

Title IV – Nutrition

(1) Preventing payment of cash to recipients of supplemental nutrition assistance benefits for the return of empty bottles and cans used to contain food purchased with benefits provided under the program

The House bill prevents the use of benefits to pay for substantial bottle deposits that can be returned for a cash refund. (Section 4001)

The Senate amendment contains no comparable provision.

The Conference substitute adopts the House provision. (Section 4001)

(2) Retail food stores

The House bill requires retailers to provide perishable items in at least three of the staple food categories. (Section 4002(a)) The House bill requires that retailers will be responsible for purchasing and paying for point-of-sale equipment and supplies and terminates the use of manual vouchers except in cases of disasters or other similar situations and requires parties providing electronic benefit transfer services to maintain unique terminal identification numbers throughout the Supplemental Nutrition Assistance Program (SNAP) routing system. Retailers are also required to maintain a unique business identification number. (Section 4002(b)) The House bill amends section 7 of the Act by removing outdated language related to the use of coupons (Section 4002(c)), and amends section 9 of the Act by allowing the Secretary to consider the location of applicants in areas with significantly limited access to food when approving retailers. The House bill also adds and strengthens requirements about the adequacy of the store's Electronic Benefits Transfer (EBT) service. (Section 4002(d))

The Senate amendment requires that retailers will be responsible for purchasing and paying for point-of-sale equipment and supplies and terminates the use of manual vouchers except in cases of disasters or other similar situations. The Senate amendment requires parties providing electronic benefit transfer services to maintain unique terminal identification numbers throughout the SNAP routing system. The Senate amendment removes outdated language related to the use of coupons and allows the Secretary to consider the location of applicants in areas with significantly limited access to food when approving retailers. The Senate amendment gives USDA authority to consider a store's depth of stock, variety of staple food items, and the sale of excepted items when approving a retailer. (Section 4006(b))

The Conference substitute adopts the Senate provision with an amendment. The amendment strikes the language providing USDA authority to consider a store's depth of stock, variety of staple food items, and the sale of excepted items when approving a retailer. The amendment requires that retailers offer for sale on a continuous basis a variety of at least seven foods in each of the four categories of staple foods categories. The amendment requires that point of sale systems set and enforce sales restrictions based on item eligibility through scanning or product lookup entry and deny benefit tenders for manually entered sales of ineligible items. The amendment also requires that retailer purchase invoices and other program-related records be made available for auditing. (Section 4002)

The conference substitute reduces fraud at retail stores by requiring a more rigorous standard for stores to become eligible to process SNAP benefits. Section 4002 requires participating retailers to stock perishable items in at least three of the four staple

food categories: dairy products; meat, poultry, or fish; fruits or vegetables; and bread or cereals. Currently, a store stocking as few as twelve food items, many of which have limited nutritional value, could be eligible to be a SNAP retailer. To address this, the conference substitute requires retailers to stock, at a minimum, seven food items in each of the staple food categories to be eligible. The Managers intend for this requirement to serve as a minimum requirement and do not intend in any way to discourage or prevent more robust depth of stock. The Managers remain concerned with retailers that meet the minimum of the existing regulations as a way to gain entry into SNAP for the sole purpose of expanding sales of excepted items, including liquor and tobacco, which is decidedly contrary to the intent of the program.

To further combat fraud, this section places additional preventative control requirements on EBT systems and provides USDA the authority to inspect additional invoice and other program-related records. The Managers intend for these measures to be implemented in a way that reduces fraud without reducing access, stigmatizing SNAP participants, or requiring overly burdensome recordkeeping. Specifically regarding the new EBT system requirements, the Managers expect that USDA will work to ensure that these changes will not result in a considerable increase in transaction errors, will not prevent split transactions, will not increase delays in check-out lines, and will not otherwise increase instances in which SNAP participants are differentiated from other retail customers. Regarding purchase invoices and other program-related records, the Managers believe that retention for not longer than 36 months is an appropriate requirement, and is consistent with requirements in other federal nutrition assistance programs.

This section also requires SNAP retailers to pay 100 percent of the cost of electronic benefit transfer (EBT) machines, with some exemptions, and restricts states from issuing manual vouchers for SNAP unless the Secretary deems it necessary for emergency purposes. By including this provision, the Managers are targeting fraud within the program, and do not intend for credit card companies, banks, or others to impose any additional fees in regard to the acceptance of SNAP EBT benefits. Additionally, the Managers expect the Secretary to work with retailers and relevant stakeholders in developing regulations to implement a unique terminal identification system. Credit card associations are considering implementation of this practice across the entire retail industry in the near future, and it is imperative that the Secretary work with SNAP-approved retailers to ensure there are no additional costs or burdens that are duplicative or inconsistent with common commercial practices. The Managers acknowledge that many small businesses and direct-to-consumer retailers continue to face challenges related to the cost of utilizing EBT and advanced technologies.

