Date: May 16, 2018 **Staff:** Alyson Williams	**INTRODUCTORY POLICY BRIEF** **PREPARED FOR THE BOARD OF DIRECTORS**	Health District OF NORTHERN LARIMER COUNTY

H.R. 2 AGRICULTURE AND NUTRITION ACT OF 2018:

To provide for the reform and continuation of agricultural and other programs of the Department of Agriculture through fiscal year 2023, and for other purposes.

Details

Bill Sponsors: House – Rep. Conaway (R-TX)
Committee: House Committee on Agriculture

Bill Summary

The Agriculture and Nutrition Act of 2018, also known as the 2018 Farm Bill, amends and extends programs for nutrition, trade promotion, land conservation, forestry, research, rural development, and other programs that are administered by the U.S. Department of Agriculture (USDA). The bill reauthorizes and amends the Supplemental Nutrition Assistance Program (SNAP) and other nutrition programs until 2023. Another inclusion within the House version of the bill is financial assistance for agriculture health plans.

Select Issues in the 2018 Farm Bill

Title IV- Nutrition

Workforce Solutions

This section of the bill would require individuals ages 18-59 to work, participate in work training or a combination of these activities in order to be eligible for the Supplemental Nutrition Assistance Program (SNAP). In this bill, those exempt from the work requirements are students who are caretakers of an incapacitated person. The current exemptions from the work requirement remain the same (i.e. not mentally fit, not physically fit, participates in a work study program, parents with dependent children under 6 years old, or other criteria).[1] From FFY2021-2025 these participation in these activities must be at least 20 hours per week. From FFY2026 and thereafter, the minimum participation rate will increase to 25 hours per week.

States would be given a two-year transition period for the updated work requirement. Under this section, a revised ineligibility policy is established. It allows for 1 month for initial adherence to the work requirement, requires a 12 month period of ineligibility for the first violation of the requirement, and a 36 month ineligibility period if there are subsequent violations. These ineligibility periods are removed if an individual obtains work that meets the hourly requirement or is no longer subject to the work requirement.

This section also modifies the criteria that states use to request a geographic waiver of the work requirements. This waiver is for individuals that reside in an area that has an unemployment rate of over 10 percent, is designated as a Labor Surplus Area[2], or has a 24-month average unemployment rate of 20 percent or higher.

It requires states to offer certain minimum services in employment and training, which includes offering case management services. The bill also updates components of employment and training programs. For the

[1] See 7 CFR 273.7(a) and 7 CFR 273.7(b)(1) for all current exemptions.
[2] There are currently only two Labor Surplus Areas in Colorado: the city of Grand Junction and Huerfano County. Retrieved from: https://www.doleta.gov/programs/lsa.cfm

employment and training programs $250 million will be provided in FFY2020, then $1 billion each fiscal year thereafter. The minimum allocation of these funds for each state can be no less than $100,000.

Under this provision it is expected that people would lose eligibility; the CBO estimates that the decrease in enrollment would reduce SNAP spending by $9.2 billion from 2019-2028.[3] Conversely, the administrative costs for the federal government are estimated to increase by $7.7 billion for the same time span.[3]

The CBO asserts that states would not be able to offer the required training to eligible SNAP enrollees by 2021 and that only 80 percent of eligible individuals would be offered such training by states by the end of 2028.[3] One assumption that the CBO makes is that SNAP recipients would not be deemed ineligible for the program if their state fails to offer them a spot in a training program.[3] However, this assumption has not been addressed by the bill sponsors or the USDA.

The CBO projects that 7 percent of "Able-Bodied Adults without Dependents" (ABAWDs) that are ages 18-49 would lose SNAP benefits mainly due to the strict criteria for geographic waivers.[3] Approximately 17 percent of current SNAP beneficiaries (not including ABAWDs) would be included in the new group eligible for work requirements.[3] Of these identified beneficiaries, the CBO expects that 76 percent would remain on SNAP and 24 percent would no longer be in the program.[3] By 2028, the CBO expects that there would be 1.2 million fewer people enrolled in SNAP.[3] Of these 1.2 million individuals: 11 percent would be ABAWDs, 27 percent would be 50-59 years old without dependents, and 62 percent would be 18-59 years old in households with children over the age of 6.[3] For these 1.2 million people, they would lose an average annual benefit amount of $1,816.[3]

There would be additional administrative burden on states under the work requirement provision. States would need to create massive tracking systems to document SNAP participation, confirm work or training participation, and would also need to expand work training programs. The expanded funding for a SNAP Employment and Training slot for every eligible participant is not sufficient to provide robust job training programs and associated support services (i.e. transportation and childcare). The 2014 Farm Bill authorized ten pilot programs for employment and training, but the evaluation results are not yet ready and cannot inform the implementation of this mandated program.[4] The funding provided after FY2020, $1 billion, amounts to just $30 per person per month.[5] The following chart from the Center on Budget and Policy Priorities illustrates what this amount will cover for employment services.

