AN ACT

To amend the Food and Nutrition Act of 2008; and for other purposes.

1 Be it enacted by the Senate and House of Representa-
2 tives of the United States of America in Congress assembled,
SECTION 1. SHORT TITLE; TABLE OF CONTENTS.

(a) SHORT TITLE.—This Act may be cited as the “Nutrition Reform and Work Opportunity Act of 2013”.

(b) TABLE OF CONTENTS.—The table of contents of this Act is the following:

Sec. 1. Short title; table of contents.

TITLE I—SUPPLEMENTAL NUTRITION ASSISTANCE PROGRAM

Sec. 101. 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.

Sec. 102. Retailers.

Sec. 103. Enhancing services to elderly and disabled supplemental nutrition assistance program participants.

Sec. 104. Food distribution program on Indian reservations.

Sec. 105. Updating program eligibility.

Sec. 106. Exclusion of medical marijuana from excess medical expense deduction.

Sec. 107. Standard utility allowances based on the receipt of energy assistance payments.

Sec. 108. Eligibility disqualifications.

Sec. 109. Repeal of State work program waiver authority.

Sec. 110. Ending supplemental nutrition assistance program benefits for lottery or gambling winners.

Sec. 111. Improving security of food assistance.

Sec. 112. Demonstration projects on acceptance of benefits of mobile transactions.

Sec. 113. Use of benefits for purchase of community-supported agriculture share.

Sec. 114. Restaurant meals program.

Sec. 115. Mandating State immigration verification.

Sec. 116. Data exchange standardization for improved interoperability.

Sec. 117. Pilot projects to improve Federal-State cooperation in identifying and reducing fraud in the supplemental nutrition assistance program.

Sec. 118. Prohibiting Government-sponsored recruitment activities.

Sec. 119. Repeal of bonus program.

Sec. 120. Funding of employment and training programs.

Sec. 121. Monitoring employment and training programs.

Sec. 122. Cooperation with program research and evaluation.

Sec. 123. Pilot projects to reduce dependency and increase work effort in the supplemental nutrition assistance program.

Sec. 124. Authorization of appropriations.

Sec. 125. Limitation on use of block grant to Puerto Rico.

Sec. 126. Assistance for community food projects.

Sec. 127. Emergency food assistance.

Sec. 128. Nutrition education.

Sec. 129. Retailer trafficking.
Sec. 130. Technical and conforming amendments.
Sec. 131. Tolerance level for excluding small errors.
Sec. 132. Commonwealth of the Northern Mariana Islands pilot program.
Sec. 133. Annual State report on verification of SNAP participation.
Sec. 134. Termination of existing agreement.
Sec. 135. Service of traditional foods in public facilities.
Sec. 136. Testing applicants for unlawful use of controlled substances.
Sec. 137. Eligibility disqualifications for certain convicted felons.
Sec. 138. Expungement of unused supplemental nutrition assistance program benefits.
Sec. 139. Pilot projects to promote work and increase State accountability in the supplemental nutrition assistance program.
Sec. 140. Improved wage verification using the National Directory of New Hires.
Sec. 141. Feasibility study for Indian tribes.

TITLE II—COMMODITY DISTRIBUTION PROGRAMS

Sec. 201. Commodity distribution program.
Sec. 202. Commodity supplemental food program.
Sec. 203. Distribution of surplus commodities to special nutrition projects.
Sec. 204. Processing of commodities.

TITLE III—MISCELLANEOUS

Sec. 301. Farmers’ market nutrition program.
Sec. 302. Nutrition information and awareness pilot program.
Sec. 303. Fresh fruit and vegetable program.
Sec. 304. Additional authority for purchase of fresh fruits, vegetables, and other specialty food crops.
Sec. 305. Encouraging locally and regionally grown and raised food.
Sec. 306. Review of public health benefits of white potatoes.
Sec. 307. Healthy Food Financing Initiative.
Sec. 308. Review of sole-source contracts in Federal nutrition programs.
Sec. 309. Purchase of Halal and Kosher food for emergency food assistance program.
TITLE I—SUPPLEMENTAL NUTRITION ASSISTANCE PROGRAM

SEC. 101. 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.

Section 3(k)(1) of the Food and Nutrition Act of 2008 (7 U.S.C. 2012(k)(1)) is amended—

(1) by striking “and hot foods” and inserting “hot foods”; and

(2) by adding at the end the following: “and any deposit fee in excess of amount of the State fee reimbursement (if any) required to purchase any food or food product contained in a returnable bottle or can, regardless of whether such fee is included in the shelf price posted for such food or food product,”.

SEC. 102. RETAILERS.

(a) DEFINITION OF RETAIL FOOD STORE.—Section 3(p)(1)(A) of the Food and Nutrition Act of 2008 (7 U.S.C. 2012(p)(1)(A)) is amended by striking “at least 2” and inserting “at least 3”.
(b) ALTERNATIVE BENEFIT DELIVERY.—Section 7(f) of the Food and Nutrition Act of 2008 (7 U.S.C. 2016(f)) is amended—

(1) by striking paragraph (2) and inserting the following:

“(2) IMPOSITION OF COSTS.—

“(A) IN GENERAL.—Except as provided in subparagraph (B), the Secretary shall require participating retailers (including restaurants participating in a State option restaurant program intended to serve the elderly, disabled, and homeless) to pay 100 percent of the costs of acquiring, and arrange for the implementation of, electronic benefit transfer point-of-sale equipment and supplies.

“(B) EXEMPTIONS.—The Secretary may exempt from subparagraph (A)—

“(i) farmers’ markets and other direct-to-consumer markets, military commissaries, nonprofit food buying cooperatives, and establishments, organizations, programs, or group living arrangements described in paragraphs (5), (7), and (8) of section 3(k); and
“(ii) establishments described in paragraphs (3), (4), and (9) of section 3(k), other than restaurants participating in a State option restaurant program.”; and

(2) by adding at the end the following:

“(4) TERMINATION OF MANUAL VOUCHERS.—

“(A) IN GENERAL.—Effective beginning on the effective date of this paragraph, except as provided in subparagraph (B), no State shall issue manual vouchers to a household that receives supplemental nutrition assistance under this Act or allow retailers to accept manual vouchers as payment, unless the Secretary determines that the manual vouchers are necessary, such as in the event of an electronic benefit transfer system failure or a disaster situation.

“(B) EXEMPTIONS.—The Secretary may exempt categories of retailers or individual retailers from subparagraph (A) based on criteria established by the Secretary.

“(5) UNIQUE IDENTIFICATION NUMBER REQUIRED.—In an effort to enhance the antifraud protections of the program, the Secretary shall require all parties providing electronic benefit transfer serv-
ices to provide for and maintain a unique business identification and a unique terminal identification number information through the supplemental nutrition assistance program electronic benefit transfer transaction routing system. In developing the regulations implementing this paragraph, the Secretary shall consider existing commercial practices for other point-of-sale debit transactions. The Secretary shall issue proposed regulations implementing this paragraph not earlier than 2 years after the date of enactment of this paragraph.”.

(c) ELECTRONIC BENEFIT TRANSFERS.—Section 7(h)(3)(B) of the Food and Nutrition Act of 2008 (7 U.S.C. 2016(h)(3)(B)) is amended by striking “is operational—” and all that follows through “(ii) in the case of other participating stores,” and inserting “is operational”.

(d) APPROVAL OF RETAIL FOOD STORES AND WHOLESALE FOOD CONCERNS.—Section 9 of the Food and Nutrition Act of 2008 (7 U.S.C. 2018) is amended—

(1) in the 2d sentence of subsection (a)(1) by striking “; and (C)” and inserting “; (C) whether the applicant is located in an area with significantly limited access to food; and (D)”;

(2) by adding at the end the following:
“(g) EBT Service Requirement.—An approved retail food store shall provide adequate EBT service as described in section 7(h)(3)(B).”.

SEC. 103. ENHANCING SERVICES TO ELDERLY AND DISABLED SUPPLEMENTAL NUTRITION ASSISTANCE PROGRAM PARTICIPANTS.

(a) Enhancing Services to Elderly and Disabled Program Participants.—Section 3(p) of the Food and Nutrition Act of 2008 (7 U.S.C. 2012(p)) is amended—

(1) in paragraph (3) by striking “and” at the end;

(2) in paragraph (4) by striking the period at the end and inserting “; and”;

(3) by inserting after paragraph (4) the following:

“(5) a governmental or private nonprofit food purchasing and delivery service that—

“(A) purchases food for, and delivers such food to, individuals who are—

“(i) unable to shop for food; and

“(ii)(I) not less than 60 years of age;

or

“(II) physically or mentally handicapped or otherwise disabled;
“(B) clearly notifies the participating household at the time such household places a food order—

“(i) of any delivery fee associated with the food purchase and delivery provided to such household by such service; and

“(ii) that a delivery fee cannot be paid with benefits provided under supplemental nutrition assistance program; and

“(C) sells food purchased for such household at the price paid by such service for such food and without any additional cost markup.”.

(b) IMPLEMENTATION.—

(1) ISSUANCE OF RULES.—The Secretary of Agriculture shall issue regulations that—

(A) establish criteria to identify a food purchasing and delivery service referred to in section 3(p)(5) of the Food and Nutrition Act of 2008 as amended by this Act; and

(B) establish procedures to ensure that such service—

(i) does not charge more for a food item than the price paid by the such service for such food item;
(ii) offers food delivery service at no
or low cost to households under such Act;

(iii) ensures that benefits provided
under the supplemental nutrition assist-
ance program are used only to purchase
food, as defined in section 3 of such Act;

(iv) limits the purchase of food, and
the delivery of such food, to households eli-
gible to receive services described in section
3(p)(5) of such Act as so amended;

(v) has established adequate safer-
guards against fraudulent activities, in-
cluding unauthorized use of electronic ben-
efit cards issued under such Act; and

(vi) such other requirements as the
Secretary deems to be appropriate.

(2) LIMITATION.—Before the issuance of rules
under paragraph (1), the Secretary of Agriculture
may not approve more than 20 food purchasing and
delivery services referred to in section 3(p)(5) of the
Food and Nutrition Act of 2008 as amended by this
Act, to participate as retail food stores under the
supplemental nutrition assistance program.
SEC. 104. FOOD DISTRIBUTION PROGRAM ON INDIAN RESERVATIONS.


SEC. 105. UPDATING PROGRAM ELIGIBILITY.

Section 5 of the Food and Nutrition Act of 2008 (7 U.S.C. 2014) is amended—

(1) in the 2d sentence of subsection (a) by striking “households in which each member receives benefits” and inserting “households in which each member receives cash assistance”; and

(2) in subsection (j) by striking “or who receives benefits under a State program” and inserting “or who receives cash assistance under a State program”.

SEC. 106. EXCLUSION OF MEDICAL MARIJUANA FROM EXCESS MEDICAL EXPENSE DEDUCTION.

Section 5(e)(5) of the Food and Nutrition Act of 2008 (7 U.S.C. 2014(e)(5)) is amended by adding at the end the following:

“(C) EXCLUSION OF MEDICAL MARIJUANA.—The Secretary shall promulgate rules to ensure that medical marijuana is not treated as a medical expense for purposes of this paragraph.”.
SEC. 107. STANDARD UTILITY ALLOWANCES BASED ON THE RECEIPT OF ENERGY ASSISTANCE PAYMENTS.

(a) Standard Utility Allowances in the Supplemental Nutrition Assistance Program.—Section 5(e)(6)(C) of the Food and Nutrition Act of 2008 (7 U.S.C. 2014(e)(6)(C)) is amended—

(1) in clause (i) by inserting ‘‘, subject to clause (iv)’’ after ‘‘Secretary’’; and

(2) by striking subclause (I) of clause (iv) and inserting the following:

‘‘(I) IN GENERAL.—Subject to subclause (II), if a State agency elects to use a standard utility allowance that reflects heating and cooling costs, the standard utility allowance shall be made available to households that received a payment, or on behalf of which a payment was made, under the Low-Income Home Energy Assistance Act of 1981 (42 U.S.C. 8621 et seq.) or other similar energy assistance program, if in the current month or in the immediately preceding 12 months, the household either received such payment, or such payment was made.
on behalf of the household, that was greater than $20 annually, as determined by the Secretary.”; and

(b) Conforming Amendment.—Section 2605(f)(2)(A) of the Low-Income Home Energy Assistance Act of 1981 (42 U.S.C. 8624(f)(2)(A)) is amended by inserting before the semicolon the following: “, except that, for purposes of the supplemental nutrition assistance program established under the Food and Nutrition Act of 2008 (7 U.S.C. 2011 et seq.), such payments or allowances were greater than $20 annually, consistent with section 5(e)(6)(C)(iv)(I) of that Act (7 U.S.C. 2014(e)(6)(C)(iv)(I)), as determined by the Secretary of Agriculture”.