Having placed new requirements on retailers, the Managers are concerned by the unpredictable and growing variation in the timeline for retailer application approvals. The Managers encourage the Secretary to work with retailers in the licensing approval process in a timely manner.

The Managers recognize that current SNAP EBT transactions running on the QUEST network do so efficiently and at minimal or no cost to the retailer. The Managers encourage USDA to continue to work with the states to ensure that all retailers maintain the ability to use the QUEST network and do so without being assessed new or added fees for its use.

Recognizing that issuance of SNAP benefits to all participants on the same date within a month creates many challenges both for suppliers and retailers, the Managers encourage the Secretary to work with states to stagger the monthly issuance of SNAP benefits across an entire month.

The Managers support preserving food access in food shortage areas and encourage the Secretary to give broad consideration to the impacts additional requirements will have on food access in food deserts or other areas with limited food access.

The Managers also encourage the Secretary to continue to identify innovative ways in which to assist stores that do provide critical food access to SNAP recipients in improving inventory standards and stocking a robust supply of staple food items. The Managers also recognize that, in remote communities in non-contiguous states, it is not unusual for there to be only one retail food store in operation. These retail stores are typically located in communities that are connected neither to the rest of the state's road network nor to a major electrical grid. Food is typically transported to the community via small aircraft, and diesel generators generally provide electrical power to such communities, posing challenges for such stores to operate adequate refrigeration and freezing equipment to store perishable foods. The Managers intend for the Secretary to consider all of the aforementioned unique criteria when evaluating applications by retail food stores located in remote communities in non-contiguous states that are either applying to participate in the SNAP program or currently participate in the program.

(3) Food distribution program on Indian reservations

The House bill reauthorizes the Traditional and Locally-Grown Food Fund in the Food Distribution Program on Indian Reservations (FDPIR). (Section 4004) The House bill requires USDA to study the feasibility of a demonstration project for Tribes administering nutrition assistance programs in lieu of states. (Section 4041)

The Senate amendment requires USDA to study the feasibility of a demonstration project for Tribes to administer nutrition assistance programs in lieu of states. The Senate amendment allows Tribes to substitute local, tribal foods for up to five percent of their FDPIR entitlement commodities. (Section 4002)

The Conference substitute adopts the Senate provision with an amendment. The amendment provides \$1,000,000 to conduct the study. The amendment strikes the provision stating that up to five percent of entitlement commodities may be used for purchasing local and tribal foods and directs the Secretary to carry out a demonstration project for the purchase of traditional and local foods. (Section 4004)

The Managers recognize that federal regulations and certification requirements can often be burdensome for small producers, especially those on reservations. Often located in remote locations, producers on reservations may not be close to the Agricultural Marketing Service (AMS) inspectors necessary for certification needed to provide fruits, vegetables, and other agricultural commodities to federal nutrition programs. Costs, including payments for inspector travel time, make certification unachievable for many producers on reservations. As a result, federal nutrition program recipients lose access to locally-produced, fresh commodities, and producers lose access to a local market that would assist economic development on reservations. To address this issue, the Managers encourage the Secretary to work with Tribal Organizations to enable the use of accredited third party certifiers; existing infrastructure on reservations,

such as extension agents; or properly trained and certified Tribal employees or officers to certify producers on reservations.

(4) Updating program eligibility

The House bill restricts categorical eligibility for SNAP to only those households receiving cash assistance through other low-income assistance programs. (Section 4005)

The Senate amendment contains no comparable provision.

The Conference substitute adopts the Senate position.

(5) Exclusion of medical marijuana from excess medical expense deduction

The House bill prohibits medical marijuana from being treated as a medical expense for purposes of income deductions. (Section 4006)

The Senate amendment contains no comparable provision.

The Conference substitute adopts the House provision. (Section 4005)

Currently, eighteen States have state statutory provisions that allow for the prescription of medicinal marijuana to patients in limited circumstances. Five states had previously allowed for the deduction of medicinal marijuana as an allowable medical expense when calculating SNAP benefits. In July 2012, USDA issued guidance to states, reaffirming its long-standing policy that households may not receive a medical deduction for medicinal marijuana. Because the Controlled Substance Act (21 U.S.C. 801 et seq) currently classifies marijuana as a Schedule I controlled substance that has no currently accepted medical use and cannot be prescribed for medicinal purposes, the Managers expect that the Secretary will continue to administer this provision in accordance with current practice and procedures for illegal substances under federal law.