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[3] Congressional Budget Office. (May 2, 2018). Congressional Budget Office Cost Estimate: H.R. 2 Agriculture and Nutrition Act of 2018. Retrieved from https://www.cbo.gov/system/files/115th-congress-2017-2018/costestimate/hr2_1.pdf

[4] Food Research and Action Center (2018). *Food Research and Action Center's Analysis of H.R. 2 – The Agriculture and Nutrition Act of 2018.* Retrieved from http://frac.org/wp-content/uploads/frac-analysis-hr2-agriculture-and-nutrition-act-2018.pdf

[5] Pavetti, L. (April 16, 2018). *Farm Bill Funding for Work Programs Won't Buy Much.* Center on Budget and Policy Priorities. Retrieved from https://www.cbpp.org/blog/farm-bill-funding-for-work-programs-wont-buy-much

Service	Description	Average Per-Person Cost	Sufficient Farm Bill Funding to Cover?
Resource Room visit	Use of computers, phones, copiers or materials in job center (no staff assistance)	$16	Yes
Structured assessment	Self-administered employment assessment (no staff assistance)	$13	Yes
Job club	Group job search assistance (staff-led; per session)	$38	No
Workshop	Structured group session on a specific job such as writing a resume (staff-led; per session)	$54	No
Counselor meeting	One-on-one appointment; usually lasts an hour	$143	No
Skills training	Individual Training Account (average length of 12.2 weeks)	$3,490	No

Note: Costs were collected in 2011 or 2012 and have not been adjusted for inflation.

Sources: Anna Mastri and AnnaMaria McCutcheon, "Costs of Services Provided by the WIA Adult and Dislocated Worker Programs," Mathematica Policy Research, November 2015; Sheena McConnell *et al.*, "Providing Public Workforce Services to Job Seekers: 15-month Impact Findings in the WIA Adult and Dislocated Worker Program," Mathematica Policy Research, May 2016.

Duplicative Enrollment Database

This section creates the Duplicative Enrollment Database for States to utilize to prevent participants from receiving benefits in multiple states. States are required to collect and submit SNAP participation data to the database. Currently, the National Accuracy Clearinghouse has five participating states (Alabama, Florida, Georgia, Louisiana, and Mississippi) that share data on their SNAP recipients.[6] An evaluation of the clearinghouse found that less than 0.2 percent of SNAP participants in these states were dual participants.[6]

Retailer-Funded Incentives Pilot

This section establishes a pilot project where designated retail food stores can provide bonuses to SNAP beneficiaries based on household purchases of fruits, vegetables, and milk. The USDA will reimburse the retailers no more than 25 percent of the actual dollar value of the bonuses given to SNAP households. The USDA is given $120 million per year for these reimbursements.

Gus Schumacher Food Insecurity Nutrition Incentive Program

The program is renamed and amended to limit program incentives to financial incentives, update program priorities and require the USDA to coordinate with the National Institute of Food and Agriculture to establish a training, evaluation, and information center for program grantees. The program is reauthorized through 2023 and sets mandatory funding levels at $45 million for Federal Fiscal Year (FFY) 2019, $50 million for FFY2020, $55 million for FFY2021, $60 million for FFY2022 and $65 million for FFY2023. This results in a total of $472 million in increased funding for the program over the next 10 years.[4]

[6] Bolen, E. et al. (May 1, 2018). *House Agriculture Committee's Farm Bill Would Increase Food Insecurity and Hardship.* Center on Budget and Policy Priorities. Retrieved from https://www.cbpp.org/sites/default/files/atoms/files/4-16-18fa.pdf

Re-Evaluation of Thrifty Food Plan

The USDA is to re-evaluate the Thrifty Food Plan by 2022 and conduct the evaluation every five years thereafter. The Thrifty Food Plan (TFP), last updated by the USDA in 2006, is the basis of SNAP benefits.[7] The TFP provides a representative healthful and minimal cost meal plan that shows how a nutritious diet may be achieved with limited resources.