(c) Effective Date and Implementation.—

(1) In general.—Except as provided in paragraph (2), this section and the amendments made by this section shall take effect on October 1, 2013, and shall apply with respect to certification periods that begin after such date.

(2) State option to delay implementation for current recipients.—A State may, at the option of the State, implement a policy that eliminates or reduces the effect of the amendments made by this section on households that received a stand-
ard utility allowance as of the date of enactment of this Act, for not more than a 180-day period that begins on the date on which such amendments would otherwise apply to the respective household.

SEC. 108. ELIGIBILITY DISQUALIFICATIONS.

Section 6(e)(3)(B) of Food and Nutrition Act of 2008 (7 U.S.C. 2015(e)(3)(B)) is amended by striking “section;” and inserting the following:

“section, subject to the condition that the course or program of study—

“(i) is part of a program of career and technical education (as defined in section 3 of the Carl D. Perkins Career and Technical Education Act of 2006 (20 U.S.C. 2302)) that may be completed in not more than 4 years at an institution of higher education (as defined in section 102 of the Higher Education Act of 1965 (20 U.S.C. 1002)); or

“(ii) is limited to remedial courses, basic adult education, literacy, or English as a second language;”.
SEC. 109. REPEAL OF STATE WORK PROGRAM WAIVER AUTHORITY.

Section 6(o) of the Food and Nutrition Act of 2008 (7 U.S.C. 2015(o)) is amended—

(1) in paragraph (2)(D) by striking “(5), or (6)” and inserting “or (5)”;

(2) by striking paragraph (4);

(3) in paragraph (6)—

(A) in subparagraph (A)(ii)—

(i) by striking subclause (II);

(ii) in subclause (V) by striking “(5)” and inserting “(4)”;

and inserting “(4)”; and

(iii) by redesignating subclauses (III), (IV), and (V) as subclauses (II), (III), and (IV), respectively;

(B) in subparagraph (B) by striking “(G)” and inserting “(H)”;

(C) in subparagraph (D) by striking “and each subsequent fiscal year” and inserting “through fiscal year 2013”;

(D) in subparagraph (F) by striking “and each subsequent fiscal year” and inserting “through fiscal year 2013”; and

(E) by adding at the end the following:

“(H) FISCAL YEAR 2014 AND THEREAFTER.—Subject to subparagraph (G), for fis-
cal year 2014 and each subsequent fiscal year, a State agency may provide a number of exemptions such that the average monthly number of the exemptions in effect during the fiscal year does not exceed 15 percent of the number of individuals identified as ‘Nondisabled Adults Age 18–49 in Childless Households’ in the table ‘B.5 Distribution of Participating Households by Household Composition and by State’ of the report entitled Characteristics of Supplemental Nutrition Assistance Program Households: Fiscal Year 2011 (Supplemental Nutrition Assistance Program Report No. SNAP–12–CHAR) prepared for and published by the Office of Research and Analysis of the Food and Nutrition Service of the Department of Agriculture in November 2012.’’; and

(4) by redesignating paragraphs (5), (6), and (7) as paragraphs (4), (5), and (6), respectively.

**SEC. 110. ENDING SUPPLEMENTAL NUTRITION ASSISTANCE PROGRAM BENEFITS FOR LOTTERY OR GAMBLING WINNERS.**

(a) In General.—Section 6 of the Food and Nutrition Act of 2008 (7 U.S.C. 2015) is amended by adding at the end the following:
“(r) Ineligibility for Benefits Due to Receipt of Substantial Lottery or Gambling Winnings.—

“(1) In general.—Any household in which a member receives substantial lottery or gambling winnings, as determined by the Secretary, shall lose eligibility for benefits immediately upon receipt of the winnings.

“(2) Duration of ineligibility.—A household described in paragraph (1) shall remain ineligible for participation until the household meets the allowable financial resources and income eligibility requirements under subsections (e), (d), (e), (f), (g), (i), (k), (l), (m), and (n) of section 5.

“(3) Agreements.—As determined by the Secretary, each State agency, to the maximum extent practicable, shall establish agreements with entities responsible for the regulation or sponsorship of gaming in the State to determine whether individuals participating in the supplemental nutrition assistance program have received substantial lottery or gambling winnings.”.

(b) Conforming Amendments.—Section 5(a) of the Food and Nutrition Act of 2008 (7 U.S.C. 2014(a)) is amended in the 2d sentence by striking “sections 6(b),
7(d)(2), and 6(g)” and inserting “subsections (b), (d)(2), (g), and (r) of section 6”.

SEC. 111. IMPROVING SECURITY OF FOOD ASSISTANCE.

Section 7(h)(8) of the Food and Nutrition Act of 2008 (7 U.S.C. 2016(h)(8)) is amended—

(1) in the heading by striking “CARD FEE” and inserting “OF CARDS”; (2) by striking “A State” and inserting the following:

“(A) FEES.—A State”; and (3) by adding after subparagraph (A) (as so designated by paragraph (2)) the following:

“(B) PURPOSEFUL LOSS OF CARDS.—

“(i) IN GENERAL.—Subject to terms and conditions established by the Secretary in accordance with clause (ii), if a household makes excessive requests for replacement of the electronic benefit transfer card of the household, the Secretary may require a State agency to decline to issue a replacement card to the household unless the household, upon request of the State agency, provides an explanation for the loss of the card.
“(ii) REQUIREMENTS.—The terms and conditions established by the Secretary shall provide that—

“(I) the household be given the opportunity to provide the requested explanation and meet the requirements under this paragraph promptly;

“(II) after an excessive number of lost cards, the head of the household shall be required to review program rights and responsibilities with State agency personnel authorized to make determinations under section 5(a); and

“(III) any action taken, including actions required under section 6(b)(2), other than the withholding of the electronic benefit transfer card until an explanation described in sub-clause (I) is provided, shall be consistent with the due process protections under section 6(b) or 11(e)(10), as appropriate.

“(C) PROTECTING VULNERABLE PERSONS.—In implementing this paragraph, a
State agency shall act to protect homeless persons, persons with disabilities, victims of crimes, and other vulnerable persons who lose electronic benefit transfer cards but are not intentionally committing fraud.

“(D) Effect on Eligibility.—While a State may decline to issue an electronic benefits transfer card until a household satisfies the requirements under this paragraph, nothing in this paragraph shall be considered a denial of, or limitation on, the eligibility for benefits under section 5.”.

SEC. 112. DEMONSTRATION PROJECTS ON ACCEPTANCE OF BENEFITS OF MOBILE TRANSACTIONS.

Section 7(h) of the Food and Nutrition Act of 2008 (7 U.S.C. 2016(h)) is amended by adding at the end the following:

“(14) Demonstration projects on acceptance of benefits of mobile transactions.—

“(A) In general.—The Secretary shall pilot the use of mobile technologies determined by the Secretary to be appropriate to test the feasibility and implications for program integrity, by allowing retail food stores, farmers markets, and other direct producer-to-consumer
marketing outlets to accept benefits from recipients of supplemental nutrition assistance through mobile transactions.

“(B) DEMONSTRATION PROJECTS.—To be eligible to participate in a demonstration project under subsection (a), a retail food store, farmers market, or other direct producer-to-consumer marketing outlet shall submit to the Secretary for approval a plan that includes—

“(i) a description of the technology;

“(ii) the manner by which the retail food store, farmers market or other direct producer-to-consumer marketing outlet will provide proof of the transaction to households;

“(iii) the provision of data to the Secretary, consistent with requirements established by the Secretary, in a manner that allows the Secretary to evaluate the impact of the demonstration on participant access, ease of use, and program integrity; and

“(iv) such other criteria as the Secretary may require.

“(C) DATE OF COMPLETION.—The demonstration projects under this paragraph shall
be completed and final reports submitted to the Secretary by not later than July 1, 2016.

“(D) REPORT TO CONGRESS.—The Secretary shall submit a report to the Committee on Agriculture of the House of Representatives and the Committee on Agriculture, Nutrition, and Forestry of the Senate that includes a finding, based on the data provided under subparagraph (C) whether or not implementation in all States is in the best interest of the supplemental nutrition assistance program.”.

SEC. 113. USE OF BENEFITS FOR PURCHASE OF COMMUNITY-SUPPORTED AGRICULTURE SHARE.

Section 10 of the Food and Nutrition Act of 2008 (7 U.S.C. 2019) is amended in the 1st sentence by inserting “agricultural producers who market agricultural products directly to consumers shall be authorized to redeem benefits for the initial cost of the purchase of a community-supported agriculture share,” after “food so purchased,”.

SEC. 114. RESTAURANT MEALS PROGRAM.

(a) IN GENERAL.—Section 11(e) of the Food and Nutrition Act of 2008 (7 U.S.C. 2020(e)) is amended—

(1) in paragraph (22) by striking “and” at the end;
(2) in paragraph (23)(C) by striking the period at the end and inserting “; and”; and

(3) by adding at the end the following:

“(24) if the State elects to carry out a program to contract with private establishments to offer meals at concessional prices, as described in paragraphs (3), (4), and (9) of section 3(k)—

“(A) the plans of the State agency for operating the program, including—

“(i) documentation of a need that eligible homeless, elderly, and disabled clients are underserved in a particular geographic area;

“(ii) the manner by which the State agency will limit participation to only those private establishments that the State determines necessary to meet the need identified in clause (i); and

“(iii) any other conditions the Secretary may prescribe, such as the level of security necessary to ensure that only eligible recipients participate in the program; and
“(B) a report by the State agency to the Secretary annually, the schedule of which shall be established by the Secretary, that includes—

“(i) the number of households and individual recipients authorized to participate in the program, including any information on whether the individual recipient is elderly, disabled, or homeless; and

“(ii) an assessment of whether the program is meeting an established need, as documented under subparagraph (A)(i).”.

(b) APPROVAL OF RETAIL FOOD STORES AND WHOLESALE FOOD CONCERNS.—Section 9 of the Food and Nutrition Act of 2008 (7 U.S.C. 2018) is amended by adding at the end the following:

“(h) PRIVATE ESTABLISHMENTS.—

“(1) IN GENERAL.—Subject to paragraph (2), no private establishment that contracts with a State agency to offer meals at concessional prices as described in paragraphs (3), (4), and (9) of section 3(k) may be authorized to accept and redeem benefits unless the Secretary determines that the participation of the private establishment is required to meet a documented need in accordance with section 11(e)(24).
“(2) EXISTING CONTRACTS.—

“(A) IN GENERAL.—If, on the day before the effective date of this subsection, a State has entered into a contract with a private establishment described in paragraph (1) and the Secretary has not determined that the participation of the private establishment is necessary to meet a documented need in accordance with section 11(e)(24), the Secretary shall allow the operation of the private establishment to continue without that determination of need for a period not to exceed 180 days from the date on which the Secretary establishes determination criteria, by regulation, under section 11(e)(24).

“(B) JUSTIFICATION.—If the Secretary determines to terminate a contract with a private establishment that is in effect on the effective date of this subsection, the Secretary shall provide justification to the State in which the private establishment is located for that termination.

“(3) REPORT TO CONGRESS.—Not later than 90 days after September 30, 2014, and 90 days after the last day of each fiscal year thereafter, the Secretary shall report to the Committee on Agri-
culture of the House of Representatives and the Committee on Agriculture, Nutrition, and Forestry of the Senate on the effectiveness of a program under this subsection using any information received from States under section 11(e)(24) as well as any other information the Secretary may have relating to the manner in which benefits are used.”.

(c) Conforming Amendments.—Section 3(k) of the Food and Nutrition Act of 2008 (7 U.S.C. 2012(k)) is amended by inserting “subject to section 9(h)” after “concessional prices” each place it appears.