(6) Standard Utility allowances based on the receipt of energy assistance payments

The House bill provides that only Low Income Home Energy Assistance Program (LIHEAP) payments above \$20 would trigger a standard utility allowance (“SUA”) deduction. (Section 4007)

The Senate amendment provides that only LIHEAP payments above \$10 would trigger a SUA deduction. (Section 4003)

The Conference substitute adopts the House provision. (Section 4006)

(7) Repeal of work program waiver authority

The House bill requires all able-bodied adults to meet applicable work requirements by eliminating the ability of the Secretary to grant waivers for states in areas of high unemployment. The House bill maintains states’ ability to provide an exemption from the work requirements for 15 percent of their Able-Bodied Adults Without Dependents (ABAWD) population. (Section 4009)

The Senate amendment contains no comparable provision.

The Conference substitute adopts the Senate position.

(8) Technology modernization for retail food stores

The House bill requires the Secretary of Agriculture to implement a pilot program to test the feasibility of allowing retailers to accept SNAP benefits through mobile transactions. (Section 4012)

The Senate amendment requires the Secretary of Agriculture to conduct demonstration projects to authorize redemption of SNAP benefits online and with mobile technologies. By 2016, the Secretary shall allow redemption by these processes in all states unless the results of the demonstrations indicate these activities will not be beneficial to the program. (Section 4008)

The Conference substitute adopts the Senate provision. (Section 4011)

(9) Mandating State immigration verification

The House bill requires states to use an electronic immigration status verification system to verify applicants' immigration status. (Section 4015)

The Senate amendment contains no comparable provision.

The Conference substitute adopts the House provision. (Section 4015)

(10) Data exchange standardization for improved interoperability

The House bill establishes requirements, consistent with other means tested programs, for the electronic content and format of data used in the administration of SNAP. (Section 4016)

The Senate amendment contains no comparable provision.

The Conference substitute adopts the House provision. (Section 4016)

The Conference substitute expands upon the bipartisan work begun by the Committee on Ways and Means Human Resources Subcommittee to allow data both within and across key federal assistance programs to operate more efficiently. These standardization activities promote transparency, flexibility, and consistency so data can be shared across the various information technology platforms established by federal and state agencies, increasing administrative efficiency and reducing improper payments.

This provision is not intended to provide additional authority to standardize data but to drive the process to occur across multiple federal agencies. As identity theft and manipulation based fraud is on the rise in the United States, the Managers direct the Secretary to carefully analyze the possibility of identity theft and manipulation-based fraud on SNAP participants and to ensure that the Secretary is taking necessary steps to protect program beneficiaries' personally identifiable information against unauthorized disclosure.

(11) Pilot projects to improve Federal-State cooperation in identifying and reducing fraud in the supplemental nutrition assistance program

The House bill requires USDA to implement a pilot program to allow states to operate EBT retailer fraud investigation programs. (Section 4017)

The Senate amendment contains no comparable provision.

The Conference substitute adopts the House provision. (Section 4017)

(12) Prohibiting government-sponsored recruitment activities.

The House bill prevents USDA from conducting recruitment activities, advertising the SNAP program through television, radio and billboard advertisements and from entering into agreements with foreign governments to promote SNAP benefits. The section further prevents states from being reimbursed for similar activities. (Section 4018)

The Senate amendment contains no comparable provision.

The Conference substitute adopts the House provision. (Section 4018)

The Managers do not intend to prohibit activities that provide basic program information including rights, program rules, client responsibilities, and benefits. The Managers acknowledge that certain vulnerable populations such as elderly, homeless, or disabled individuals may require additional assistance in applying for SNAP. The Managers do not intend to preclude any specialized services for these populations.

(13) Performance bonus payments

The House bill eliminates the performance bonuses provided to states for effectively administering SNAP. (Section 4019)

The Senate amendment requires states to reinvest bonus payments to prevent fraud and abuse and improve the administration of the SNAP program. (Section 4012)

The Conference substitute adopts the Senate provision. (Section 4021)

(14) Funding of employment and training programs

The House bill reduces the formula-funded allocation to state agencies to carry out employment and training programs from \$90 million to \$79 million per year. (Section 4020)

The Senate amendment provides \$90 million in mandatory funds in FY2014, FY2015, FY2016, and FY2017. The Senate amendment reduces mandatory funding to \$80 million for 2018 and each fiscal year thereafter. (Section 4013)

The Conference substitute adopts the Senate provision with an amendment. The amendment provides \$90 million per year in mandatory funds. (Section 4022)

(15) Monitoring employment and training programs

The House bill requires that the Secretary of Agriculture implement monitoring and performance measures for state employment and training programs. The section requires that the Secretary of Agriculture, in consultation with the Secretary of Labor, develop reporting measures for participants in employment and training programs and that states report annually on such measures. The section further provides that if a state agency's performance is inadequate, the Secretary of Agriculture may require the state agency to modify its employment and training plan. (Section 4021)

The Senate amendment contains no comparable provision.