Update to Categorical Eligibility

Under this section, categorical eligibility for SNAP may only be used where a beneficiary is receiving cash assistance or ongoing and substantial services (i.e. transportation, childcare, counseling, or other services funded by Temporary Assistance for Needy Families [TANF]). The income eligibility limit is amended to 130 percent of the federal poverty level (FPL) and set at 200 percent of FPL for elderly and disabled individuals. Currently, the eligibility limit is set by the state; for example, Colorado has a limit of 130 percent but California is set at 200 percent.[8]

The CBO estimates that on average, about 400,000 households would lose their SNAP eligibility due to the alteration of the income eligibility limit.[3] Furthermore, about 265,000 school children would lose their free school meals as they currently may be categorically eligible for the program due to their SNAP enrollment.[3] If the change in threshold makes their family ineligible for SNAP, they will now not be eligible for free school meals.

Approximately half of states, including Colorado, use categorical eligibility to help families deliberately transition off the program as their income rises.[9] The cut off of SNAP benefits when a household reaches 130 percent of FPL creates a "cliff effect" for those that get a small pay raise.[7]

Child Support & Cooperation with Child Support Agencies

This bill mandates child support cooperation for parents and eliminates program disqualification for child support arrears. Current law allows states to require that SNAP participants with children to cooperate with the state agencies that conduct child support enforcement; however, only five states and Guam currently require this cooperation.[3]

Under current law, the CBO projects that there will be approximately 4 million households participating in SNAP that have an absent parent and 75 percent of those households will not be receiving child support.[3] This new cooperation provision of the bill would decrease benefits for those households that begin to receive child support payments and it would increase state and federal costs for operating child support agencies.[3] With the cooperation requirement it is estimated that about 570,000 additional SNAP households would receive child support payments, which, on average, would mean a decrease of $1,400 in SNAP benefits for those households.[3]

Earned Income Deduction

This section increases the percentage of a households earned income that may be deducted for calculating income during income determination from 20 percent to 22 percent. The CBO estimates that this would allow a small number of new households to enroll in SNAP, as currently their income is too high.[3] It is

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[7] Center for Nutrition Policy and Promotion, U.S. Department of Agriculture.(April 2007). *Thrifty Food Plan, 2006.* Retrieved from https://www.cnpp.usda.gov/sites/default/files/usda_food_plans_cost_of_food/TFP2006Report.pdf

[8] U.S. Department of Agriculture. (Feb. 2018). *Broad-Based Categorical Eligibility.* Retrieved from https://fns-prod.azureedge.net/sites/default/files/snap/BBCE.pdf

[9] Center for Law and Social Policy-CLASP (April 17, 2018). *House Farm Bill Would Sabotage SNAP.* Retrieved from https://www.clasp.org/blog/house-farm-bill-would-sabotage-snap

estimated that about 75 percent of households would get approximately $10 more in benefits per month due to this change.[6]

Simplified Homeless Housing Costs

The bill requires states to provide a simplified homeless deduction of $143, which gets adjusted for inflation, for those individuals that are homeless and do not receive free housing during the month. Currently, states are given the option of providing this flat deduction rate.[6] This option reduces the burden on SNAP recipients that are homeless.[6]

Availability of Standard Utility Allowances

This section of the bill limits the availability of the Standard Utility Allowance (SUA) for heating/cooling costs to those households that have an elderly member. For these non-elderly households, energy assistance payments from a third-party would be considered money paid directly to the household for the purposes of calculating exclusions to income. These payments will no longer be considered out-of-pocket expenses for determining the excess shelter expense deduction.

Currently, households qualify for the SUA if they provide proof that they pay their health or cooling expenses out-of-pocket or receive more than $20 through the Low-Income Home Energy Assistance Program (LIHEAP). Some states have opted to provide SNAP households with $21 of LIHEAP benefits to ensure that they qualify for the SUA.[3] Due to this limiting the provision of the SUA to households with elderly members, the CBO estimates that 560,000 households would have their SNAP benefits reduced by an average of $84 each month.[3] By severing the connecting between LIHEAP and SNAP there will be more of an administrative burden for both the state and SNAP participants.[5]

SNAP recipients will have to verify their utility costs for the deduction. Although not adhering to this verification requirement would not make a household ineligible for SNAP, it could reduce the amount of their SNAP benefit if they are not able to provide the documentation to demonstrate their utility costs. The increase in paperwork and verification requirements also creates an additional administrative burden for states.

Technology and SNAP

After the completion of 5 or fewer authorized demonstration projects, the program must make the use of mobile technologies available for SNAP benefit redemption. If the USDA determines that such implementation requires further study or is not in the best interest of SNAP, a report must be made to Congress to justify the finding. Another section adds online entities into the definition of "retail food store" and requires the implementation of online acceptance of SNAP benefits nationwide.