SEC. 115. MANDATING STATE IMMIGRATION VERIFICATION.

Section 11(p) of the Food and Nutrition Act of 2008 (7 U.S.C. 2020(p)) is amended to read as follows:

“(p) State Verification Option.—In carrying out the supplemental nutrition assistance program, a State agency shall be required to use an income and eligibility, or an immigration status, verification system established under section 1137 of the Social Security Act (42 U.S.C. 1320b–7), in accordance with standards set by the Secretary.”.
SEC. 116. DATA EXCHANGE STANDARDIZATION FOR IMPROVED INTEROPERABILITY.

(a) DATA EXCHANGE STANDARDIZATION.—Section 11 of the Food and Nutrition Act of 2008 (7 U.S.C. 2020) is amended by adding at the end the following:

“(v) DATA EXCHANGE STANDARDS FOR IMPROVED INTEROPERABILITY.—

“(1) DESIGNATION.—The Secretary shall, in consultation with an interagency work group established by the Office of Management and Budget, and considering State government perspectives, designate data exchange standards to govern, under this part—

“(A) necessary categories of information that State agencies operating such programs are required under applicable law to electronically exchange with another State agency; and

“(B) Federal reporting and data exchange required under applicable law.

“(2) REQUIREMENTS.—The data exchange standards required by paragraph (1) shall, to the extent practicable—

“(A) incorporate a widely accepted, non-proprietary, searchable, computer-readable format, such as the eXtensible Markup Language;
“(B) contain interoperable standards developed and maintained by intergovernmental partnerships, such as the National Information Exchange Model;

“(C) incorporate interoperable standards developed and maintained by Federal entities with authority over contracting and financial assistance;

“(D) be consistent with and implement applicable accounting principles;

“(E) be implemented in a manner that is cost-effective and improves program efficiency and effectiveness; and

“(F) be capable of being continually upgraded as necessary.

“(3) RULES OF CONSTRUCTION.—Nothing in this subsection shall be construed to require a change to existing data exchange standards for Federal reporting found to be effective and efficient.”.

(b) EFFECTIVE DATE.—The Secretary shall issue a proposed rule within 24 months after the date of the enactment of this Act. The rule shall identify federally required data exchanges, include specification and timing of exchanges to be standardized, and address the factors used in determining whether and when to standardize data
exchanges. It should also specify state implementation options and describe future milestones.

SEC. 117. PILOT PROJECTS TO IMPROVE FEDERAL-STATE COOPERATION IN IDENTIFYING AND REDUCING FRAUD IN THE SUPPLEMENTAL NUTRITION ASSISTANCE PROGRAM.

Section 12 of the Food and Nutrition Act of 2008 (7 U.S.C. 2021) is amended by adding at the end the following:

“(i) PILOT PROJECTS TO IMPROVE FEDERAL-STATE COOPERATION IN IDENTIFYING AND REDUCING FRAUD IN THE SUPPLEMENTAL NUTRITION ASSISTANCE PROGRAM.—

“(1) IN GENERAL.—The Secretary shall carry out, under such terms and conditions as determined by the Secretary, pilot projects to test innovative Federal-State partnerships to identify, investigate, and reduce retailer fraud in the supplemental nutrition assistance program, including allowing States to operate retail Food Store investigation programs. At least 1 such pilot project shall be carried out in an urban area that is among the 10 largest urban areas in the United States (based on population) if the supplemental nutrition assistance program is separately administered in such area and if the adminis-
tration of such program in such area complies with the other applicable requirements of such program.

“(2) Selection criteria.—Pilot projects shall be selected based on criteria the Secretary establishes, which shall include—

“(A) enhancing existing efforts by the Secretary to reduce retailer fraud;

“(B) requiring participant States to maintain their overall level of effort at addressing recipient fraud, as determined by the Secretary, prior to participation in the pilot project;

“(C) collaborating with other law enforcement authorities as necessary to carry out an effective pilot project;

“(D) commitment of the participant State agency to follow Federal rules and procedures with respect to retailer investigations; and

“(E) the extent to which a State has committed resources to recipient fraud and the relative success of those efforts.

“(3) Evaluation.—

“(A) The Secretary shall evaluate the projects selected under this subsection to measure the impact of the pilot projects.

“(B) Such evaluation shall include—
“(i) each pilot project’s impact on increasing the Secretary’s capacity to address retailer fraud;
“(ii) the effectiveness of the pilot projects in identifying, preventing and reducing retailer fraud; and
“(iii) the cost effectiveness of such pilot projects.
“(4) REPORT TO CONGRESS.—Not later than September 30, 2017, the Secretary shall submit to the Committee on Agriculture of the House of Representatives and the Committee on Agriculture, Nutrition and Forestry of the Senate, a report that includes a description of the results of each pilot project, including an evaluation of the impact of the project on retailer fraud and the costs associated with each pilot project.
“(5) FUNDING.—Any costs incurred by the State to operate the pilot projects in excess of the amount expended under this Act for retailer fraud in the respective State in the previous fiscal year shall not be eligible for Federal reimbursement under this Act.”
SEC. 118. PROHIBITING GOVERNMENT-SPONSORED RECRUITMENT ACTIVITIES.

(a) Administrative Cost-Sharing and Quality Control.—Section 16(a)(4) of the Food and Nutrition Act of 2008 (7 U.S.C. 2025(a)(4)) is amended by inserting after “recruitment activities” the following: “designed to persuade an individual to apply for program benefits or that promote the program via television, radio, or billboard advertisements”.

(b) Limitation on Use of Funds Authorized To Be Appropriated Under Act.—Section 18 of the Food and Nutrition Act of 2008 (7 U.S.C. 2027) is amended by adding at the end the following:

“(g) Ban on Recruitment and Promotion Activities.—(1) Except as provided in paragraph (2), no funds authorized to be appropriated under this Act shall be used by the Secretary for—

“(A) recruitment activities designed to persuade an individual to apply for supplemental nutrition assistance program benefits;

“(B) television, radio, or billboard advertisements that are designed to promote supplemental nutrition assistance program benefits and enrollment; or
“(C) any agreements with foreign governments designed to promote supplemental nutrition assistance program benefits and enrollment.

“(2) Paragraph (1)(B) shall not apply to programmatic activities undertaken with respect to benefits made available in response to a natural disaster.”.

(e) Ban on Recruitment Activities by Entities That Receive Funds.—Section 18 of the Food and Nutrition Act of 2008 (7 U.S.C. 2027) is amended by adding at the end the following:

“(h) Ban on Recruitment by Entities That Receive Funds.—The Secretary shall issue regulations that forbid entities that receive funds under this Act to compensate any person for conducting outreach activities relating to participation in, or for recruiting individuals to apply to receive benefits under, the supplemental nutrition assistance program if the amount of such compensation would be based on the number of individuals who apply to receive such benefits.”.

SEC. 119. REPEAL OF BONUS PROGRAM.

Section 16(d) of the Food and Nutrition Act of 2008 (7 U.S.C. 2025(d)) is repealed.
SEC. 120. FUNDING OF EMPLOYMENT AND TRAINING PROGRAMS.

Section 16(h)(1)(A) of the Food and Nutrition Act of 2008 (7 U.S.C. 2025(h)(1)(A)) is amended by striking “$90,000,000” and all that follows through “$79,000,000”, and inserting “$79,000,000 for each fiscal year”.

SEC. 121. MONITORING EMPLOYMENT AND TRAINING PROGRAMS.

(a) REPORTING MEASURES.—Section 16(h)(5) of the Food and Nutrition Act of 2008 (7 U.S.C. 2025(h)(5)) is amended to read:

“(5)(A) IN GENERAL.—The Secretary shall monitor the employment and training programs carried out by State agencies under section 6(d)(4) and assess their effectiveness in—

“(i) preparing members of households participating in the supplemental nutrition assistance program for employment, including the acquisition of basic skills necessary for employment; and

“(ii) increasing the numbers of household members who obtain and retain employment subsequent to their participation in such employment and training programs.
“(B) REPORTING MEASURES.—The Secretary, in consultation with the Secretary of Labor, shall develop reporting measures that identify improvements in the skills, training education or work experience of members of households participating in the supplemental nutrition assistance program. Measures shall be based on common measures of performance for federal workforce training programs, so long as they reflect the challenges facing the types of members of households participating in the supplemental nutrition assistance program who participate in a specific employment and training component. The Secretary shall require that each State employment and training plan submitted under section 11(e)(19) identify appropriate reporting measures for each of their proposed components that serve at least 100 people. Such measures may include:

“(i) the percentage and number of program participants who received employment and training services and are in unsubsidized employment subsequent to the receipt of those services;

“(ii) the percentage and number of program participants who obtain a recognized post-secondary credential, including a registered ap-
prenticeship, or a regular secondary school diploma or its recognized equivalent, while participating in or within 1 year after receiving employment and training services;

“(iii) the percentage and number of program participants who are in an education or training program that is intended to lead to a recognized postsecondary credential, including a registered apprenticeship or on-the-job training program, a regular secondary school diploma or its recognized equivalent, or unsubsidized employment;

“(iv) subject to the terms and conditions set by the Secretary, measures developed by each State agency to assess the skills acquisition of employment and training program participants that reflect the goals of their specific employment and training program components, which may include, but are not limited to—

“(I) the percentage and number of program participants who are meeting program requirements in each component of the State’s education and training program; and
“(II) the percentage and number of program participants who are gaining skills likely to lead to employment as measured through testing, quantitative or qualitative assessment or other method; and
“(v) other indicators as approved by the Secretary.

“(C) STATE REPORT.—Each State agency shall annually prepare and submit to the Secretary a report on the State’s employment and training program that includes the numbers of supplemental nutrition assistance program participants who have gained skills, training, work or experience that will increase their ability to obtain regular employment using measures identified in subparagraph (B).

“(D) MODIFICATIONS TO THE STATE EMPLOYMENT AND TRAINING PLAN.—Subject to the terms and conditions established by the Secretary, if the Secretary determines that the state agency’s performance with respect to employment and training outcomes is inadequate, the Secretary may require the State agency to make modifications to their employment and training plan to improve such outcomes.

“(E) PERIODIC EVALUATION.—
“(i) IN GENERAL.—Subject to terms and conditions established by the Secretary, not later than October 1, 2016, and not less frequently than once every 5 years thereafter, the Secretary shall conduct a study to review existing practice and research to identify employment and training program components and practices that—

“(I) effectively assist members of households participating in the supplemental nutrition assistance program in gaining skills, training, work, or experience that will increase their ability to obtain regular employment, and

“(II) are best integrated with statewide workforce development systems.

“(ii) REPORT TO CONGRESS.—The Secretary shall submit a report that describes the results of the study under clause (i) to the Committee on Agriculture in the House of Representatives, and the Committee on Agriculture, Nutrition and Forestry in the Senate.”.

(b) EFFECTIVE DATE.—Notwithstanding section 4(c) of the Food and Nutrition Act of 2008 (7 U.S.C. 2013(a)), the Secretary shall issue interim final regula-
tions implementing the amendment made by subsection (a) no later than 18 months after the date of enactment of this Act. States shall include such reporting measures in their employment and training plans for the 1st fiscal year thereafter that begins no sooner than 6 months after the date that such regulations are published.

SEC. 122. COOPERATION WITH PROGRAM RESEARCH AND EVALUATION.

Section 17 of the Food and Nutrition Act of 2008 (7 U.S.C. 2026) is amended by adding at the end the following:

“(l) COOPERATION WITH PROGRAM RESEARCH AND EVALUATION.—States, State agencies, local agencies, institutions, facilities such as data consortiums, and contractors participating in programs authorized under this Act shall cooperate with officials and contractors acting on behalf of the Secretary in the conduct of evaluations and studies under this Act and shall submit information at such time and in such manner as the Secretary may require.”.
SEC. 123. PILOT PROJECTS TO REDUCE DEPENDENCY AND INCREASE WORK EFFORT IN THE SUPPLEMENTAL NUTRITION ASSISTANCE PROGRAM.

