

Side-by-Side Comparison of Nutrition Titles of House and Senate Passed Farm Bills

This document compares the provisions in the nutrition titles of the House-passed Farm Bill (H.R. 2646, The Farm Security Act), and the Senate-passed Farm Bill (S. 1731, The Agriculture Conservation, and Rural Enhancement Act). The estimated costs are based on Congressional Budget Office (CBO) final cost estimates for both bills as they were passed by their respective Agriculture Committees and on preliminary CBO estimates of Senate floor amendments. The nutrition title of the House bill costs \$3.6 billion over ten years. The nutrition title of the Senate Farm Bill costs \$8.9 billion over ten years.

The final Senate-passed bill is not yet available. As a result, the section numbers cited for the Senate Bill do not take into account changes that may have resulted from floor amendments. We will revise this document for this and any other minor technical issues once the final Senate-passed bill is available.

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. 1731: The Agriculture, Conservation, and Rural Enhancement Act (Senate-passed Farm Bill)
Food Stamp 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>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> <p>Restores benefits for legal immigrants who have been in the U.S. for five years, except that legal immigrants who ever resided in the U.S. without legal status for a period of 12 months could not benefit from this restoration. Sponsor deeming would apply after the five-year period.</p> <p><i>CBO 10-year cost estimate: \$2.485 billion.</i></p>
Time-limit for unemployed childless adults	No provision.	<p>Section 421: Changes the time-limit for participation by unemployed childless adults from three months out of 36 months to six months out of 24 months, removes the second three-month period of eligibility for individuals who work after losing eligibility, and allows certain job search activities to qualify as a work program that meets the work requirement.</p> <p><i>CBO 10-year cost estimate: \$775 million.</i></p>

	H.R. 2646: The Farm Security Act (House-passed Farm Bill)	S. 1731: The Agriculture, Conservation, and Rural Enhancement Act (Senate-passed Farm Bill)
Food Stamp Benefit Improvements		
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 (with no adjustments for inflation), 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 not available: Same as H.R. 2646, except: 1) sets the standard deduction (by 2011) at 10 percent of <i>each year's</i> 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. <i>CBO 10-year cost estimate: \$2.210 billion.</i>
Cap on the Excess Shelter Deduction	No provision.	Section not available: Eliminates the cap on the excess shelter deduction that applies to households without an elderly or disabled member beginning in fiscal year 2010. Raises the cap to \$390 in fiscal year 2003 from its projected level of \$366 and indexes this amount for inflation each year (as is done under current law) through 2009. <i>CBO 10-year cost estimate: \$515 million.</i>
Food Stamp Income and Resource Simplifications		
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. <i>CBO 10-year cost estimate: \$57 million.</i>	Section 412: Substantively the same as H.R. 2646. <i>CBO 10-year cost estimate: \$57 million.</i>
Earned income	No provision.	Section 416: 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. <i>CBO 10-year cost estimate: \$0.</i>

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Countable Resources	No provision.	Section 418: 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. <i>CBO 10-year cost estimate: \$180 million.</i>
Resource limit for households with a disabled member	No provision.	Section not available: Raises the resource limit for households with a disabled member to \$3,000, which conforms it to the limit for households with an elderly member. <i>CBO 10-year cost estimate: \$64 million.</i>
Food Stamp Deduction Simplifications		
Treatment of individuals paying child support	No provision.	Section 411: 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. <i>CBO 10-year cost estimate: less than \$500,000.</i>

	H.R. 2646: The Farm Security Act (House-passed Farm Bill)	S. 1731: The Agriculture, Conservation, and Rural Enhancement Act (Senate-passed Farm Bill)
Determination of shelter costs for shelter deduction	No provision.	<p>Section 415: Allows states two simplifications in the application of the 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><i>CBO 10-year cost estimate: \$522 million.</i></p> <p>Section 414: 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); and 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. <p><i>CBO 10-year cost estimate: less than \$500,000.</i></p>
Determination of amount of deductions	No provision.	<p>Section 417: 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.</p> <p><i>CBO 10-year cost estimate: Unable to estimate, but expect costs to be small.</i></p>

	H.R. 2646: The Farm Security Act (House-passed Farm Bill)	S. 1731: The Agriculture, Conservation, and Rural Enhancement Act (Senate-passed Farm Bill)
Simplifications to Food Stamp 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 is 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 428: Substantively the same as H.R. 2646 except the household's benefits during the transition period would be adjusted for the loss of TANF income. Also, a household's benefits must be adjusted for any changes in its circumstances that the household elects to report to the state agency that would increase benefits. <i>CBO 10-year cost estimate: \$1.655 billion.</i>
Semi-annual reporting	No provision.	Section 420: 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). <i>CBO 10-year cost estimate: \$312 million.</i>
Periodic redetermination of eligibility	No provision.	Section 426: 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. <i>CBO 10-year cost estimate: \$45 million.</i>

