

## Side-by-Side Comparison of Food Stamp Provisions

This document compares the provisions amending the Food Stamp Act in three bills now before the Congress: the House Agriculture Committee Farm Bill (H.R. 2646), the Nutrition Assistance for Working Families and Seniors Act (Kennedy/Specter, S. 583/H.R. 2142), and The Leave No Child Behind Act (S. 940/H.R. 1990).

These descriptions are not meant to be comprehensive, but to provide a useful guide to compare the bills. The information on estimated costs is based on the most recent available information from the Congressional Budget Office, some of which is preliminary and subject to change.

	<b>H.R. 2646: House Farm Bill as passed by the House Agriculture Committee</b>	<b>S. 583/H.R. 2142: Kennedy/Specter Nutrition Assistance for Working Families and Seniors Act</b>	<b>S. 940/H.R. 1990: The Leave No Child Behind Act</b>
<b>Benefit provisions</b>			
Restoration of benefits for legal immigrants	No provision.	Section 2: Restores eligibility to all legal immigrants who were made ineligible by the 1996 welfare law. Continues prior law's requirement of sponsor deeming for the immigrant's first three years in the U.S. Effective April 1, 2002. <i>CBO 10-year cost estimate: \$3.520 billion</i>	Section 6101: Same as S. 583/H.R. 2142. (Except effective no earlier than April 1, 2002 and no later than October 1, 2002 at state discretion based on length of household certification periods.) <i>CBO 10-year cost estimate: approximately \$3.5 billion</i>
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.) <i>CBO 10-year cost estimate: \$1.420 billion</i>	Section 3: Same as H.R. 2646 except: 1) sets the standard deduction (by 2006) at 10 percent of each year's poverty level for a given household size (up to six persons). Phases up to 10 percent in 2006 from 8 percent in 2002. 2) ensures that the standard deduction keeps pace with inflation. <i>CBO 10-year cost estimate: \$3.590 billion</i>	Section 6103: Same as S. 583/H.R. 2142. <i>CBO 10-year cost estimate: \$3.590 billion</i>

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Shelter deduction	No provision.	No provision.	Section 6105: Eliminates the cap on the excess shelter deduction that currently applies to most families with children and other households that do not contain an elderly or disabled member. <i>CBO 10-year cost estimate: \$1.405 billion</i>
Treatment of child support income	No provision.	Section 4: Encourages payment of child support by disregarding 20 percent of child support income in the food stamp benefit calculation just as current rules disregard 20 percent of a household's earnings. Deduction would not apply to the extent that states reduce public assistance payments to the household as a result of receiving child support. <i>CBO 10-year cost estimate: \$945 million</i>	Section 6104: Same as S. 583/H.R. 2142. <i>CBO 10-year cost estimate: \$945 million</i>
Minimum Benefit	No provision.	Section 5: Increases the minimum benefit (which is available to one and two person households) from \$10 to \$25 by 2006 and indexes it for inflation. <i>CBO 10-year cost estimate: \$2.110 billion</i>	No provision.

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<b>Simplification Provisions</b>			
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. <i>CBO 10-year cost estimate: \$1.485 billion</i>	Section 6: 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 would increase benefits that the household elects to report to the state agency. <i>CBO 10-year cost estimate: \$1.660 billion</i>	Section 6107: Same as S. 583/H.R. 2142. <i>CBO 10-year cost estimate: \$1.660 billion</i>
Definition of Income	Section 401: State option to not count certain uncommon types of income if the state also does not count them in its TANF or Medicaid program. <i>CBO 10-year cost estimate: \$57 million</i>	No provision.	Section 6102: Substantively the same as H.R. 2646. <i>CBO 10-year cost estimate: \$57 million</i>
Periodic redetermination of eligibility	No provision.	No provision.	Section 6106: 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 (where the recipient is required to reapply) with a more flexible redetermination process. <i>CBO 10-year cost estimate: not available</i>

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<b>Quality Control</b>			
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"> <li>1) increasing the threshold for automatic sanctions to the national average error rate plus one percentage point,</li> <li>2) imposing sanctions only if there is a 95 percent statistical probability that the state is above the threshold for sanctions, and</li> <li>3) imposing sanctions only on states whose error rates have been above the target for three consecutive years.</li> </ol> <p>Also makes a technical adjustment to the formula for computing sanctions which prevents sanctions from becoming more severe as the national average declines. <i>CBO 10-year cost estimate: \$0</i></p>	No provision.	<p>Section 6108: Substantively the same as H.R. 2646 except:</p> <ol style="list-style-type: none"> <li>1) also codifies USDA’s adjustments to states’ error rates to offset the impact on error rates of high or rising shares of working or immigrant families, and</li> <li>2) calls for USDA to investigate states that exceed the threshold for one or two years and to reduce the states’ administrative funding by up to five percent if it finds serious negligence.</li> </ol> <p><i>CBO 10-year cost estimate: \$55 million</i></p>
Incentive payments	<p>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:</p> <ol style="list-style-type: none"> <li>1) timely application processing, and</li> <li>2) accuracy in denials and terminations.</li> </ol> <p>Incentive payments sunset after fiscal year 2007. <i>CBO 10-year cost estimate: \$60 million</i></p>	No provision.	<p>Section 6108: Same as H.R. 2646 except</p> <ol style="list-style-type: none"> <li>1) includes an additional measure of participation by low-income working families, and</li> <li>2) provides \$1 million to ten states on <i>each</i> of the three measures (for a total of \$30 million in incentive payments)</li> <li>3) incentive payments continue after fiscal year 2007.</li> </ol> <p><i>CBO 10-year cost estimate: \$270 million</i></p>

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<b>Other Provisions</b>			
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. <i>CBO 10-year cost estimate: \$89 million</i>	Section 7: Includes several provisions designed to improve participation among eligible households. Also provides funding for pilot projects and demonstrations to test innovative strategies for improving coordination among programs and facilitating the application process. <i>CBO 10-year cost estimate: \$53 million</i>	No provision.
Reauthorization	Section 406: Extends the authorization of the Food Stamp and related programs under the Food Stamp Act through 2011. <i>CBO 10-year cost estimate: \$112</i>	No provision.	No provision.
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. <i>CBO 10-year cost estimate: \$398 million</i>	Section 8: Authorizes additional discretionary appropriations of \$20 million a year for TEFAP. At least half would go to meet the expenses of food banks and other emergency feeding organizations. The remainder could be used to purchase additional commodities for distribution through TEFAP. <i>CBO 10-year cost estimate: \$0</i>	Section 6109: Same as S. 583/H.R. 2142. <i>CBO 10-year cost estimate: \$0</i>
<b>Total Cost*</b>	<b>\$3.637 billion</b>	<b>approximately \$11.9 billion</b>	<b>approximately \$12 billion</b>

\* The total cost includes interactions among provisions for the House bill, which CBO estimates total 16 million over the ten year period. An estimate of the interactions is not available for S. 583/H.R. 2142 or S. 940/H.R. 1990. In addition, some of the estimates for provisions in S. 583/H.R. 2142 and S. 940/H.R. 1990 may be slightly outdated.

Prepared by the Center on Budget and Policy Priorities