Section 17 of the Food and Nutrition Act of 2008 (7 U.S.C. 2026), as amended by section 121, is amended by adding at the end the following:

“(m) PILOT PROJECTS TO REDUCE DEPENDENCY AND INCREASE WORK EFFORT IN THE SUPPLEMENTAL NUTRITION ASSISTANCE PROGRAM.—

“(1) IN GENERAL.—The Secretary shall carry out, under such terms and conditions as the Secretary considers to be appropriate, pilot projects to identify best practices for employment and training programs under this Act to raise the number of work registrants who obtain unsubsidized employment, increase their earned income, and reduce their reliance on public assistance, including but not limited to the supplemental nutrition assistance program.

“(2) SELECTION CRITERIA.—Pilot projects shall be selected based on criteria the Secretary establishes, that shall include—

“(A) enhancing existing employment and training programs in the State;

“(B) agreeing to participate in the evaluation described in paragraph (3), including mak-
ing available data on participants’ employment
activities and post-participation employment,
earnings, and public benefit receipt;

“(C) collaborating with the State work-
force board and other job training programs in
the State and local area;

“(D) the extent to which the pilot project’s
components can be easily replicated by other
States or political subdivisions; and

“(E) such additional criteria that ensure
that the pilot projects—

“(i) target a variety of populations of
work registrants, including childless adults,
parents, and individuals with low skills or
limited work experience;

“(ii) are selected from a range of ex-
isting employment and training programs
including programs that provide—

“(I) section 20 workfare;

“(II) skills development for work
registrants with limited employment
history;

“(III) post-employment support
services necessary for maintaining em-
ployment; and
“(IV) education leading to a recognized postsecondary credential, registered apprenticeship, or secondary school diploma or its equivalent;

“(iii) are located in a range of geographic areas, including rural, urban, and Indian reservations; and

“(iv) include participants who are exempt and not exempt under section (6)(d)(2).

“(3) EVALUATION.—The Secretary shall provide for an independent evaluation of projects selected under this subsection to measure the impact of the pilot projects on the ability of each pilot project target population to find and retain employment that leads to increased household income and reduced dependency, compared to what would have occurred in the absence of the pilot project.

“(4) REPORT TO CONGRESS.—By September 30, 2017, the Secretary shall submit, to the Committee on Agriculture of the House of Representatives and the Committee on Agriculture, Nutrition, and Forestry of the Senate, a report that includes a description of—
“(A) the results of each pilot project, including an evaluation of the impact of the project on the employment, income, and public benefit receipt of the targeted population of work registrants;

“(B) the Federal, State, and other costs of each pilot project;

“(C) the planned dissemination of the reports’ findings with State agencies; and

“(D) the steps and funding necessary to incorporate components of pilot projects that demonstrate increased employment and earnings into State employment and training programs.

“(5) FUNDING.—From amounts made available under section 18(a)(1), the Secretary shall make $10,000,000 available for each of the fiscal years 2014, 2015, and 2016 to carry out this subsection. Such amounts shall remain available until expended.

“(6) USE OF FUNDS.—

“(A) Funds provided under this subsection for pilot projects shall be used only for—

“(i) pilot projects that comply with the provisions of this Act;
“(ii) the costs and administration of
the pilot projects;
“(iii) the costs incurred in providing
information and data to the independent
evaluation under paragraph (3); and
“(iv) the costs of the evaluation under
paragraph (3).
“(B) Funds made available under this sub-
section may not be used to supplant non-Fed-
eral funds used for existing employment and
training activities.”.

SEC. 124. AUTHORIZATION OF APPROPRIATIONS.

Section 18(a)(1) of the Food and Nutrition Act of
2008 (7 U.S.C. 2027(a)(1)) is amended in the 1st sen-
tence by striking “2012” and inserting “2016”.

SEC. 125. LIMITATION ON USE OF BLOCK GRANT TO PUER-
TO RICO.

Section 19(a)(2)(B) of the Food and Nutrition Act
of 2008 (7 U.S.C. 2028(a)(2)(B)) is amended by adding
at the end the following:
“(iii) LIMITATION ON USE OF
FUNDS.—None of the funds made available
to the Commonwealth of Puerto Rico
under this subparagraph may be used to
provide nutrition assistance in the form of cash benefits.”.

SEC. 126. ASSISTANCE FOR COMMUNITY FOOD PROJECTS.

(a) DEFINITION.—Section 25(a)(1)(B)(i) of the Food and Nutrition Act of 2008 (7 U.S.C. 2034(a)(1)(B)(i)) is amended—

(1) in subclause (II) by striking “and” at the end;

(2) in subclause (III) by striking “or” at the end and inserting “and”; and

(3) by adding at the end the following:

“(IV) to provide incentives for the consumption of fruits and vegetables among low-income individuals; or”.

(b) ADDITIONAL FUNDING.—Section 25(b) of the Food and Nutrition Act of 2008 (7 U.S.C. 2034) is amended by adding at the end the following:

“(3) FUNDING.—

“(A) IN GENERAL.—Out of any funds in the Treasury not otherwise appropriated, the Secretary of the Treasury shall transfer to the Secretary to carry out this section not less than $10,000,000 for fiscal year 2014 and each fiscal year thereafter. Of the amount made available under this subparagraph for each such fis-
cal year, $5,000,000 shall be available to carry out subsection (a)(1)(B)(I)(IV).

“(B) RECEIPT AND ACCEPTANCE.—The Secretary shall be entitled to receive, shall accept, and shall use to carry out this section, the funds transferred under subparagraph (A) without further appropriation.

“(C) MAINTENANCE OF FUNDING.—The funding provided under subparagraph (A) shall supplement (and not supplant) other Federal funding made available to the Secretary to carry out this section.”.

SEC. 127. EMERGENCY FOOD ASSISTANCE.

(a) PURCHASE OF COMMODITIES.—Section 27(a) of the Food and Nutrition Act of 2008 (7 U.S.C. 2036(a)) is amended—

(1) in paragraph (1) by striking “2008 through 2012” and inserting “2013 through 2016”;

(2) in paragraph (2) by striking subparagraphs (A), (B), and (C), and inserting the following:

“(A) for fiscal year 2013, $265,750,000;

“(B) for fiscal year 2014, the dollar amount of commodities specified in subparagraph (A) adjusted by the percentage by which the thrifty food plan has been adjusted under
section 3(u)(4) between June 30, 2012 and June 30, 2013, and increased by $70,000,000;

“(C) for fiscal year 2015, the dollar amount of commodities determined for fiscal year 2014 under subparagraph (B) adjusted by the percentage by which the thrifty food plan has been adjusted under section 3(u)(4) between June 30, 2013 and June 30, 2014;

“(D) for fiscal year 2016, the dollar amount of commodities determined for fiscal year 2015 under subparagraph (C) adjusted by the percentage by which the thrifty food plan has been adjusted under section 3(u)(4) between June 30, 2014 and June 30, 2015, and reduced by $50,000,000; and

“(E) for each subsequent fiscal year, the dollar amount of commodities determined for the preceding fiscal year adjusted to reflect the percentage by which the thrifty food plan has been adjusted under section 3(u)(4) for the 12-month period ending on the preceding June 30.”; and

(3) by adding at the end the following:
“(3) FUNDS AVAILABILITY.—For purposes of the funds described in this subsection, the Secretary shall—

“(A) make the funds available for 2 fiscal years; and

“(B) allow States to carry over unexpendied balances to the next fiscal year pursuant to such terms and conditions as are determined by the Secretary.”.

(b) EMERGENCY FOOD PROGRAM INFRASTRUCTURE

Grants.—Section 209(d) of the Emergency Food Assistance Act of 1983 (7 U.S.C. 7511a(d)) is amended by striking “2012” and inserting “2016”.

SEC. 128. NUTRITION EDUCATION.

Section 28 of the Food and Nutrition Act of 2008 (7 U.S.C. 2036a) is amended—

(1) in subsection (b) by inserting “and physical activity” after “healthy food choices”; and

(2) in subsection (d)(1)—

(A) in subparagraph (D) by striking “$401,000,000;” and inserting “$372,000,000; and”;

(B) by striking subparagraph (E); and
(C) in subparagraph (F) by striking “(F) for fiscal year 2016” and inserting “(E) for fiscal year 2015”.

SEC. 129. RETAILER TRAFFICKING.

The Food and Nutrition Act of 2008 (7 U.S.C. 2011 et seq.) is amended by adding at the end the following:

“SEC. 29. RETAILER TRAFFICKING.

“(a) PURPOSE.—The purpose of this section is to provide the Department of Agriculture with additional resources to prevent trafficking in violation of this Act by strengthening recipient and retailer program integrity. Additional funds are provided to supplement the Department’s payment accuracy, and retailer and recipient integrity activities.

“(b) FUNDING.—

“(1) IN GENERAL.—Out of any funds in the Treasury not otherwise appropriated, the Secretary of the Treasury shall transfer to the Secretary to carry out this section not less than $5,000,000 for fiscal year 2014 and each fiscal year thereafter.

“(2) RECEIPT AND ACCEPTANCE.—The Secretary shall be entitled to receive, shall accept, and shall use to carry out this section the funds transferred under paragraph (1) without further appropriation.
“(3) MAINTENANCE OF FUNDING.—The funding provided under paragraph (1) shall supplement (and not supplant) other Federal funding for programs carried out under this Act.”.

SEC. 130. TECHNICAL AND CONFORMING AMENDMENTS.

(a) Section 3 of the Food and Nutrition Act of 2008 (7 U.S.C. 2012) is amended—

(1) in subsection (g) by striking “coupon,” the last place it appears and inserting “coupon”;

(2) in subsection (k)(7) by striking “or are” and inserting “and”;

(3) by striking subsection (l);

(4) by redesignating subsections (m) through (t) as subsections (l) through (s), respectively; and

(5) by inserting after subsection (s) (as so redesignated) the following:

“(t) ‘Supplemental nutritional assistance program’ means the program operated pursuant to this Act.”.

(b) Section 4(a) of the Food and Nutrition Act of 2008 (7 U.S.C. 2013(a)) is amended by striking “benefits” the last place it appears and inserting “Benefits”.

(c) Section 5 of the Food and Nutrition Act of 2008 (7 U.S.C. 2014) is amended—
(1) in the last sentence of subsection (i)(2)(D) by striking “section 13(b)(2)” and inserting “section 13(b)”; and

(2) in subsection (k)(4)(A) by striking “paragraph (2)(H)” and inserting “paragraph (2)(G)”.

(d) Section 6(d)(4) of the Food and Nutrition Act of 2008 (7 U.S.C. 2015(d)(4)) is amended—

(1) in subparagraph (B)(vii) by moving the left margin 4 ems to the left, and

(2) in subparagraph (F)(iii) by moving the left margin 6 ems to the left.

(e) Section 7(h) of the Food and Nutrition Act of 2008 (7 U.S.C. 2016(h)) is amended by redesignating the 2d paragraph (12) as paragraph (13).

(f) Section 12 of the Food and Nutrition Act of 2008 (7 U.S.C. 2021) is amended—

(1) in subsection (b)(3)(C) by striking “civil money penalties” and inserting “civil penalties”; and

(2) in subsection (g)(1) by striking “(7 U.S.C. 1786)” and inserting “(42 U.S.C. 1786)”.

(g) Section 15(b)(1) of the Food and Nutrition Act of 2008 (7 U.S.C. 2024(b)(1)) is amended in the 1st sentence by striking “an benefit” both places it appears and inserting “a benefit”.

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(h) Section 16(a) of the Food and Nutrition Act of 2008 (7 U.S.C. 2025(a)) is amended in the proviso following paragraph (8) by striking “as amended.”.

(i) Section 18(e) of the Food and Nutrition Act of 2008 (7 U.S.C. 2027(e)) is amended in the 1st sentence by striking “sections 7(f)” and inserting “section 7(f)”.

(j) Section 22(b)(10)(B)(i) of the Food and Nutrition Act of 2008 (7 U.S.C. 2031(b)(10)(B)(i)) is amended in the last sentence by striking “Food benefits” and inserting “Benefits”.

(k) Section 26(f)(3)(C) of the Food and Nutrition Act of 2008 (7 U.S.C. 2035(f)(3)(C)) is amended by striking “subsection” and inserting “subsections”.


(m) Section 509 of the Older Americans Act of 1965 (42 U.S.C. 3056g) is amended in the section heading by striking “FOOD STAMP PROGRAMS” and inserting “SUPPLEMENTAL NUTRITION ASSISTANCE PROGRAM”.

