

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-passed Farm Bill (H.R. 2646, The Farm Security Act), Senator Lugar's Farm Bill (S. 1571, The Farm and Ranch Equity Act), and Senator Harkin's Farm Bill. The Congressional Budget Office (CBO) has provided a final cost estimates for H.R. 2646. (The Food Stamp Act provisions cost \$3.6 billion over 10 years.) Similar figures are not available for Senator Lugar or Senator Harkin's bills, however, Senator Lugar has indicated that the 10-year cost of his nutrition title is estimated to be \$10 billion. Senator Harkin estimates his nutrition title to cost \$6.2 billion over the same period.

These descriptions are not meant to be comprehensive, but to provide a useful guide to compare the bills.

	H.R. 2646: The Farm Security Act (House-passed Farm Bill)	S. 1571: The Farm and Ranch Equity Act (Lugar)	Senator Harkin's Farm Bill
Eligibility provisions			
Restoration of benefits for legal immigrants	No provision.	<p>Section 452: Allows legal immigrants who can claim 16 quarters of work history to qualify for benefits (instead of the current 40 quarters).</p> <p>Section 453: 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 S. 1571, 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>

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Time-limit for unemployed childless adults	No provision.	Section 429: 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 420: Same as S. 1571, 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.
Vehicles	No provision.	Section 424: Completely excludes the value of all licensed motor vehicles when determining eligibility for food stamps.	No provision.
Categorical eligibility	No provision.	Section 411: 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 425: 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 423: Aligns the resource limit for households with disabled members to the \$3,000 limit for households with elderly members.	No provision.

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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 416: 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. 2464 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			
Treatment of infrequent and unanticipated income	No provision.	Section 412: 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 414: Substantively the same as H.R. 2646.	Section 412: Same as S. 1571.
Interest and dividend income	No provision.	Section 415: Excludes interest and dividend income from consideration as income in determining eligibility and benefits.	No provision.

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Earned income	No provision.	Section 421: 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 S. 1571.
Resources	No provision.	Section 426: 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 417: Same as S. 1571, except only excludes resources not counted in the state's TANF cash benefit program.
Deduction simplification			
Treatment of individuals paying child support	No provision.	Section 413: 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 411: Same as S. 1571.

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Determination of shelter costs for shelter deduction	No provision.	<p>Section 420: 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 419: 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 S. 1571.

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Dependent care deduction	No provision	Section 417: 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.
Excess medical expense deduction	No provision.	Section 418: Provides a state option to eliminate the excess medical expense deduction if the state treats a food stamp application as an application for the special, partial Medicaid benefits available to "Qualified Medicare Beneficiaries" (QMBs) or "Specified Low-Income Medicare Beneficiaries" (SLMBs)	No provision.
Determination of amount of deductions	No provision.	Section 422: 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.	No provision.

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Simplifications to Eligibility 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 435: 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 427: Same as S. 1571.
Application procedures for SSI recipients	No provision.	Section 434: 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.	No provision.
Semi-annual reporting	No provision.	Section 428: 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 419: Same as S. 1571.

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Periodic redetermination of eligibility	No provision.	Section 433: 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.	Section 425: Same as S. 1571.
Procedures for residents of certain group facilities	No provision.	Section 432: 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.	Section 423: Same as S. 1571.

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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 436: 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 a state's error rate was 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 428: Same as S. 1571 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>

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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 436 and 438: 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 428 and 430: Retains the current system of enhanced funding, but at half of the current level. In addition, provides \$10 million each year for new performance bonuses to states. Bonuses would be provided to the ten states with the highest scores on a composite measure that includes participation among low income working families, accuracy in denials and terminations, and timely application processing. The new bonuses would apply to fiscal year 2003 and later.
Date for announcement of QC error rates	No provision.	Section 437: 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 429: Substantively the same as S. 1571.

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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 439: 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 431: Same as S. 1571 except with a larger reduction in the amount of unmatched federal funds available and with some of those funds set aside for states that pledge to offer a work slot to every person who would otherwise be terminated under the three-month time limit.
Other Provisions			
Issuance of food stamps to disaster victims	No provision.	Section 427: Gives USDA discretion to select the most practicable method of issuing emergency food stamps to disaster victims.	Section 418: Same as S. 1571.
Access to EBT benefits	No provision.	Section 430: 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 421: Same as S. 1571.
EBT cost neutrality	No provision.	Section 431: Eliminates the current requirement that EBT systems not cost the federal government more than the prior paper issuance systems did.	Section 422: Same as S. 1571.

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Applications on the internet	No provision.	No provision.	Section 424: 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 426: Requires the Secretary of Agriculture to solicit from states descriptions of successful nutrition education programs and make them available on the USDA website.
Coordination of program information activities	No provision.	No provision.	Section 433: 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 441: Clarifies that USDA may provide grants to private entities to conduct research relating to the food stamp program.	Section 434: Same as S. 1571.
Waiver cost neutrality	No provision.	Section 442: Grants USDA authority to approve demonstration waivers that are not cost neutral. 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 443: 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 435: 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 444: 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 436: Same as S. 1571 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 437: Continues funding for Community Food Projects at \$2.5 million each year.
Innovative programs for addressing common community problems	No provision.	No provision.	Section 439: 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 such as loss of farms, rural poverty, welfare dependency, and hunger.
Report on use of EBT systems	No provision.	No provision.	Section 440: 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 441: Allows food stamp benefits to be used to purchase nutritional supplements that contain vitamins or minerals. Requires an impact 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 445: Same as H.R. 2646, except does not set aside \$10 million each year for state administrative costs.	Section 438: Same as H.R. 2646.
Reauthorization	Section 406: Extends the authorization of the Food Stamp and related programs under the Food Stamp Act through 2011.	Section 440: Extends the authorization of the Food Stamp and related programs under the Food Stamp Act through 2006.	Section 432: Same as S. 1571.
General effective date	Section 462: Provisions are effective October 1, 2002, unless a provision specifies otherwise.	Section 455: 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 455: Same as S. 1571.
Total 10-Year Cost*	\$3.637 billion	Estimated at \$10 billion	Estimated at \$6.2 billion

* The total cost includes interactions among provisions for the House bill, which CBO estimates total 16 million over the ten year period.

Prepared by the Center on Budget and Policy Priorities.