food stamp program. The total cost of the demonstration projects may be up to \$90 million. An additional \$6 million is available for evaluations	Section 437: Grants USDA authority to make grants to states and others to improve access and outreach to eligible households. Grants are intended to emphasize coordinating access with other programs, outstationing caseworkers, improving remote access and cooperation between states and non-profits.

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Nutrition assistance in Puerto Rico and American Samoa	Section 406: Extends funding for nutrition assistance in Puerto Rico and American Samoa. Each year Puerto Rico would receive its previous year's block grant adjusted for food price inflation. American Samoa would receive 5.3 million each year.	Section 1244: Consolidates the funding structure for nutrition assistance in Puerto Rico and American Samoa beginning in fiscal year 2003. Funding levels would be essentially unchanged, but both programs would be adjusted for food price inflation in future years.	Section 438: Same as Lugar amendment except allows Puerto Rico to use up to \$6 million of its 2002 block grant to help it pay for upgrading, modernizing, and simplifying the systems it uses for providing benefits.
Community Food Projects	Section 406: Provides \$7.5 million each year for Community Food Projects beginning in fiscal years 2002.	No provision.	Section 439: Continues funding for Community Food Projects at \$2.5 million each year.
Innovative programs for addressing common community problems	No provision.	No provision.	Section 441: Provides \$200,000 for each of fiscal years 2002 and 2003 for a contract with a nongovernmental organization to develop and recommend innovative programs for addressing common community problems.
Report on use of EBT systems	No provision.	No provision.	Section 442: Requires USDA to report to Congress on difficulties in using EBT systems for food stamp issuance, including the extent and types of fraud, and efforts underway on the part of USDA, states, retailers, and EBT contractors to address the problems.
Vitamin and mineral supplements	No provision.	No provision.	Section 443: Allows food stamps to be used to purchase nutritional supplements that contain vitamins or minerals. Authorizes a study on the effect of the change.

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Emergency Food Assistance Program (TEFAP)	Section 406: Increases the mandatory funding available for TEFAP commodity purchases under the Food Stamp Act from \$100 million to \$140 million each year. Of this amount, \$10 million each year would be used to pay for state costs related to processing, storing, transporting, and distributing commodities.	Section 1245: Substantively the same as H.R. 2646.	Section 440: Like Lugar amendment and H.R. 2646, amends the Food Stamp Act to provide \$10 million each year for state administrative costs. The bill also provides \$40 million a year for additional TEFAP commodity purchases under the commodity title of the bill.
Reauthorization	Section 406: Extends the authorization of the Food Stamp and related programs under the Food Stamp Act through 2011.	Section 1240: Extends the authorization of the Food Stamp and related programs under the Food Stamp Act through 2006.	Section 434: Same as Lugar amendment.
General effective date	Section 462: Provisions are effective October 1, 2002, unless a provision specifies otherwise.	Section 1259: Unless a provision specifies otherwise, the amendments are effective July 1, 2002, except that a state may elect to not implement until October 1, 2002.	Section 460: Unless a provision specifies otherwise, the amendments are effective Sept. 1, 2002, except that a state may elect to not implement until October 1, 2002.
Total 10-Year Cost	\$3.637 billion	Estimated at \$12.4 billion	\$6.2 billion

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