(n) Section 4115(e)(2)(H) of the Food, Conservation, and Energy Act of 2008 (Public Law 110–246; 122 Stat. 1871) is amended by striking “531” and inserting “454”.
(o) Section 3803(e)(2)(C)(vii) of title 31 of the United States Code is amended by striking “section 3(l)” and inserting “section 3(s)”.

(p) Section 115 of the Personal Responsibility and Work Opportunity Reconciliation Act of 1996 (Public Law 104–193) is amended—

(1) in subsection (a)(2) by striking “section 3(l)” and inserting “section 3(s)”;

(2) in subsection (b)(2) by striking “section 3(l)” and inserting “section 3(s)”; and

(3) in subsection (e)(2) by striking “section 3(l)” and inserting “section 3(s)”.

(q) The Agriculture and Consumer Protection Act of 1973 (7 U.S.C. 612c) is amended—

(1) in section 4(a) by striking “Food Stamp Act of 1977” and inserting “Food and Nutrition Act of 2008”; and

(2) in section 5—

(A) in subsection (i)(1) by striking “Food Stamp Act of 1977” and inserting “Food and Nutrition Act of 2008”; and

(B) in subsection (l)(2)(B) by striking “Food Stamp Act of 1977” and inserting “Food and Nutrition Act of 2008”.

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(r) The Social Security Act (42 U.S.C. 301 et seq.) is amended—

(1) in the heading of section 453(j)(10) by striking “FOOD STAMP” and inserting “SUPPLEMENTAL NUTRITION ASSISTANCE”;

(2) in section 1137—

(A) in subsection (a)(5)(B) by striking “food stamp” and inserting “supplemental nutrition assistance”; and

(B) in subsection (b)(4) by striking “food stamp program under the Food Stamp Act of 1977” and inserting “supplemental nutrition assistance program under the Food and Nutrition Act of 2008”; and

(3) in the heading of section 1631(n) by striking “FOOD STAMP” and inserting “SUPPLEMENTAL NUTRITION ASSISTANCE”.

SEC. 131. TOLERANCE LEVEL FOR EXCLUDING SMALL ERRORS.

The Secretary shall set the tolerance level for excluding small errors for the purposes of section 16(c) of the Food and Nutrition Act of 2008 (7 U.S.C. 2025(c))—

(1) for fiscal year 2014 at an amount no greater than $25; and
(2) for each fiscal year thereafter, the amount specified in paragraph (1) adjusted by the percentage by which the thrifty food plan is adjusted under section 3(u)(4) of such Act between June 30, 2012, and June 30 of the immediately preceding fiscal year.

SEC. 132. COMMONWEALTH OF THE NORTHERN MARIANA ISLANDS PILOT PROGRAM.

(a) Study.—

(1) In general.—Prior to establishing the pilot program under subsection (b), the Secretary shall conduct a study to be completed not later than 2 years after the effective date of this section to assess—

(A) the capabilities of the Commonwealth of the Northern Mariana Islands to operate the supplemental nutrition assistance program in the same manner in which the program is operated in the States (as defined in section 3 of the Food and Nutrition Act (7 U.S.C. 2011 et seq.)); and

(B) alternative models of the supplemental nutrition assistance program operation and benefit delivery that best meet the nutrition assist-
 ance needs of the Commonwealth of the Northern Mariana Islands.

(2) Scope.—The study conducted under paragraph (1)(A) will assess the capability of the Commonwealth to fulfill the responsibilities of a State agency, including—

(A) extending and limiting participation to eligible households, as prescribed by sections 5 and 6 of the Act;

(B) issuing benefits through EBT cards, as prescribed by section 7 of the Act;

(C) maintaining the integrity of the program, including operation of a quality control system, as prescribed by section 16(c) of the Act;

(D) implementing work requirements, including operating an employment and training program, as prescribed by section 6(d) of the Act; and

(E) paying a share of administrative costs with non-Federal funds, as prescribed by section 16(a) of the Act.

(b) Establishment.—If the Secretary determines that a pilot program is feasible, the Secretary shall establish a pilot program for the Commonwealth of the North-
ern Mariana Islands to operate the supplemental nutrition assistance program in the same manner in which the program is operated in the States.

(c) SCOPE.—The Secretary shall utilize the information obtained from the study conducted under subsection (a) to establish the scope of the pilot program established under subsection (b).

(d) REPORT.—Not later than June 30, 2019, the Secretary shall submit to the Committee on Agriculture of the House of Representatives and the Committee on Agriculture, Nutrition, and Forestry of the Senate a report on the pilot program carried out under this section, including an analysis of the feasibility of operating in the Commonwealth of the Northern Mariana Islands the supplemental nutrition assistance program as it is operated in the States.

(e) FUNDING.—

(1) STUDY.—Of the funds made available under section 18(a)(1) of the Food and Nutrition Act of 2008, the Secretary may use not more than $1,000,000 in each of fiscal years 2014 and 2015 to conduct the study described in subsection (a).

(2) PILOT PROGRAM.—Of the funds made available under section 18(a)(1) of the Food and Nutrition Act of 2008, for the purposes of establishing
and carrying out the pilot program established under 
subsection (b) of this section, including the Federal 
costs for providing technical assistance to the Com-
monwealth, authorizing and monitoring retail food 
stores, and assessing pilot operations, the Secretary 
may use not more than—

(A) $13,500,000 in fiscal year 2016; and 
(B) $8,500,000 in each of fiscal years 
2017 and 2018.

SEC. 133. ANNUAL STATE REPORT ON VERIFICATION OF 
SNAP PARTICIPATION.

(a) Annual Report.—Not later 1 year after the 
date specified by the Secretary in the 180-day period be-
ginning on the date of the enactment of this Act, and an-
nually thereafter, each State agency that carries out the 
supplemental nutrition assistance program shall submit to 
the Secretary a report containing sufficient information 
for the Secretary to determine whether the State agency 
has, for the then most recently concluded fiscal year pre-
ceeding such annual date, verified that households to which 
such State agency provided such assistance in such fiscal 
year—

(1) did not obtain benefits attributable to a de-
ceased individual;
(2) did not include an individual who was simultaneously included in a household receiving such assistance in another State; and

(3) did not include, during the time benefits were provided, an individual who was then disqualified from receiving benefits.

(b) PENALTY FOR NONCOMPLIANCE.—For any fiscal year for which a State agency fails to comply with subsection (a), the Secretary shall reduce by 50 percent the amount otherwise payable to such State agency under section 16(a) of the Food and Nutrition Act of 2008 with respect to such fiscal year.

SEC. 134. TERMINATION OF EXISTING AGREEMENT.

Effective on the date of the enactment of this Act, the memorandum of understanding entered into on July 22, 2004, by the Secretary of Agriculture of the United States Department of Agriculture and the Secretary of Foreign Affairs of the Republic of Mexico and known as the “Partnership for Nutrition Assistance Initiative” is null and void.

SEC. 135. SERVICE OF TRADITIONAL FOODS IN PUBLIC FACILITIES.

(a) DEFINITIONS.—In this section:

(1) FOOD SERVICE PROGRAM.—The term “food service program” includes—
(A) food service at a residential child care facility with a license from an appropriate State agency;

(B) a child nutrition program (as defined in section 25(b) of the Richard B. Russell National School Lunch Act (42 U.S.C. 1769f(b));

(C) food service at a hospital or clinic or long term care facility; and

(D) a senior meal program.

(2) INDIAN; INDIAN TRIBE; INDIAN TRIBAL ORGANIZATION.—The terms “Indian”; “Indian tribe”; and “Indian Tribal Organization” have the meanings given those terms in section 4 of the Indian Self-Determination and Education Assistance Act (25 U.S.C. 450b).

(3) TRADITIONAL FOOD.—

(A) IN GENERAL.—The term “traditional food” means food that has traditionally been prepared and consumed by an Indian tribe.

(B) INCLUSIONS.—The term “traditional food” includes—

(i) wild game meat;

(ii) fish;

(iii) seafood;

(iv) marine mammals;
(v) plants; and
(vi) berries.

(b) PROGRAM.—Notwithstanding any other provision of law, the Secretary shall allow the donation to and serving of traditional food through a food service program at a public facility, nonprofit facility, including facilities operated by an Indian tribe or tribal organization that primarily serves Indians if the operator of the food service program—

(1) ensures that the food is received whole, gutted, gilled, as quarters, or as a roast, without further processing;

(2) makes a reasonable determination that—

(A) the animal was not diseased;

(B) the food was butchered, dressed, transported, and stored to prevent contamination, undesirable microbial growth, or deterioration; and

(C) the food will not cause a significant health hazard or potential for human illness;

(3) carries out any further preparation or processing of the food at a different time or in a different space from the preparation or processing of other food for the applicable program to prevent cross-contamination;
(4) cleans and sanitizes food-contact surfaces of equipment and utensils after processing the traditional food; and

(5) labels donated traditional food with the name of the food and stores the traditional food separately from other food for the applicable program, including through storage in a separate freezer or refrigerator or in a separate compartment or shelf in the freezer or refrigerator.

(c) LIABILITY.—Liability for damages from donated traditional food and products to the participating food service program shall not be subject to civil or criminal liability arising from the nature, age, packaging, or condition of donated food.

SEC. 136. TESTING APPLICANTS FOR UNLAWFUL USE OF CONTROLLED SUBSTANCES.

Section 6 of the Food and Nutrition Act of 2008 (7 U.S.C. 2015), as amended by section 109, is amended by adding at the end the following:

“(s) Testing Applicants for Unlawful Use of Controlled Substances.—

“(1) Nothing in this Act, or in any other Federal law, shall be considered to prevent a State, at the full cost to such State, from—
“(A) enacting legislation to provide for testing any individual who is a member of a household applying for supplemental nutrition assistance benefits, for the unlawful use of controlled substances as a condition for receiving such benefits; and

“(B) finding an individual ineligible to participate in the supplemental nutrition assistance program on the basis of the positive result of the testing conducted by the State under such legislation.

“(2) For purposes of this subsection, term ‘controlled substance’ has the meaning given such term in section 102 of the Controlled Substances Act ((21 U.S.C. 802)).”.

SEC. 137. ELIGIBILITY DISQUALIFICATIONS FOR CERTAIN CONVICTED FELONS.

(a) AMENDMENT.—Section 6 of the Food and Nutrition Act of 2008 (7 U.S.C. 2015), as amended by sections 109 and 135, is amended by adding at the end the following:

“(t) DISQUALIFICATION FOR CERTAIN CONVICTED

Felons.—
“(1) IN GENERAL.—An individual shall not be eligible for benefits under this Act if the individual is convicted of—

“(A) aggravated sexual abuse under section 2241 of title 18, United States Code;

“(B) murder under section 1111 of title 18, United States Code;

“(C) an offense under chapter 110 of title 18, United States Code;

“(D) a Federal or State offense involving sexual assault, as defined in 40002(a) of the Violence Against Women Act of 1994 (42 U.S.C. 13925(a)); or

“(E) an offense under State law determined by the Attorney General to be substantially similar to an offense described in subparagraph (A), (B), or (C).

“(2) EFFECTS ON ASSISTANCE AND BENEFITS FOR OTHERS.—The amount of benefits otherwise required to be provided to an eligible household under this Act shall be determined by considering the individual to whom paragraph (1) applies not to be a member of such household, except that the income and resources of the individual shall be considered to be income and resources of the household.
“(3) ENFORCEMENT.—Each State shall require each individual applying for benefits under this Act, during the application process, to state, in writing, whether the individual, or any member of the household of the individual, has been convicted of a crime described in paragraph (1).”.

(b) CONFORMING AMENDMENT.—Section 5(a) of the Food and Nutrition Act of 2008 (7 U.S.C. 2014(a)), as amended by section 109, is amended in the 2d sentence by striking “and (r)” and inserting “, (r), and (t)”.

(c) INAPPLICABILITY TO CONVICTIONS OCCURRING ON OR BEFORE ENACTMENT.—The amendments made by this section shall not apply to a conviction if the conviction is for conduct occurring on or before the date of the enactment of this Act.

SEC. 138. EXPUNGEMENT OF UNUSED SUPPLEMENTAL NUTRITION ASSISTANCE PROGRAM BENEFITS.