The Conference substitute adopts the House provision. (Section 4022)

(16) Cooperation with program research and evaluation

The House bill requires entities that participate in SNAP to cooperate with the Department of Agriculture and its agents in conducting evaluations and studies authorized under the Act. (Section 4022)

The Senate amendment contains no comparable provision.

The Conference substitute adopts the House provision. (Section 4023)

(17) Pilot projects to reduce dependency and increase work requirements and work effort under supplemental nutrition assistance program

The House bill requires USDA to conduct a pilot project to identify best practices for employment and training programs to raise the number of work registrants who obtain unsubsidized employment, increase their earned income, and reduce their dependence on

public assistance. (Section 4023)

The Senate amendment contains no comparable provision.

The Conference substitute adopts the House provision with an amendment. The amendment incorporates certain provisions of the House language into the pilot project described in (32), below. (Section 4022)

(18) Authorization of appropriations

The House bill reauthorizes appropriations for SNAP and related programs through FY2016. (Section 4024)

The Senate amendment reauthorizes appropriations for SNAP and related programs through FY2018. (Section 4014)

The Conference substitute adopts the Senate provision. (Section 4024)

(19) Review, report, and regulation of cash nutrition assistance program benefits provided to Puerto Rico

The House bill ensures that no funds made available to the Commonwealth of Puerto Rico may be used to provide nutrition assistance in the form of cash. (Section 4025)

The Senate amendment contains no comparable provision.

The Conference substitute adopts the House provision with an amendment. The amendment directs the Secretary to conduct a review of, and report on, the provision of nutrition assistance in the form of cash in Puerto Rico. The Secretary is directed to phase out the provision of cash assistance by FY 2021. Notwithstanding the phase-out, the Secretary may approve a plan that provides cash to certain categories of participants if the Secretary determines that discontinuation of cash benefits will cause significant adverse effects. (Section 4025)

Since 1982, Puerto Rico has operated the Nutrition Assistance Program (NAP) from federal funds received as a block grant instead of the Supplemental Nutrition Assistance Program (SNAP). Under the terms of the block grant, Puerto Rico has had broad authority in its administration of these funds, and currently permits up to 25 percent of benefits to be issued in the form of cash. Permission to issue benefits in cash was granted in 2001, intended to alleviate concerns regarding lack of EBT access in Puerto Rico.

With advancement in technologies and the institution of a Commonwealth-wide sales tax in 2006, the vast majority of food retailers in Puerto Rico now accept EBT unless they choose not to. With this change in EBT capability and the Managers' ongoing interest in ensuring that each dollar of nutrition funding be used to reduce food insecurity, rigorous review and phase out of the use of cash benefits is necessary.

However, as noted in the 2010 study conducted by Insight Policy research on behalf of the Food and Nutrition Service (FNS), *Supplemental Nutrition Assistance Program in Puerto Rico: A Feasibility Study*, "It is difficult to determine what the full impact of a completely non-cash allotment would be on Puerto Rico retailers and participants." Recognizing this and that there are factors in Puerto Rico that complicate the ability of program participants to access nutrition through EBT redemption, the Managers have directed the Secretary to review the situation. The Managers expect the Secretary to consider all relevant factors in exercising the discretion provided in

exempting program participants or categories of participants that may be harmed by the discontinuation of cash benefits.

(20) Assistance for community food projects

The House bill provides an additional \$10 million per fiscal year for Community Food Projects and directs that \$5 million be used for incentives. (Section 4026)

The Senate amendment continues support for Community Food Projects while incorporating an increased food insecurity focus, along with hunger-free communities goals. Grants under this program are subject to a 50 percent matching requirement and periodic effectiveness reports. The Senate amendment eliminates the Healthy Urban Food Enterprise Development Center and Innovative Programs for Addressing Common Community Problems provisions. Funding remains at \$5 million in annual mandatory funds. (Section 4015)

The Conference substitute adopts the Senate provision with an amendment. The amendment provides \$9 million in annual mandatory funds. (Section 4026)

(21) Emergency food assistance

The House bill provides an additional \$70 million in FY2014 and FY2015 and an additional \$20 million per fiscal year thereafter for Emergency Food Assistance. Inflation adjustments remain in place. (Section 4027)