	H.R. 2646: The Farm Security Act (House-passed Farm Bill)	S. 1731: The Agriculture, Conservation, and Rural Enhancement Act (Senate-passed Farm Bill)
Procedures for residents of certain group facilities	No provision.	<p>Section 424: 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 typical issuance for residents of such facilities.</p> <p>(Section not available): Provides authority for group living arrangements to access residents' benefits directly using a point-of-sale (POS) device installed at the facility. <i>CBO 10-year cost estimate: less than \$500,000.</i></p>
Food Stamp 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><i>CBO 10-year cost estimate: \$0.</i></p>	<p>Section 430: Same as H.R. 2646 with two additional changes:</p> <ol style="list-style-type: none"> 1) requires USDA to adjust states' error rates 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 2003 and beyond USDA is authorized to make additional 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><i>CBO 10-year cost estimate: \$0.</i></p>

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Incentive payments and enhanced funding	<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"> 1) timely application processing, and 2) accuracy in denials and terminations. <p>Incentive payments apply to state performance beginning in fiscal year 2002 and sunset after fiscal year 2007.</p> <p><i>CBO 10-year cost estimate: \$60 million.</i></p>	<p>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 relate to the provision of timely and appropriate services to applicants and recipients. The new bonuses would apply to state performance beginning in fiscal year 2002.</p> <p><i>CBO 10-year cost estimate:</i></p> <p style="padding-left: 40px;"><i>Section 430: -\$598 million.</i></p> <p style="padding-left: 40px;"><i>Section 432: \$270 million.</i></p>
Date for announcement of QC error rates	No provision.	<p>Section 431: 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.</p> <p><i>CBO 10-year cost estimate: \$0.</i></p>

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Food Stamp Employment and Training		
Employment and Training	<p>Section 406: Extends current policies and funding for food stamp employment and training (FSE&T) through 2011.</p> <p><i>CBO 10-year cost estimate: \$0.</i></p>	<p>Section 433: Expands state flexibility in spending on the FSE&T program by repealing:</p> <ol style="list-style-type: none"> 1) the 80 percent set-aside to serve individuals subject to the three-month time limit, 2) the maintenance of effort 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. <p>Reduces the amount of unmatched federal funding available.</p> <p>Sets some E&T 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.</p> <p>Eliminates the current \$25 per month cap on reimbursement for work expenses. (Section number not available.)</p> <p>Effective on enactment.</p> <p><i>CBO 10-year cost estimate: -\$73 million.</i></p>
Other Food Stamp Provisions		
Issuance of food stamps to disaster victims	No provision.	<p>Section 419: Gives USDA discretion to select the most practicable method of issuing emergency food stamps to disaster victims.</p> <p><i>CBO 10-year cost estimate: \$0.</i></p>
Access to EBT benefits	No provision.	<p>Section 422: 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.</p> <p><i>CBO 10-year cost estimate: \$4 million.</i></p>

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EBT cost neutrality	No provision.	Section 423: Eliminates the current requirement that EBT systems not cost the federal government more than the prior paper issuance systems did. <i>CBO 10-year cost estimate: \$9 million.</i>
Applications on the internet	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. <i>CBO 10-year cost estimate: less than \$500,000.</i>
Clearinghouse for successful nutrition education efforts	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. <i>CBO 10-year cost estimate: less than \$500,000.</i>
Delivery of adverse action notice to retailers	No provision.	Section 429: Allows USDA flexibility on the postal method used to advise retailers of adverse action. <i>CBO 10-year cost estimate: less than \$500,000.</i>
Coordination of program information activities	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 programs such as Medicaid, SCHIP, child care, etc.) <i>CBO 10-year cost estimate: less than \$500,000.</i>
Expanded grant authority	No provision.	Section 436: Clarifies that USDA may provide grants to private entities to conduct research relating to the food stamp program. <i>CBO 10-year cost estimate: \$0.</i>
Other provisions to improve access to benefits	Section 405: Provides \$9.5 million each year to help states develop and implement simplified application or eligibility determination systems. <i>CBO 10-year cost estimate: \$84 million.</i>	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. <i>CBO 10-year cost estimate: \$3 million.</i>