Section 11 of the Food and Nutrition Act of 2008 (7 U.S.C. 2020), as amended by section 115, is amended by adding at the end the following:

“(w) EXPUNGEMENT OF UNUSED BENEFITS.—The State agency shall expunge from the EBT account of a household benefits that are not used before the expiration of the 60-day period beginning on the date such benefits are posted to such account.”.
SEC. 139. PILOT PROJECTS TO PROMOTE WORK AND INCREASE STATE ACCOUNTABILITY IN THE SUPPLEMENTAL NUTRITION ASSISTANCE PROGRAM.

(a) Pilot Projects.—Section 17 of the Food and Nutrition Act of 2008 (7 U.S.C. 2026), as amended by sections 122 and 123, is amended by adding at the end the following:

“(n) Pilot Projects To Promote Work and Increase State Accountability in the Supplemental Nutrition Assistance Program.—

“(1) IN GENERAL.—The Secretary shall carry out pilot projects to develop and test methods allowing States to run a work program with certain features comparable to the State program funded under part A of title IV of the Social Security Act (42 U.S.C. 601 et seq.), with the intent of increasing employment and self-sufficiency through increased State accountability and thereby reducing the need for supplemental nutrition assistance benefits.

“(2) AGREEMENTS.—

“(A) IN GENERAL.—In carrying out this subsection, the Secretary shall enter into cooperative agreements with States in accordance with pilot projects that meet the criteria required under this subsection.
“(B) Application.—To be eligible to enter into a cooperative agreement to operate a pilot project under this subsection, a State shall amend its State plan under section 11(d) to include a description of its pilot project and explanations of how such project meets the criteria required under this subsection. The Secretary may not disapprove a pilot project which meets the requirements under this subsection.

“(C) Assurances.—A State shall include in its plan assurances that its pilot project will—

“(i) operate for at least three 12-month periods but not more than five 12-month periods;

“(ii) have a robust data collection system for program administration that is designed and shared with project evaluators to ensure proper and timely evaluation; and

“(iii) intend to offer a work activity described in paragraph (3) to adults assigned and required to participate under paragraph (4)(A) and who are not exempt under paragraph (4)(B).
“(D) NUMBER OF PILOT PROJECTS.—Any State may carry out a pilot project that meets the requirements of this subsection.

“(E) EXTENT OF PILOT PROJECTS.—Pilot projects shall cover no less than the entire State.

“(3) WORK ACTIVITY.—(A) For purposes of this subsection, the term ‘work activity’ means any of the following:

“(i) Employment in the public or private sector that is not subsidized by any public program.

“(ii) Employment in the private sector for which the employer receives a subsidy from public funds to offset some or all of the wages and costs of employing an adult.

“(iii) Employment in the public sector for which the employer receives a subsidy from public funds to offset some or all of the wages and costs of employing an adult.

“(iv) A work activity that—

“(I) is performed in return for public benefits;

“(II) provides an adult with an opportunity to acquire the general skills, knowl-
edge, and work habits necessary to obtain employment;

“(III) is designed to improve the employability of those who cannot find unsubsidized employment; and

“(IV) is supervised by an employer, work site sponsor, or other responsible party on an ongoing basis.

“(v) Training in the public or private sector that is given to a paid employee while he or she is engaged in productive work and that provides knowledge and skills essential to the full and adequate performance of the job.

“(vi) Job search, obtaining employment, or preparation to seek or obtain employment, including—

“(I) life skills training;

“(II) substance abuse treatment or mental health treatment, determined to be necessary and documented by a qualified medical, substance abuse, or mental health professional; or

“(III) rehabilitation activities, supervised by a public agency or other responsible party on an ongoing basis.
“(vii) Structured programs and embedded activities—

“(I) in which adults perform work for the direct benefit of the community under the auspices of public or nonprofit organizations;

“(II) that are limited to projects that serve useful community purposes in fields such as health, social service, environmental protection, education, urban and rural redevelopment, welfare, recreation, public facilities, public safety, and child care;

“(III) that are designed to improve the employability of adults not otherwise able to obtain unsubsidized employment; and

“(IV) that are supervised on an ongoing basis; and

“(V) with respect to which a State agency takes into account, to the extent possible, the prior training, experience, and skills of a recipient in making appropriate community service assignments.
“(viii) Career and technical training programs (not to exceed 12 months with respect to any adult) that are directly related to the preparation of adults for employment in current or emerging occupations and that are supervised on an ongoing basis.

“(ix) Training or education for job skills that are required by an employer to provide an adult with the ability to obtain employment or to advance or adapt to the changing demands of the workplace and that are supervised on an ongoing basis.

“(x) Education that is related to a specific occupation, job, or job offer and that is supervised on an ongoing basis.

“(xi) In the case of an adult who has not completed secondary school or received such a certificate of general equivalence, regular attendance—

“(I) in accordance with the requirements of the secondary school or course of study, at a secondary school or in a course of study leading to such certificate; and

“(II) supervised on an ongoing basis.
“(xii) Providing child care to enable another recipient of public benefits to participate in a community service program that—

“(I) does not provide compensation for such community service;

“(II) is a structured program designed to improve the employability of adults who participate in such program; and

“(III) is supervised on an ongoing basis.

“(B) PROTECTIONS.—Work activities under this subsection shall be subject to all applicable health and safety standards. Except as described in clauses (i), (ii), and (iii) of subparagraph (A), the term ‘work activity’ shall be considered work preparation and not defined as employment for purposes of other law.

“(4) PILOT PROJECTS.—Pilot projects carried out under this subsection shall include interventions to which adults are assigned that are designed to reduce unnecessary dependence, promote self-sufficiency, increase work levels, increase earned income, and reduce supplemental nutrition assistance benefit expenditures among households eligible for, applying
for, or participating in the supplemental nutrition assistance program.

“(A) Adults assigned to interventions by the State shall—

“(i) be subject to mandatory participation in work activities specified in paragraph (3);

“(ii) participate in work activities specified in paragraph (3) for a minimum of 20 hours per week per household;

“(iii) be a maximum age of not less than 50 and not more than 60, as defined by the State;

“(iv) be subject to penalties during a period of nonparticipation without good cause ranging from, at State option, a minimum of the removal of the adults from the household benefit amount, up to a maximum of the discontinuance of the entire household benefit amount; and

“(v) not be penalized for nonparticipation if child care is not available for 1 or more children under 6 years of age.

“(B) The State shall allow certain individuals to be exempt from work requirements—
“(i) those participating in work programs under a State program funded under part A of title IV of the Social Security Act (42 U.S.C. 601 et seq.) for an equal or greater number of hours;

“(ii) those with 1 or more dependent children under 1 year of age;

“(iii) 1 adult family member per household who is needed in the home to care for a disabled family member;

“(iv) an adult who is receiving temporary or permanent disability benefits provided by a governmental entity; and

“(v) those with a good cause reason for nonparticipation, such as victims of domestic violence, as defined by the State.

“(5) EVALUATION AND REPORTING.—

“(A) EVALUATION.—

“(i) INDEPENDENT EVALUATION.—

“(I) IN GENERAL.—The Secretary shall provide for each State that enters into a cooperative agreement under paragraph (2) an independent, longitudinal evaluation of its pilot project under this subsection to
determine total program savings over
the entire course of the pilot project
with results reported in consecutive
12-month increments.

“(II) PURPOSE.—The purpose of
the evaluation is to measure the im-
pact of interventions provided by the
State under the pilot project on the
ability of adults in households eligible
for, applying for, or participating in
the supplemental nutrition assistance
program to find and retain employ-
ment that leads to increased house-
hold income and reduced dependency.

“(III) REQUIREMENT.—The
independent evaluation under sub-
clause (I) shall use valid statistical
methods which can determine the dif-
ference between supplemental nutri-
tion assistance benefit expenditures, if
any, as a result of the interventions as
compared to a control group that—

“(aa) is not subject to the
interventions provided by the
State under the pilot project under this subsection; and

“(bb) maintains services provided under 16(h) in the year prior to the start of the pilot project under this subsection.

“(IV) OPTION.—States shall have the option to evaluate pilot projects by matched counties or matched geographical areas using a constructed control group design to isolate the effects of the intervention of the pilot project.

“(V) DEFINITION.—Constructed control group means there is no random assignment, and instead program participants (those subject to interventions) and non-participants (control described in subclause (III)) are equated using matching or statistical procedures on characteristics that may be associated with program outcomes.

“(B) REPORTING.—Not later than 90 days after the end of fiscal year 2014 and of each
fiscal year thereafter, until the completion of
the last evaluation under subparagraph (A), the
Secretary shall submit to the Committee on Ag-
riculture of the House of Representatives and
the Committee on Agriculture, Nutrition, and
Forestry of the Senate, a report that includes
a description of—

“(i) the status of each pilot project
carried out under this subsection;

“(ii) the results of the evaluation com-
pleted during the previous fiscal year; and

“(iii) to the maximum extent prac-
ticable—

“(I) baseline information relevant
to the stated goals and desired out-
comes of the pilot project;

“(II) the impact of the interven-
tions on appropriate employment, in-
come, and public benefit receipt out-
comes among households participating
in the pilot project;

“(III) equivalent information
about similar or identical measures
for control groups;
“(IV) the planned dissemination of the report findings to State agencies; and

“(V) the steps and funding necessary to incorporate into State employment and training programs the components of pilot projects that demonstrate increased employment and earnings.

“(C) PUBLIC DISSEMINATION.—In addition to the reporting requirements under subparagraph (B), evaluation results shall be shared broadly to inform policy makers, service providers, other partners, and the public in order to promote wide use of successful strategies, including by posting evaluation results on the Internet website of the Department of Agriculture.

“(6) FUNDING.—

“(A) ADDITIONAL AVAILABLE FUNDS.—From amounts made available under section 18(a)(1), the Secretary shall make available—

“(i) up to $1,000,000 for each of the fiscal years 2014 through 2017 for evaluations described in paragraph (5) to carry
out this subsection, with such amounts to remain available until expended; and

“(ii) amounts equal to one-half of the accumulated supplemental nutrition assistance benefit dollars saved over each consecutive 12-month period according to the evaluation under paragraph (5) for bonus grants to States under paragraph (7)(B).

“(B) ADMINISTRATIVE EXPENSES.—

“(i) REIMBURSEMENT.—Except as provided in clause (ii)—

“(I) if, in carrying out a pilot project under this subsection during a fiscal year, a State incurs costs that exceed the amount allocated to the State agency under section 16(h)(1), the Secretary shall pay such State an amount equal to 50 percent of such costs; and

“(II) the Secretary shall also reimburse the State in an amount equal to 50 percent of the total amount of payments made or costs incurred by the State agency in connection with transportation costs and other ex-
expenses reasonably necessary and directly related to participation in a pilot project under this subsection, except that the amount of the reimbursement for dependent care expenses shall not exceed an amount equal to the payment made under section 6(d)(4)(I)(i)(II) but not more than the applicable local market rate, and such reimbursement shall not be made out of funds allocated under section 16(h)(1).

“(ii) LIMITATION.—For any fiscal year, the Secretary may not pay under clause (i) to a State an amount the exceeds the amount equal to the product of—

“(I) the amount of administrative expenses that would be reimbursable for such fiscal year to such State under clause (i) without regard to this clause; and

“(II) $277,000,000 (plus the amount carried over, if any, under clause (iii)), divided by the aggregate amount of administrative expenses
that would be reimbursable for such fiscal year to all of the States under clause (i) without regard to this clause.

“(iii) CARRYOVER.—The amount by which $277,000,000 exceeds the aggregate amount paid under clause (i) for a particular fiscal year shall remain available for payments under such clause for any subsequent fiscal year.

“(C) OTHER FUNDS.—Any additional funds required by a State to carry out a pilot project under this subsection may be provided by the State from funds made available to the State for such purpose and in accordance with State and other Federal laws, including the following:

“(i) Section 403 of the Social Security Act (42 U.S.C. 603).


“(iv) The social services block grant under subtitle A of title XX of the Social Security Act (42 U.S.C. 1397 et seq.).

“(7) USE OF FUNDS.—

“(A) SPECIFIC USES.—Funds provided under this subsection for evaluation of pilot projects under paragraph (6)(A)(i) shall be used only for—

“(i) pilot projects that comply with this subsection;

“(ii) the costs incurred in gathering and providing information and data used to conduct the independent evaluation under paragraph (5); and

“(iii) the costs of the evaluation under paragraph (5).