The Senate amendment increases funding by \$54 million over 10 years. Entitlement commodity funding increases are in the first five years of the budget window: +\$22 million for FY2014, +\$18 million for FY2015, +\$10 million for FY2016, +\$4 million for FY2017. Inflation adjustment between years remains in place. (Section 4016)

The Conference substitute adopts the House provision with an amendment. The amendment provides an increase in funding of \$50 million for fiscal year 2015, \$40,000,000 for fiscal year 2016, \$20,000,000 for fiscal year 2017, and \$15,000,000 for fiscal year 2018. Funding for fiscal year 2019 and each fiscal year thereafter will be indexed from the fiscal year 2018 funding level. (Section 4027)

The Managers strongly encourage the Secretary to review potential bonus and surplus removal purchases on a real-time basis and adjust the timing of mandatory food purchases and deliveries to address periods when bonus and specialty crop deliveries are expected to be low. Having a more balanced delivery of both mandatory and bonus food purchases will enable emergency feeding organizations to better serve those in need.

The Managers also intend for the Secretary to consider the cost of regulatory changes on the operation of emergency feeding operations in order to prevent such regulatory changes from adversely affecting the services provided by the emergency feeding organizations. The Managers encourage the Secretary to work with emergency feeding organizations to address these concerns.

Recognizing that some food banks also provide Commodity Supplemental Food Program (CSFP) commodities, the Managers understand the importance of CSFP as a critical nutrition program. Currently, CSFP provides nutritious food, often in the forms of food boxes for home delivery, that are designed to meet the dietary needs of seniors, women and children in 39 states, two Indian tribal organizations, and the District of Columbia. In fiscal year 2013, 97 percent of the recipients were elderly individuals with an annual income at or below \$14,937. CSFP serves a unique niche by providing

nutritious commodities to homebound seniors who are at severe risk for hunger.

The Managers fully support the continued operation of the program and recognize the need for expansion of the CSFP to reach additional elderly Americans at severe risk for hunger. The Managers note that there are six states that have currently been approved by USDA for entry into CSFP, subject to the availability of appropriations. Provided that sufficient funds are appropriated by Congress, the Managers encourage the Secretary to approve all remaining states for participation and to take action to reach all seniors at severe risk for hunger in all participating states and other jurisdictions.

(22) Nutrition education

The House bill adds “promoting physical activity” as an allowable use of funding. (Section 4028) The House bill reduces funding for FY2014 from \$401 million to \$372 million and then adjusts for inflation in subsequent years.

The Senate amendment adds “promoting physical activity” as an allowable use of funding. (Section 4017)

The Conference substitute adopts the Senate provision. (Section 4028)

(23) Retail food store and recipient trafficking

The House bill provides USDA \$5 million annually in additional mandatory funding to track and prevent SNAP trafficking. (Section 4029)

The Senate amendment provides USDA \$5 million in FY2014 in additional mandatory funding to track and prevent SNAP trafficking using data mining technologies. The Senate amendment also authorizes \$12 million subject to appropriations for each year FY2014-FY2018. (Section 4018)

The Conference substitute adopts the Senate provision with an amendment. The amendment provides one-time mandatory funding of \$15 million in FY 2014 to remain available until expended, and an authorization of \$5 million per year. (Section 4029)

(24) Tolerance level for excluding small errors

The House bill prevents the Secretary from excluding payment errors greater than \$25 from improper payments calculations. (Section 4031)

The Senate amendment contains no comparable provision.

The Conference substitute adopts the House provision with an amendment. The amendment sets the tolerance level for excluding payment errors from improper payment calculations at \$37 and indexes the level to the thrifty food plan. (Section 4019)

(25) Commonwealth of the Northern Mariana Islands pilot program

The House bill requires the Secretary of Agriculture to conduct a study to assess the capabilities of the Commonwealth of the Northern Mariana Islands (CNMI) to operate the SNAP program in the same manner it is operated in the states. The section requires that if, following the study, the Secretary of Agriculture determines that it is feasible for the CNMI to operate the SNAP program in the same manner it is operated by the states, the Secretary of Agriculture shall establish a pilot program in CNMI for such purposes. (Section 4032)

The Senate amendment contains no comparable provision.

The Conference substitute adopts the House provision with an amendment. The amendment provides that if the Secretary does not conduct a pilot with the funds

provided in this section, the funds shall be used for program administration within CNMI. (Section 4031)

(26) Annual State report on verification of SNAP participation

The House bill requires states to submit an annual report to the Secretary sufficient to show that the state is verifying that its SNAP recipients are not receiving benefits in more than one state, no benefits are being paid to deceased individuals, and no benefits are being paid to previously disqualified individuals. (Section 4033)

The Senate amendment contains no comparable provision.

