



February 27, 2002

Contact: Celia Hagert, [hagert@cppp.org](mailto:hagert@cppp.org)

No. 153

## FOOD STAMP REAUTHORIZATION MOVES FORWARD

Senate/House conference committee set  
to debate differences in Food Stamp Program funding

*Both the House and the Senate have now passed Farm Bills. While both bills reauthorize Food Stamps and make significant improvements to the program, the Senate's version (S. 1731) contains almost three times as much nutrition-related spending as the House Bill (H.R. 2646) and contains several key improvements that are missing in the House version. Congressional House and Senate conferees are now expected to begin forging a compromise Farm Bill (which will keep the House bill number, H.R. 2646) in the hopes of having a bill ready for the President's signature before the Easter recess. This Policy Page summarizes the nutrition provisions in the Farm Bills and urges readers to contact their Members of Congress immediately in support of positive changes in the Food Stamp Program.*

**\*\*Texas input critical to debate—see below for how to contact Members of Congress\*\***

### BACKGROUND ON FARM BILLS

Anti-hunger advocates have identified several priorities for this year's Food Stamp Program reauthorization including legal immigrant benefit restorations, food stamp benefit improvements, quality control system revisions, and simplified application and enrollment procedures (for a comprehensive list of recommendations for reauthorization developed by CPPP in conjunction with other advocates, see <http://www.cppp.org/products/alertsflyers/foodalerts/fs-recs.html>). While certain changes did not make it into either bill, this year's Farm Bill proposals represent significant progress toward improving the value of benefits, improving program access, and simplifying the program for state administrators and caseworkers.

### THE FARM BILL NUTRITION TITLE: HOUSE VS. SENATE

Differences between the bills' nutrition titles include: overall new ten-year funding (\$8.9 billion in S. 1731; \$3.6 billion in H.R. 2646); legal immigrant Food Stamp restorations (only in S. 1731); and improvements in the time limits on childless adults (only in S. 1731). Both bills contain similar provisions to improve program benefits; revise the "quality control" system—how states are evaluated for their performance in administering the Food Stamp

Program; and options to simplify rules and otherwise improve access. Many of the proposed changes are state options, which means Texas policymakers can choose whether to take advantage of them. In its welfare reform agenda released on February 26, the Bush Administration provides support for many of the Senate's proposals including the legal immigrant benefit restorations (for the complete agenda, see <http://www.whitehouse.gov/news/releases/2002/02/welfare-reform-announcement-book.html>.) More detail on the most significant provisions in the Farm Bills follows. (For a complete side-by-side evaluation of the two Farm Bills, see <http://www.cbpp.org/2-20-02fs.pdf>.)

### THE SENATE'S NUTRITION TITLE

Because the Senate's nutrition title is by far the more generous of the two, anti-hunger advocates are urging House and Senate conferees to maintain S. 1731's Food Stamp provisions in the final compromise bill. Next to the description of each major provision in the Senate version, we have indicated in parentheses whether the House Bill contains similar language.

**Legal immigrant restorations:** Restores Food Stamps to all legal immigrant children regardless of date of U.S. entry; legal immigrants with 16 quarters of work history (current law requires 40 quarters); all refugees and asylees, indefinitely (current law allows 7 years of

benefits); and legal immigrants who have resided in the country for five years, except for those who have resided in the country *illegally* for more than 12 months. (No provision in House Bill)

**Time-limit for childless adults:** Changes the time-limit on receipt of Food Stamps for unemployed childless adults from three months out of 36 months to six months out of 24 months, and allows certain job search activities to meet the work requirement. (No provision in House Bill)

**Restructured standard deduction:** Increases the standard deduction (currently fixed at \$134 regardless of household size) to 10 percent (by 2011) of *each year's* federal poverty level (FPL) for a given household size (up to six persons), and ensures that the standard deduction keeps pace with inflation. This change would result in a larger Food Stamp benefit for most households. (House bill sets deduction at 9.7 percent of FPL with no adjustments for inflation.)

**Elimination of cap on "excess" shelter deduction:** Under current law, households can deduct up to \$340 in "excess" shelter cost, which is a household's rent/mortgage payment minus 50 percent of its adjusted gross income. The Senate provision would raise the cap to \$390 in 2003 and then index this amount for inflation each year through 2009. (No provision in House bill)

**Transitional Food Stamps:** Gives states the option to offer families that leave TANF a six-month transitional Food Stamp benefit (current law allows a three-month benefit) without additional paperwork requirements. Although almost all families who leave TANF due to increased earnings still qualify for Food Stamps, research shows that many may not receive the benefit, either because they don't know they are eligible or because it's too time-consuming to comply with Food Stamp requirements. Under this provision, families would receive a fixed benefit (once adjusted for loss of TANF) for six months after leaving TANF without having to report any changes in their circumstances or attend a recertification for benefits. The household's benefit can be adjusted if the family reports a change that would increase benefits. (House provision is similar, except the benefit is not adjusted for loss of TANF, and households must reapply to have their benefit adjusted upwards during the six-month period.)