“(B) LIMITATION.—Funds provided for bonus grants to States for pilot projects under subparagraph (6)(A)(ii) shall be used only for—

“(i) pilot projects that comply with this subsection; and

“(ii) any State purpose, not to be restricted to the supplemental nutrition assistance program or its beneficiary population.”.
(b) CONFORMING AMENDMENTS.—The Food and Nutrition Act of 2008 (7 U.S.C. 2011 et seq.) is amend-
ed—

(1) in section 16, as amended by section 121 of this Act—

(A) in subsection (a) by striking “sub-

section (k)” and inserting “subsections (k) and (h) and section 20”; and

(B) in subsection (h)—

(i) in paragraph (1)—

(I) in subparagraph (A) by in-
serting “under sections 6(d)(4) and 17(n)” after “programs”; and

(II) by striking subparagraph (E);

(ii) by striking paragraphs (2) and (3), and inserting the following:

“(2) EXCLUSION OF REIMBURSEMENT FOR AD-

MINISTRATIVE COSTS.—No funds may be paid under subsection (a) to a State agency for administrative costs incurred to carry out any of such programs in such fiscal year.”;

(iii) in paragraph (4) by inserting “or 17(n)” after “section 6(d)(4)”; and
(iv) by redesignating paragraphs (4) and (5) as paragraphs (3) and (4), respectively;

(2) in section 20 by amending subsection (g) to read as follows:

“(g) EXCLUSION OF REIMBURSEMENT FOR ADMINISTRATIVE COSTS.—No funds may be paid under this section to a State agency for administrative costs incurred to carry out a workfare program operated under this section.”; and

(3) in section 22(d)(1)(B)(ii) by striking “, (g), (h)(2), and (h)(3)” and inserting “and (g)”.

SEC. 140. IMPROVED WAGE VERIFICATION USING THE NATIONAL DIRECTORY OF NEW HIRES.

Effective October 1, 2013, section 11(e) of the Food and Nutrition Act of 2008 (7 U.S.C. 2020(e)) is amended—

(1) in paragraph (3) by inserting “and after compliance with the requirement specified in paragraph (24)” after “section 16(e) of this Act”,

(2) in paragraph (22) by striking “and” at the end,

(3) in paragraph (23) by striking the period at the end and inserting “; and”, and

(4) by adding at the end the following:
“(24) that the State agency shall request wage
data directly from the National Directory of New
Hires established under section 453(i) of the Social
Security Act (42 U.S.C. 653(i)) relevant to deter-
mining eligibility to receive supplemental nutrition
assistance program benefits and determining the
correct amount of such benefits.”.

SEC. 141. FEASIBILITY STUDY FOR INDIAN TRIBES.

Section 4 of the Food and Nutrition Act of 2008 (7
U.S.C. 2013) is amended by adding at the end the fol-
lowing:

“(d) Feasibility Study for Indian Tribes.—

“(1) Study.—Subject to the availability of ap-
propriations to carry out this subsection, the Sec-
retary shall conduct a study to determine the feasi-
bility of a tribal demonstration project for tribes to
administer all Federal food assistance programs,
services, functions, and activities (or portions ther-
of) of the agency.

“(2) Considerations.—In conducting the
study, the Secretary shall consider—

“(A) the probable effects on specific pro-
grams and program beneficiaries of such a
demonstration project;
“(B) statutory, regulatory, or other impediments to implementation of such a demonstration project;

“(C) strategies for implementing such a demonstration project;

“(D) probable costs or savings associated with such a demonstration project;

“(E) methods to assure quality and accountability in such a demonstration project; and

“(F) such other issues that may be determined by the Secretary or developed through consultation with pursuant to paragraph (4).

“(3) REPORT.—Not later than 18 months after the effective date of this subsection, the Secretary shall submit a report to the Committee on Agriculture, Nutrition and Forestry of the Senate and the Committee on Agriculture of the House of Representatives. The report shall contain—

“(A) the results of the study under this subsection;

“(B) a list of programs, services, functions, and activities (or portions thereof) within each agency with respect to which it would be fea-
sible to include in a tribal demonstration project;

“(C) a list of programs, services, functions, and activities (or portions thereof) included in the list provided pursuant to subparagraph (B) that could be included in a tribal demonstration project without amending a statute, or waiving regulations that the Secretary may not waive; and

“(D) a list of legislative actions required in order to include those programs, services, function, and activities (or portions thereof) included in the list provided pursuant to subparagraph (B) but not included in the list provided pursuant to subparagraph (C), in a tribal demonstration project.

“(4) Consultation with Indian tribes.—The Secretary shall consult with Indian tribes to determine a protocol for consultation under paragraph (1) prior to consultation under such paragraph with the other entities described in such paragraph. The protocol shall require, at a minimum, that—

“(A) the government-to-government relationship with Indian tribes forms the basis for the consultation process;
“(B) the Indian tribes and the Secretary jointly conduct the consultations required by this subsection; and

“(C) the consultation process allows for separate and direct recommendations from the Indian tribes and other entities described in paragraph (1).

“(5) AUTHORIZATION OF APPROPRIATIONS.— There is authorized to be appropriated to carry out this subsection $1,000,000.”.

TITLE II—COMMODITY DISTRIBUTION PROGRAMS

SEC. 201. COMMODITY DISTRIBUTION PROGRAM.

Section 4(a) of the Agriculture and Consumer Protection Act of 1973 (7 U.S.C. 612c note; Public Law 93–86) is amended in the 1st sentence by striking “2012” and inserting “2016”.

SEC. 202. COMMODITY SUPPLEMENTAL FOOD PROGRAM.

Section 5 of the Agriculture and Consumer Protection Act of 1973 (7 U.S.C. 612c note; Public Law 93–86) is amended—

(1) in paragraphs (1) and (2)(B) of subsection (a) by striking “2012” each place it appears and inserting “2016”;

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(2) in the 1st sentence of subsection (d)(2) by striking “2012” and inserting “2016”; 

(3) by striking subsection (g) and inserting the following: 

“(g) ELIGIBILITY.—Except as provided in subsection (m), the States shall only provide assistance under the commodity supplemental food program to low-income individuals aged 60 and older.”; and 

(4) by adding at the end the following: 

“(m) PHASE-OUT.—Notwithstanding any other provision of law, an individual who receives assistance under the commodity supplemental food program on the day before the effective date of this subsection shall continue to receive that assistance until the date on which the individual no longer qualifies for assistance under the eligibility criteria for the program in effect on the day before the effective date of this subsection.”.

SEC. 203. DISTRIBUTION OF SURPLUS COMMODITIES TO SPECIAL NUTRITION PROJECTS.


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SEC. 204. PROCESSING OF COMMODITIES.

(a) Section 17 of the Commodity Distribution Reform Act and WIC Amendments of 1987 (7 U.S.C. 612c note) is amended by—

(1) striking the heading and inserting “COMMODITY DONATIONS AND PROCESSING”; and

(2) adding at the end the following:

“(c) PROCESSING.—For any program included in subsection (b), the Secretary may, notwithstanding any other provision of State or Federal law relating to the procurement of goods and services—

“(1) retain title to commodities delivered to a processor, on behalf of a State (including a State distributing agency and a recipient agency), until such time as end products containing such commodities, or similar commodities as approved by the Secretary, are delivered to a State distributing agency or to a recipient agency; and

“(2) promulgate regulations to ensure accountability for commodities provided to a processor for processing into end products, and to facilitate processing of commodities into end products for use by recipient agencies. Such regulations may provide that—

“(A) a processor that receives commodities for processing into end products, or provides a
service with respect to such commodities or end products, in accordance with its agreement with a State distributing agency or a recipient agency, provide to the Secretary a bond or other means of financial assurance to protect the value of such commodities; and

“(B) in the event a processor fails to deliver to a State distributing agency or a recipient agency an end product in conformance with the processing agreement entered into under this Act, the Secretary take action with respect to the bond or other means of financial assurance pursuant to regulations promulgated under this paragraph and distribute any proceeds obtained by the Secretary to one or more State distributing agencies and recipient agencies as determined appropriate by the Secretary.”.

(b) DEFINITIONS.—Section 18 of the Commodity Distribution Reform Act and WIC Amendments of 1987 (7 U.S.C. 612c note) is amended by striking paragraphs (1) and (2) and inserting the following:

“(1) The term ‘commodities’ means agricultural commodities and their products that are donated by the Secretary for use by recipient agencies.
“(2) The term ‘end product’ means a food product that contains processed commodities.”.

(c) TECHNICAL AND CONFORMING AMENDMENTS.—
Section 3 of the Commodity Distribution Reform Act and WIC Amendments of 1987 (7 U.S.C. 612c note; Public Law 100–237) is amended—

(1) in subsection (a)—

(A) in paragraph (2) by striking subparagraph (B) and inserting the following:

“(B) the program established under section 4(b) of the Food and Nutrition Act of 2008 (7 U.S.C. 2013(b));”;

and

(B) in paragraph (3)(D) by striking “the Committee on Education and Labor” and inserting “the Committee on Education and the Workforce”;


(3) in subsection (e)(1)(D)(iii) by striking subclause (II) and inserting the following:

“(II) the program established under section 4(b) of the Food and
Nutrition Act of 2008 (7 U.S.C. 2013(b)); and

(4) in subsection (k) by striking “the Committee on Education and Labor” and inserting “the Committee on Education and the Workforce”.

**TITLE III—MISCELLANEOUS**

**SEC. 301. FARMERS’ MARKET NUTRITION PROGRAM.**

Section 4402 of the Farm Security and Rural Investment Act of 2002 (7 U.S.C. 3007) is amended—

(1) in the section heading by striking “SENIORS”;

(2) by amending subsection (a) to read as follows:

“(a) **FUNDING.**—

“(1) **IN GENERAL.**—Of the funds of the Commodity Credit Corporation, the Secretary of Agriculture shall use to carry out and expand the farmers market nutrition program $20,600,000 for each of fiscal years 2014 through 2016.

“(2) **ADDITIONAL FUNDING.**—There is authorized to be appropriated such sums as are necessary to carry out this subsection for each of the fiscal years specified in paragraph (1).

“(3) **REQUIREMENT.**—Not less than 50 percent of the funds made available to carry out this section
in any fiscal year shall be used to provide assistance to seniors.”;

(3) in subsection (b)—

(A) in the matter preceding paragraph (1), by striking “seniors”; and

(B) in paragraph (1) by inserting “, and low-income families who are determined to be at nutritional risk” after “low-income seniors”; (4) in subsection (c) by striking “seniors”;

(5) in subsection (d) by striking “seniors”; (6) in subsection (e) by striking “seniors”;

(7) by redesignating subsections (c), (d), (e), and (f) as subsections (d), (e), (f), and (g), respectively; and (8) by inserting after subsection (b) the following:

“(c) STATE GRANTS AND OTHER ASSISTANCE.—The Secretary shall carry out the Program through grants and other assistance provided in accordance with agreements made with States, for implementation through State agencies and local agencies, that include provisions—

“(1) for the issuance of coupons or vouchers to participating individuals;
“(2) establishing an appropriate annual percentage limitation on the use of funds for administrative costs; and

“(3) specifying other terms and conditions as the Secretary deems appropriate to encourage expanding the participation of small scale farmers in Federal nutrition programs.”.

SEC. 302. NUTRITION INFORMATION AND AWARENESS PILOT PROGRAM.

Section 4403 of the Farm Security and Rural Investment Act of 2002 (7 U.S.C. 3171 note; Public Law 107–171) is repealed.

SEC. 303. FRESH FRUIT AND VEGETABLE PROGRAM.

Section 19 of the Richard B. Russell National School Lunch Act (42 U.S.C. 1769a) is amended—

(1) in the section heading, by striking “FRESH”;

(2) in subsection (a), by striking “fresh”;

(3) in subsection (b), by striking “fresh”; and

(4) in subsection (c), by striking “fresh”.

SEC. 304. ADDITIONAL AUTHORITY FOR PURCHASE OF FRESH FRUITS, VEGETABLES, AND OTHER SPECIALTY FOOD CROPS.