The Conference substitute adopts the House provision with an amendment. The amendment sets the penalty for failure to comply at up to 50 percent of the state's administrative match. The amendment provides that the Secretary is to complete a study on methods to prevent payment of benefits to recipients in multiple states and report to Congress on how to implement the results of the study. (Section 4032)

(27) Termination of existing agreement

The House bill terminates the existing agreement for SNAP Outreach between USDA FNS and the Mexican government. (Section 4034)

The Senate amendment contains no comparable provision.

The Conference substitute adopts the House provision. (Section 4211)

(28) Service of traditional foods in public facilities

The House bill grants the Secretary of Agriculture authority to permit the donation, preparation and consumption of traditional Native food in public facilities primarily serving Alaska Natives and American Indians. (Section 4035)

The Senate amendment contains no comparable provision.

The Conference substitute adopts the House provision with an amendment. The amendment makes technical and clarifying revisions, including ensuring that food safety laws apply to the donation, preparation, and consumption of foods provided under this section. (Section 4033)

(29) Testing applicants for unlawful use of controlled substances

The House bill allows states to conduct drug testing on SNAP applicants at state expense as a condition for receiving benefits. (Section 4036)

The Senate amendment contains no comparable provision.

The Conference substitute adopts the Senate position.

(30) Eligibility disqualifications for certain convicted felons

The Senate amendment bars individuals convicted of specified federal crimes (including murder, rape, certain crimes against children), and state offenses determined by the Attorney General to be substantially similar, from receiving SNAP. The Senate amendment still allows the disqualified ex-offender's household members to apply for and potentially receive benefits. The Senate amendment requires the state agency to collect, in writing, information on SNAP applicants' convictions. (Section 4020)

The House bill is similar to the Senate amendment but specifies that restrictions will only apply to individuals with convictions after the date of enactment. (Section 4037)

The Conference substitute adopts the House provision with an amendment. The

amendment provides that the restrictions only apply to an individual convicted of the stated crimes if the individual is not in compliance with the terms of their sentence. (Section 4008)

(31) Expungement of unused SNAP benefits

The House bill requires a state agency to expunge SNAP benefits that have not been accessed by a household after a period of 60 days. (Section 4038)

The Senate amendment contains no comparable provision.

The Conference substitute adopts the Senate position.

(32) Pilot projects to promote work and increase State accountability in SNAP

The House bill creates a pilot program to allow states to engage able-bodied parents in Temporary Assistance for Needy Families (TANF)-type work and job training as part of receiving SNAP benefits. The House bill provides that employment and training (E&T) cost share funds are only available to states that adopt the work provisions within this section. (Section 4039)

The Senate amendment contains no comparable provision.

The Conference substitute adopts the House provision with an amendment. The amendment directs the Secretary to carry out a pilot program in up to ten states to develop and test methods, including operating work programs that engage able-bodied adults in TANF-type work and job training requirements, for employment and training programs and services to raise the number of work registrants who obtain unsubsidized employment, increase the earned income of the registrants, and reduce the reliance of the registrants on public assistance. \$200 million in mandatory funds are provided to operate the pilots.

States must commit to participate in the evaluation described in this section, collaborate with the state workforce board, and not supplant existing employment and training funds. The Secretary is required to select a range of pilot projects in various geographic areas, including projects that require mandatory participation and voluntary participation, as well as projects that target groups of individuals with varying skills and work experience.

States that require mandatory participation in work activities are provided specific authority to sanction individuals for failure to participate. The Secretary is required to establish standards for certain employment activities to ensure that failure to work for reasons beyond an individual's control shall not result in ineligibility. Various protections currently provided in SNAP E&T law are incorporated into the program, including ensuring that individuals subject to mandatory work requirements be offered a corresponding work or training activity, individuals be provided adequate transportation and childcare, and that elderly, disabled and those responsible for the care of children under the age of six are exempt from work requirements. (Section 4022)

The Managers recognize the need for better data and outcomes from current E&T programs. To further improve the accountability of the SNAP E&T program, the conference substitute demands outcomes by requiring states to set performance goals relating to enhancement of skills, training, work, or experience that leads to work, for SNAP participants. In addition, states must report annually on these goals.

The Managers also recognize that the best way to improve the lives of beneficiaries is through sustainable employment and increased income. Therefore, the

Managers direct the Secretary to operate up to ten pilot projects to develop and improve innovative approaches to raise the number of beneficiaries who obtain unsubsidized employment and decrease the need for nutrition assistance. The Managers intend that all state expenses, including for wrap-around services, related to the pilot projects may be reimbursed out of the funds provided under section 16(h)(1)(F)(viii).