	H.R. 2646: The Farm Security Act (House-passed Farm Bill)	S. 1731: The Agriculture, Conservation, and Rural Enhancement Act (Senate-passed Farm Bill)
Nutrition assistance in Puerto Rico and American Samoa	<p>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.</p> <p><i>CBO 10-year cost estimate: \$47 million.</i></p>	<p>Section 438:</p> <p>1) 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.</p> <p>2) 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.</p> <p><i>CBO 10-year cost estimate: \$55 million.</i></p>
Community Food Projects	<p>Section 406: Provides \$7.5 million each year for Community Food Projects beginning in fiscal year 2002.</p> <p><i>CBO 10-year cost estimate: \$65 million.</i></p>	<p>Section 439: Continues funding for Community Food Projects at \$2.5 million each year.</p> <p><i>CBO 10-year cost estimate: \$10 million.</i></p>
Innovative programs for addressing common community problems	No provision.	<p>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.</p> <p><i>CBO 10-year cost estimate: less than \$500,000.</i></p>
Report on use of EBT systems	No provision.	<p>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.</p> <p><i>CBO 10-year cost estimate: less than \$500,000.</i></p>
Vitamin and mineral supplements	No provision.	<p>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.</p> <p><i>CBO 10-year cost estimate: \$3 million.</i></p>

	H.R. 2646: The Farm Security Act (House-passed Farm Bill)	S. 1731: The Agriculture, Conservation, and Rural Enhancement Act (Senate-passed Farm Bill)
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 440: Like H.R. 2646, amends the Food Stamp Act to provide \$10 million each year for state administrative costs. The Senate bill also provides \$40 million a year for five years (for a total of \$200 million) for additional TEFAP commodity purchases under the commodity title. <i>CBO 10-year cost estimate:</i> <i>Section 440: \$98 million.</i> <i>Section 163: \$200 million outside nutrition title.</i>
Reauthorization	Section 406: Extends the authorization of the Food Stamp and related programs under the Food Stamp Act through 2011.	Section 434: Extends the authorization of the Food Stamp and related programs under the Food Stamp Act through 2006.
Other non-Food Stamp Act Provisions		
Reauthorization of Commodity Programs	Sections 441, 442, 443: Extends the authorizations of appropriations for various discretionary commodity programs, including the Commodity Supplemental Food Program and Emergency Food Assistance through 2011. <i>CBO 10-year cost estimate: \$0.</i>	Section 451: Same as H.R. 2646 except: 1) extends authorizations of appropriations through 2006; 2) restructures authorization for administrative funding for the Commodity Supplemental Food Program. <i>CBO 10-year cost estimate: \$0.</i>
Commodities for the School Lunch Program	No provision.	Section 453: Extends for two years a provision of law that does not require that bonus commodities acquired for agricultural program purposes and donated to schools be counted toward the requirement that at least 12 percent of all school lunch assistance be in the form of commodities. <i>CBO 10-year cost estimate: \$100 million.</i>
Exclusion of certain military housing allowances	No provision.	Section 454 and 455: Excludes certain housing allowances paid for private military housing from income in determining eligibility for free and reduced-price meals under the School Lunch Program and WIC. The exclusion for the School Lunch Program is for fiscal years 2002 and 2003. <i>CBO 10-year cost estimate: less than \$500,000.</i>

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Senior Farmers' Market Nutrition Program	Section 924: Makes available, from Commodity Credit Corporation funds, \$15 million a year for fiscal years 2002 through 2011 for a senior farmers' market nutrition program. <i>CBO 10-year cost estimate: \$145 million outside nutrition title.</i>	Section 456: Makes available from the treasury \$15 million a year for fiscal years 2002 through 2006 for a senior farmers' market nutrition program. <i>CBO 10-year cost estimate: \$75 million.</i>
Fruit and Vegetable Pilot Program	No provision.	Section 457: Authorizes a pilot program to make free fruits and vegetables available in 25 schools in each of 4 states and on one Indian reservation. <i>CBO 10-year cost estimate: \$5 million.</i>
Congressional Hunger Fellows Program	Section 461: Authorizes \$18 million for a Congressional Hunger Fellowship Program. <i>CBO 10-year cost estimate: \$0.</i>	Section 458: Substantively the same as H.R. 2646. <i>CBO 10-year cost estimate: \$0.</i>
Nutrition Information and Awareness Pilot Program	No provision.	Section 459: Authorizes \$25 million for a pilot program in 15 states to increase fruit and vegetable consumption and convey related health promotion messages. <i>CBO 10-year cost estimate: \$0.</i>
WIC Farmers' Market	No provision.	(Section not available): Provides \$5 million for WIC Farmers' Market in 2002. <i>CBO 10-year cost estimate: \$5 million.</i>
General effective date	Section 462: Provisions are effective October 1, 2002, unless a provision specifies otherwise.	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.
Nutrition Title 10-year Cost*	\$3.632 billion	\$8.879 billion

* The total cost includes interactions among provisions. For the House bill CBO estimates interaction costs of 16 million over the ten year period. For the Senate bill CBO estimates interaction costs of \$93 million over ten years.

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