Section 10603 of the Farm Security and Rural Investment Act of 2002 (7 U.S.C. 612c–4) is amended—
(1) in subsection (b), by striking “2012” and inserting “2016”; 
(2) by redesignating subsection (c) as subsection (d); and 
(3) by inserting after subsection (b) the following:
“(c) PILOT GRANT PROGRAM FOR PURCHASE OF FRESH FRUITS AND VEGETABLES.—
“(1) IN GENERAL.—Using amounts made available to carry out subsection (b), the Secretary of Agriculture shall conduct a pilot program under which the Secretary will give not more than five participating States the option of receiving a grant in an amount equal to the value of the commodities that the participating State would otherwise receive under this section for each of fiscal years 2014 through 2016.
“(2) USE OF GRANT FUNDS.—A participating State receiving a grant under this subsection may use the grant funds solely to purchase fresh fruits and vegetables for distribution to schools and service institutions in the State that participate in the food service programs under the Richard B. Russell National School Lunch Act (42 U.S.C. 1751 et seq.)
and the Child Nutrition Act of 1966 (42 U.S.C. 1771 et seq.).

“(3) SELECTION OF PARTICIPATING STATES.—
The Secretary shall select participating States from applications submitted by the States.

“(4) REPORTING REQUIREMENTS.—

“(A) SCHOOL AND SERVICE INSTITUTION REQUIREMENT.—Schools and service institutions in a participating State shall keep records of purchases of fresh fruits and vegetables made using the grant funds and report such records to the State.

“(B) STATE REQUIREMENT.—Each participating State shall submit to the Secretary a report on the success of the pilot program in the State, including information on—

“(i) the amount and value of each type of fresh fruit and vegetable purchased by the State; and

“(ii) the benefit provided by such purchases in conducting the school food service in the State, including meeting school meal requirements.”.
SEC. 305. ENCOURAGING LOCALLY AND REGIONALLY GROWN AND RAISED FOOD.

(a) Commodity Purchase Streamlining.—The Secretary may permit each school food authority with a low annual commodity entitlement value, as determined by the Secretary, to elect to substitute locally and regionally grown and raised food for the authority’s allotment, in whole or in part, of commodity assistance for the school meal programs under the Richard B. Russell National School Lunch Act (42 U.S.C. 1751 et seq.) and the Child Nutrition Act of 1966 (42 U.S.C. 1771 et seq.), if—

(1) the election is requested by the school food authority;

(2) the Secretary determines that the election will reduce State and Federal administrative costs; and

(3) the election will provide the school food authority with greater flexibility to purchase locally and regionally grown and raised foods.

(b) Farm-to-School Demonstration Programs.—

(1) In general.—The Secretary may establish farm-to-school demonstration programs under which school food authorities, agricultural producers producing for local and regional markets, and other farm-to-school stakeholders will collaborate with the
Agriculture Marketing Service to, on a cost neutral basis, source food for the school meal programs under the Richard B. Russell National School Lunch Act (42 U.S.C. 1751 et seq.) and the Child Nutrition Act of 1966 (42 U.S.C. 1771 et seq.) from local farmers and ranchers in lieu of the commodity assistance provided to the school food authorities for the school meal programs.

(2) REQUIREMENTS.—

(A) IN GENERAL.—Each demonstration program carried out under this subsection shall—

(i) facilitate and increase the purchase of unprocessed and minimally processed locally and regionally grown and raised agricultural products to be served under the school meal programs;

(ii) test methods to improve procurement, transportation, and meal preparation processes for the school meal programs;

(iii) assess whether administrative costs can be saved through increased school food authority flexibility to source locally and regionally produced foods for the school meal programs; and
(iv) undertake rigorous evaluation and share information about results of the demonstration program, including cost savings, with the Secretary, other school food authorities, agricultural producers producing for the local and regional market, and the general public.

(B) Plans.—In order to be selected to carry out a demonstration program under this subsection, a school food authority shall submit to the Secretary a plan at such time and in such manner as the Secretary may require, and containing information with respect to the requirements described in clauses (i) through (iv) of subparagraph (A).

(3) Technical assistance.—The Secretary shall provide technical assistance to demonstration program participants to assist such participants to acquire bids from potential vendors in a timely and cost-effective manner.

(4) Length.—The Secretary shall determine the appropriate length of time for each demonstration program under this subsection.

(5) Coordination.—The Secretary shall coordinate among relevant agencies of the Department
of Agriculture and non-governmental organizations
with appropriate expertise to facilitate the provision
of training and technical assistance necessary to suc-
cessfully carry out demonstration programs under
this subsection.

(6) **Number.**—Subject to the availability of
funds to carry out this subsection, the Secretary
shall select at least 10 demonstration programs to
be carried out under this subsection.

(7) **Diversity and Balance.**—In selecting
demonstration programs to be carried out under this
subsection, the Secretary shall, to the maximum ex-
tent practicable, ensure—

(A) geographical diversity;

(B) that at least half of the demonstration
programs are completed in collaboration with
school food authorities with small annual com-
modity entitlements, as determined by the Sec-
retary;

(C) that at least half of the demonstration
programs are completed in rural or tribal com-
munities;

(D) equitable treatment of school food au-
thorities with a high percentage of students eli-
gible for free or reduced price lunches, as determined by the Secretary; and

(E) that at least one of the demonstration programs is completed on a military installation as defined in section 2687(e)(1) of title 10, United States Code.

SEC. 306. REVIEW OF PUBLIC HEALTH BENEFITS OF WHITE POTATOES.

The Secretary shall conduct a review of the economic and public health benefits of white potatoes on low-income families who are determined to be at nutritional risk. Not later than 1 year after the date of the enactment of this Act, the Secretary shall report the findings of this review to the Committee on Agriculture of the House of Representatives and the Committee on Agriculture, Nutrition, and Forestry of the Senate.

SEC. 307. HEALTHY FOOD FINANCING INITIATIVE.

(a) In General.—Subtitle D of title II of the Department of Agriculture Reorganization Act of 1994 (7 U.S.C. 6951 et seq.) is amended by adding at the end the following:

“SEC. 242. HEALTHY FOOD FINANCING INITIATIVE.

“(a) Purpose.—The purpose of this section is to enhance the authorities of the Secretary to support efforts to provide access to healthy food by establishing an initia-
tive to improve access to healthy foods in underserved areas, to create and preserve quality jobs, and to revitalize low-income communities by providing loans and grants to eligible fresh, healthy food retailers to overcome the higher costs and initial barriers to entry in underserved areas.

“(b) DEFINITIONS.—In this section:

“(1) COMMUNITY DEVELOPMENT FINANCIAL INSTITUTION.—The term ‘community development financial institution’ has the meaning given the term in section 103 of the Community Development Banking and Financial Institutions Act of 1994 (12 U.S.C. 4702).

“(2) INITIATIVE.—The term ‘Initiative’ means the Healthy Food Financing Initiative established under subsection (c)(1).

“(3) NATIONAL FUND MANAGER.—The term ‘national fund manager’ means a community development financial institution that is—

“(A) in existence on the date of enactment of this section; and

“(B) certified by the Community Development Financial Institution Fund of the Department of Treasury to manage the Initiative for purposes of—

“(i) raising private capital;
“(ii) providing financial and technical assistance to partnerships; and

“(iii) funding eligible projects to attract fresh, healthy food retailers to underserved areas, in accordance with this section.

“(4) PARTNERSHIP.—The term ‘partnership’ means a regional, State, or local public-private partnership that—

“(A) is organized to improve access to fresh, healthy foods;

“(B) provides financial and technical assistance to eligible projects; and

“(C) meets such other criteria as the Secretary may establish.

“(5) PERISHABLE FOOD.—The term ‘perishable food’ means a staple food that is fresh, refrigerated, or frozen.

“(6) QUALITY JOB.—The term ‘quality job’ means a job that provides wages and other benefits comparable to, or better than, similar positions in existing businesses of similar size in similar local economies.

“(7) STAPLE FOOD.—
“(A) IN GENERAL.—The term ‘staple food’ means food that is a basic dietary item.

“(B) INCLUSIONS.—The term ‘staple food’ includes—

“(i) bread;
“(ii) flour;
“(iii) fruits;
“(iv) vegetables; and
“(v) meat.

“(c) INITIATIVE.—

“(1) ESTABLISHMENT.—The Secretary shall establish an initiative to achieve the purpose described in subsection (a) in accordance with this subsection.

“(2) IMPLEMENTATION.—

“(A) IN GENERAL.—

“(i) IN GENERAL.—In carrying out the Initiative, the Secretary shall provide funding to entities with eligible projects, as described in subparagraph (B), subject to the priorities described in subparagraph (C).

“(ii) USE OF FUNDS.—Funds provided to an entity pursuant to clause (i) shall be used—
“(I) to create revolving loan pools of capital or other products to provide loans to finance eligible projects or partnerships;

“(II) to provide grants for eligible projects or partnerships;

“(III) to provide technical assistance to funded projects and entities seeking Initiative funding; and

“(IV) to cover administrative expenses of the national fund manager in an amount not to exceed 10 percent of the Federal funds provided.

“(B) ELIGIBLE PROJECTS.—Subject to the approval of the Secretary, the national fund manager shall establish eligibility criteria for projects under the Initiative, which shall include the existence or planned execution of agreements—

“(i) to expand or preserve the availability of staple foods in underserved areas with moderate- and low-income populations by maintaining or increasing the number of retail outlets that offer an assortment of perishable food and staple food items, as
determined by the Secretary, in those areas; and

“(ii) to accept benefits under the supplemental nutrition assistance program established under the Food and Nutrition Act of 2008 (7 U.S.C. 2011 et seq.).

“(C) PRIORITIES.—In carrying out the Initiative, priority shall be given to projects that—

“(i) are located in severely distressed low-income communities, as defined by the Community Development Financial Institutions Fund of the Department of Treasury; and

“(ii) include 1 or more of the following characteristics:

“(I) The project will create or retain quality jobs for low-income residents in the community.

“(II) The project supports regional food systems and locally grown foods, to the maximum extent practicable.

“(III) In areas served by public transit, the project is accessible by public transit.
“(IV) The project involves women- or minority-owned businesses.

“(V) The project receives funding from other sources, including other Federal agencies.

“(VI) The project otherwise advances the purpose of this section, as determined by the Secretary.

“(d) Authorization of Appropriations.—There is authorized to be appropriated to the Secretary to carry out this section $125,000,000, to remain available until expended.”.

(b) Conforming Amendment.—Section 296(b) of the Department of Agriculture Reorganization Act of 1994 (7 U.S.C. 7014(b)) is amended—

(1) in paragraph (6) by striking “or” at the end;

(2) in paragraph (7) by striking the period at the end and inserting “; or”; and

(3) by adding at the end the following:

“(8) the authority of the Secretary to establish and carry out the Health Food Financing Initiative under section 242.”.
SEC. 308. REVIEW OF SOLE-SOURCE CONTRACTS IN FEDERAL NUTRITION PROGRAMS.

The Secretary shall conduct an evaluation of sole-source contracts in Federal nutrition programs, and the effect such contracts have on program participation, program goals, nonprogram consumers, retailers, and free market dynamics. Not later than 1 year after the date of the enactment of this Act, the Secretary shall report the findings of this review to the Committee on Agriculture of the House of Representatives and the Committee on Agriculture, Nutrition, and Forestry of the Senate.

SEC. 309. PURCHASE OF HALAL AND KOSHER FOOD FOR EMERGENCY FOOD ASSISTANCE PROGRAM.

Section 202 of the Emergency Food Assistance Act of 1983 (7 U.S.C. 7502) is amended by adding at the end the following:

“(h) KOSHER AND HALAL FOOD.—As soon as practicable after the date of enactment of this subsection, the Secretary shall finalize and implement a plan—

“(1) to increase the purchase of Kosher and Halal food from food manufacturers with a Kosher or Halal certification to carry out the program established under this Act if the Kosher and Halal food purchased is cost neutral as compared to food that is not from food manufacturers with a Kosher or Halal certification; and
“(2) to modify the labeling of the commodities list used to carry out the program in a manner that enables Kosher and Halal food bank operators to identify which commodities to obtain from local food banks.”.

Passed the House of Representatives September 19, 2013.

Attest:

Clerk.
AN ACT

To amend the Food and Nutrition Act of 2008; and

H. R. 3102

113TH CONGRESS
1ST SESSION