The Managers expect the Secretary to approve pilot projects that test a range of strategies to ensure Congress is provided data on the effectiveness of various employment and training programs. This range should include those that require mandatory participation in a program and are subject to sanctions for non-participation, and those that allow individuals to volunteer to participate in the programs. All pilots shall be subject to the protections and conditions of participation and duration of ineligibility provided under section 6(d) of the Food and Nutrition Act (including household ineligibility provided under paragraph (B)).

The Managers recognize that a number of states are currently operating innovative and effective employment and training programs and expect the Secretary to test the ability to expand and replicate such programs. The Managers also recognize that some states have developed effective employment and training programs through the TANF Program and encourage the Secretary to test similar mandatory employment and training programs that transition beneficiaries to stable employment.

(33) Improved wage verification using the National Directory of New Hires

The House bill requires all states to data-match with the National Directory of New Hires. (Section 4040)

The Senate amendment contains no comparable provision.

The Conference substitute adopts the House provision with an amendment. The amendment clarifies that states are only required to data-match at the time of certification. (Section 4013)

(34) Farmers' market nutrition program

The House bill expands the program purposes to allow additional at-risk populations to be served and by requiring the Secretary to specify terms and conditions to encourage expanding the participation of small scale farmers in federal nutrition programs. The House bill requires that 50 percent of the funds be reserved for seniors. (Section 4046)

The Senate amendment reauthorizes and continues to provide Commodity Credit Corporation (CCC) mandatory funding of \$20.6 million annually through FY2018. (Section 4202)

The Conference substitute adopts the Senate provision. (Section 4203)

(35) Pilot project for canned, frozen, or dried fruits and vegetables

The House bill expands the forms of fruits and vegetables made available to students through the Fresh Fruit and Vegetable Program to include canned, frozen, and dried. (Section 4048)

The Senate amendment contains no comparable provision.

The Conference substitute adopts the House provision with an amendment. The amendment reauthorizes the Fresh Fruit and Vegetable program without revision. The amendment adds a new section creating a pilot project in schools participating in the

Fresh Fruit and Vegetable Program in not less than five states to evaluate the impact of allowing schools to offer all forms of fruits and vegetables as part of the Program. \$5 million in mandatory funding is provided to carry out the pilot project. (Section 4214)

The Managers recognize that the Fresh Fruit and Vegetable Program (FFVP) has been highly effective in increasing consumption of fruits and vegetables among low income students. Studies have shown that children participating in FFVP have a statistically significant (15 percent) increase in consumption of fruits and vegetables. The Managers do not intend to minimize the effectiveness of the current FFVP by establishing pilots for all forms. The Managers expect USDA to determine interested schools in an efficient manner and to implement the pilot at the start of the 2014 school year. The Managers expect USDA to quickly inform schools of the ability to participate in the pilot and to develop criteria based on recent school nutrition regulations and the Dietary Guidelines for Americans. Recognizing that food packaging technologies include processes such as shelf-stable cups and pouches that allow for safe handling while maximizing quality and nutrient retention, the Secretary should ensure that this program does not exclude these additional packaging methods. The Managers encourage USDA to work closely with participating schools to gather information on the types of schools that participate, identify how the pilot program is implemented in those schools, determine continued interest in participating in such a program, and learn from students and teachers about students' attitudes and actual behavior during the pilot program. The Managers intend for USDA to conduct a robust evaluation of the outcomes of these pilots, and the Secretary shall provide periodic updates to the House and Senate Committees on Agriculture on the implementation, operation, and evaluation of this pilot.

(36) Additional authority for purchase of fresh fruits, vegetables, and other specialty food crops/encouraging locally and regionally grown and raised food

The House bill includes a pilot program that would allow five states to use the fresh fruit and vegetable funding for their own local sourcing of produce. (Section 4049) The House bill allows USDA to permit school food authorities with low annual commodity entitlement values to substitute local foods entirely or partially for USDA provided foods. The House bill gives USDA discretion to establish cost-neutral farm-to-school demonstration projects. (Section 4050)

The Senate amendment continues the "DoD Fresh Program" through FY2018. (Section 4201) The Senate amendment requires USDA to conduct demonstration projects "to facilitate the purchase of unprocessed and minimally processed locally grown and locally raised agricultural products" for schools that participate in the National School Lunch and Breakfast program. (Section 4208)

The Conference substitute adopts the House provision with an amendment. The amendment directs the Secretary to carry out a pilot project in not more than eight states that provides the selected states flexibility in procuring unprocessed fruits and vegetables by allowing the states to use multiple suppliers and products and by allowing geographic preference. (Sections 4201 and 4202)

The Managers acknowledge that USDA is already conducting pilot projects in two states for the purpose of developing new methods for local procurement. The Conference substitute pilots are intended to complement these efforts. The Managers expect the Secretary to select states with a variety of in-state agricultural economies, noting that states, such as Vermont, Oregon, and New York, have demonstrated an

assortment of local procurement practices. The Managers expect the Secretary to work with the selected states in order to maximize flexibility for geographic preferences, including allowing schools to specifically request local products as long as competition is maintained, during procurement. Further, the Managers expect the Secretary to tailor the pilots to state specific needs regarding the size and structure of school systems and enactment of reporting requirements.