Adjustment to Percentage of Recovered Funds Retained by States

This section allows states to retain 50 percent, instead of the current 35 percent, of recovered funds. These funds are allowed to be used for SNAP investments in technology, improvements in program administration, and fraud prevention. This may provide a modest incentive for states to pursue overpayment claims.[6]

State Performance Indicators

This section eliminates the bonuses for states that demonstrate high or most improved performances in SNAP, this begins includes FFY2018 and continues thereafter. Although these bonuses are eliminated, the requirements for the performance criteria (i.e. correcting payment errors, reducing error rates, and improving eligibility determinations) are retained.

Public-Private Partnerships
Ten pilot projects are authorized to support public-private partnerships that aim to address food insecurity and poverty. To be used by these projects, $5 million is appropriated to be used until expended.

Emergency Food Assistance
For FFY2019-2023 $60 million is provided to fund emergency food assistance. A Farm-to-Food Bank fund is created. For this fund, $20 million of the aforementioned amount is to be distributed to states to procure or enter into agreements with food banks for excess fruits and vegetables grown in the state or region to be provided to eligible agencies. Overall, there is a $499 million increase in funding for The Emergency Food Assistance Program (TEFAP) over the next 10 years.[4]

Nutrition Education
Makes 1862[10] and 1890 institutions (land-grant colleges and universities) those eligible to carry out the SNAP education program (SNAP-Ed). This shifts the program administration from state agencies to these land-grant universities.[4] The bill requires all eligible institutions, to the extent that is deemed practicable, to employ and train professionals and paraprofessional aides to engage in direct nutrition education. Furthermore, these institutions are to partner with other public and private entities to optimize program delivery. The mandatory funding for SNAP-Ed is increased to $485 million for FFY2019 and an additional appropriation of $65 million is authorized for FFY2019-2023. Beginning in FFY2019 these funds are allocated to states solely based on their SNAP enrollment and administrative costs for the institutions is limited to 10 percent. Currently, this funding is based on a combination of state SNAP participation and on the funding level the state received in FFY2009.[4] This results in a $632 million increase to SNAP-Ed over the next 10 years.[4] The Expanded Food and Nutrition Education Program is repealed.

Other Nutrition Programs
The Commodity Distribution Program is reauthorized through 2023. The Commodity Supplemental Food Program (CSFP) is reauthorized through 2023 and funded accordingly. The funding for the Senior Farmers' Market Nutrition Program is extended through 2023. The bill extends the existing authorization of appropriations for the Healthy Food Financing Initiative until October 1, 2023. These four programs will continue to be funded at their current level.

The bill amends the Fruit and Vegetable School Lunch Program grants to add canned, frozen, and pureed fruits and vegetables to the current provision of fresh produce by the program in elementary schools. The Academy of Nutrition and Dietetics asserts that this inclusion undermines the integrity of the program, as it has been shown to help increase children's consumption of fruits and vegetables by up to 15 percent.[11]

Title VI- Rural Infrastructure and Economic Development

Supporting Agriculture Association Health Plans
This section establishes a new loan and grant program to assist in the establishment of agricultural association health plans (AHPs). It permits the USDA to make no more than ten loans for establishing these AHPs and gives the USDA authority to dictate the terms of these loans. The USDA may make grants to provide technical assistance in establishing these agriculture AHPs. For these loans and grants, $65 million is appropriated on a one-time bases and can be expended from 2019-2022.

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[10] Colorado State University is the only 1862 institution in Colorado. The state does not have any 1890 institutions. Retrieved from https://nifa.usda.gov/sites/default/files/resource/lgu_map_6_25_2014_0.pdf

[11] Academy of Nutrition and Dietetics. (April 16, 2018). *Academy Letter to House Agriculture Committee Outlining Concerns on Farm Bill.* Retrieved from https://www.eatrightpro.org/news-center/member-updates/from-our-leaders/academy-letter-to-house-agriculture-committee-outlining-concerns-on-farm-bill

About this Introductory Brief

This brief was prepared by Health District of Northern Larimer County staff to assist the Health District Board of Directors in determining whether to take an official stand on various health-related issues. The Health District is a special district of the northern two-thirds of Larimer County, Colorado, supported by local property tax dollars and governed by a publicly elected five-member board. The Health District provides medical, mental health, dental, preventive and health planning services to the communities it serves. For more information about this brief or the Health District, please contact Alyson Williams, Policy Coordinator, at (970) 224-5209, or e-mail at awilliams@healthdistrict.org.