**Semi-annual reporting:** Gives states the option to adopt a semi-annual reporting system for all households. Under this provision, Food Stamp benefits are frozen for six months at a time, with households only having to report if their income exceeds 130 percent of the FPL, the maximum income limit for Food Stamps. A semi-annual reporting system places fewer burdens on clients and caseworkers and eliminates much of the potential for error, which means that states would not feel pressure to require clients to recertify so frequently. Under the current reporting and recertification requirements in Texas, 43 percent of households have to come in more than twice per year to recertify for Food Stamp benefits. (No provision in House Bill)

**Changes in Food Stamp "quality control:"** Under the current system, states face fiscal penalties if their payment error rate (ratio of benefits issued in error to total amount of benefits issued) exceeds the national average. Conversely, states receive enhanced funding if their error rate is below the national average. States are not evaluated in other performance areas, such as customer service or timely processing of applications. Both the House and the Senate nutrition titles make significant reforms to this system so that only states with serious and persistent problems face fiscal penalties. In addition, both bills replace the current system of enhanced funding with incentive payments/performance bonuses for high performance in specific areas, including customer service measures. Currently, states are not measured at all in the area of customer service, despite federal requirements that states meet certain standards such as application processing timeliness. (Last year, the Texas legislature broke ground in this area by appropriating \$5 million for caseworker bonuses to reward workers who contributed to lowering the Food Stamp error rate, and to reward exemplary customer service and success in increasing the percentage of eligible families receiving benefits.) The Senate version provides for \$868 million in performance bonuses over 10 years, while the House version provides for only \$60 million.

**Food Stamp Employment and Training Program:** Expands state flexibility in the administration of FSE&T funds, but reduces the total amount of funding available for the program. (House Bill maintains current FSE&T funding and policies.)

**Emergency Food Assistance Program (TEFAP):** Both bills increase funding for TEFAP commodity

purchases and set aside \$10 million each year for state administrative costs. Total spending in the House bill is \$398 million over 10 years; the Senate version provides \$298 million.

**Reauthorization:** The House bill reauthorizes the Food Stamp Program through 2011, the Senate bill through 2006.

**Special Supplemental Nutrition Program for Women, Infants and Children (WIC):** The Senate bill requires the Secretary of Agriculture to submit a report by the end of 2002 that analyzes the conversion of WIC from a discretionary program to an entitlement program. WIC's current status as a discretionary program leads to an annual budget struggle and concern over whether enough funds will be appropriated to enroll all eligible applicants. While conversion to an entitlement program would eliminate this fear, states and advocates also have concerns over certain changes to WIC that might occur if the program were made an entitlement. The report will provide an opportunity for USDA to evaluate all of these issues and seek the input of stakeholders prior to making any major changes to the program. (No provision in House Bill)

#### TEXAS INPUT IS CRITICAL

Among the first decisions that House and Senate conferees must make are how to divide resources among the titles. The Senate nutrition title (\$8.9 billion) is now almost three times the size of the House nutrition title (\$3.6 billion over ten years). Some may question whether the Senate level of funding for Food Stamps and other nutrition programs are needed. It is critical that readers weigh in with their Members of Congress (in both the House and Senate) on the need for a strong nutrition title and the need for the significant investments made in the Senate Farm Bill. In Texas, two Members are expected to play especially important roles on the

nutrition title in the Conference Committee: Representatives Combest and Stenholm, the chair and ranking member of the House Agriculture Committee, respectively. If you live in one of these Members' districts, please contact them immediately. Even if you are not in one of these districts, it is still critical that you voice your support on these issues with your Representative and Senators.

#### CONTACT INFORMATION FOR CONGRESS:

Representative Charlie Stenholm  
D.C.: (202) 225-6605  
Stamford: (915) 773-3623  
Abilene: (915) 673-7221  
San Angelo: (915) 655-7994

Representative Larry Combest  
D.C.: (202) 225-4005  
Amarillo: (806) 353-3945  
Lubbock: (806) 763-1611  
Odessa-Midland Office: (915) 550-0743

U.S. House of Representatives  
Washington, D.C. 20515  
(202) 224-3121  
[www.house.gov](http://www.house.gov)

U.S. Senate  
Washington, D.C. 20510  
(202) 224-3121  
[www.senate.gov](http://www.senate.gov)

---

You are encouraged to copy and distribute  
this edition of  
**THE POLICY PAGE**