(37) Review of public health benefits of white potatoes

The House bill requires the Secretary to conduct a review of the economic and public health benefits of white potatoes on low-income families at nutritional risk. (Section 4051)

The Senate amendment contains no comparable provision.

The Conference substitute adopts the Senate position.

(38) Review of sole-source contracts in Federal nutrition programs

The House bill directs USDA to conduct a study on sole-source contracting in federal nutrition programs to evaluate the effects such contracts have on program participation, program goals, non-program consumers, retailers and free market dynamics. (Section 4053)

The Senate amendment contains no comparable provision.

The Conference substitute adopts the House provision. (Section 4212)

(39) Purchase of Halal and Kosher food for emergency food assistance program

The House bill requires USDA to facilitate purchases of Kosher and Halal foods within the Emergency Food Assistance Program. (Section 4054)

The Senate amendment contains no comparable provision.

The Conference substitute adopts the House provision. (Section 4207)

(40) Quality control standards

The Senate amendment strikes the Secretary's authority to waive quality control (QC) penalties. (Section 4011)

The House bill contains no comparable provision.

The Conference substitute adopts the Senate provision. (Section 4020)

(41) Food Insecurity Nutrition Incentive

The Senate amendment amends the hunger-free community grants to establish "incentive grants" for projects that incentivize SNAP participants to buy fruits and vegetables. The Senate amendment limits federal cost share to 50 percent and provides \$100 million in mandatory funding over five years. The Senate amendment provides discretionary authority of \$5 million per year. (Section 4204)

The House bill contains no comparable provision.

The Conference substitute adopts the Senate provision with an amendment. The amendment renames the program the Food Insecurity Nutrition Incentive. (Section 4208)

The Managers intend for these grants to improve access to and reduce the cost of fruits and vegetables for SNAP recipients. The Managers intend for the grants to test new methods and technologies that facilitate the purchase of fresh fruits and vegetables by SNAP recipients from a variety of sources, including direct to consumer markets. The

Managers encourage the Secretary to consult with non-profit organizations with experience conducting similar programs on the design and implementation of the incentive grants.

(42) Pulse crop products

The Senate amendment creates a pilot project to purchase pulse crops (dry beans, dry peas, lentils, and chick peas) and pulse crop products for schools. The Senate amendment authorizes up to \$10 million in discretionary appropriations. (Section 4206)

The House bill contains no comparable provision.

The Conference substitute adopts the Senate provision. (Section 4213)

(43) Dietary Guidelines for Americans

The Senate amendment requires that the guidelines include specifications for pregnant women and children under the age of two years, by no later than the 2020 edition. (Section 4207)

The House bill contains no comparable provision.

The Conference substitute adopts the Senate provision. (Section 4204)

(44) Multiagency task force

The Senate amendment requires USDA to establish a multiagency task force to provide guidance to the commodity distribution programs. The task force must be composed of at least four members, representing FNS's Food Distribution Division, Agricultural Marketing Service (AMS), Farm Service Agency (FSA), and Food Safety and Inspection Service (FSIS). The task force is to report to Congress not later than one year after convening. (Section 4209)

The House bill contains no comparable provision.

The Conference substitute adopts the Senate provision. (Section 4205)

(45) Food and agriculture service learning program

The Senate amendment creates a Food and Agriculture Service Learning Program with statutory purposes that include: increasing capacity for food, garden, and nutrition education; complementing the work of the federal farm-to-school grants; and coordinating with the related National Institute of Food and Agriculture (NIFA) work. USDA is to evaluate the program regularly and report the results to congressional committees of jurisdiction. \$25 million is authorized to be appropriated and is to remain available until expended. 20 percent of funds are set aside for NIFA for particular purposes, and funding is to "supplement not supplant" current efforts. (Section 4210)

The House bill contains no comparable provision.

The Conference substitute adopts the Senate provision with an amendment. The amendment places the program under the jurisdiction of the National Institute of Food and Agriculture (NIFA) and structures it as a competitive grant program. Further, the amendment deletes the "Definitions" subsection and removes the 20 percent funding set-aside previously designated to NIFA for housing, training, and overseeing participants. (Section 4209)