

106TH CONGRESS  
1ST SESSION

# H. R. 2738

To amend the Food Stamp Act of 1977 to improve onsite inspections of State food stamp programs, to provide grants to develop community partnerships and innovative outreach strategies for food stamp and related programs, and for other purposes.

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## IN THE HOUSE OF REPRESENTATIVES

AUGUST 5, 1999

Mr. COYNE (for himself and Mr. LEVIN) introduced the following bill; which was referred to the Committee on Agriculture, and in addition to the Committee on Ways and Means, for a period to be subsequently determined by the Speaker, in each case for consideration of such provisions as fall within the jurisdiction of the committee concerned

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## A BILL

To amend the Food Stamp Act of 1977 to improve onsite inspections of State food stamp programs, to provide grants to develop community partnerships and innovative outreach strategies for food stamp and related programs, 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,*

### 3 **SECTION 1. SHORT TITLE; TABLE OF CONTENTS**

4 (a) SHORT TITLE.—This Act may be cited as the  
5 “Food Stamp Outreach and Research for Kids Act of  
6 1999”.

1 (b) TABLE OF CONTENTS.—The table of contents of  
 2 this Act is as follows:

Sec. 1. Short title; table of contents.

#### TITLE I—FOOD STAMP PROGRAM

Sec. 101. Food stamp participation.

Sec. 102. Food stamp inspections.

Sec. 103. Caseworker materials demonstration program.

Sec. 104. Studies.

Sec. 105. Grants for community partnerships and innovative outreach strategies.

Sec. 106. Demonstration projects for online and phone participation in food stamp program.

Sec. 107. Nutrition information.

Sec. 108. Comptroller General study.

#### TITLE II—FOOD STAMP INFORMATION THROUGH TANF PROGRAM AND TAX CREDIT

Sec. 201. Information provided to individuals regarding eligibility under food stamp program.

Sec. 202. Credit for expansion of toll-free information number.

## 3 **TITLE I—FOOD STAMP** 4 **PROGRAM**

### 5 **SEC. 101. FOOD STAMP PARTICIPATION.**

6 Section 11(e)(1) of the Food Stamp Act of 1977 (7  
 7 U.S.C. 2020 (e)(1)) is amended by striking “at the option  
 8 of the State agency.”.

### 9 **SEC. 102 FOOD STAMP INSPECTIONS.**

10 Section 16 of the Food Stamp Act of 1977 (7 U.S.C.  
 11 2025) is amended by adding at the end the following:

12 “(1) FOOD STAMP INSPECTIONS.—

13 “(1) MANDATORY INSPECTIONS.—Effective  
 14 during the 5-year period beginning on the date  
 15 of enactment of this subsection, the Secretary  
 16 shall carry out an annual onsite inspection or

1 review of the operation of the food stamp pro-  
2 gram by each State agency.

3 “(2) VISIT.—In conducting any annual on-  
4 site inspection or review described in paragraph  
5 (1), the Secretary shall include as part of the  
6 inspection or review visits to State and local  
7 agency offices and consultation with current or  
8 former clients and community groups.”.

9 **SEC. 103. CASEWORKER TRAINING DEMONSTRATION.**

10 Section 18 of the Food Stamp Act of 1977 (7 U.S.C.  
11 2027) is amended by adding at the end the following:

12 “(g) CASEWORKER DEMONSTRATION PROGRAM.—

13 (1) There is authorized to be appropriated such  
14 sums as may be necessary for the 2000 fiscal year  
15 and each fiscal year thereafter for the Secretary to  
16 conduct a demonstration program, through State  
17 agencies and in consultation with State caseworkers,  
18 to develop training materials, guidebooks, and other  
19 resources focusing on issues of access and eligibility  
20 for the Food Stamp Program for use by State case-  
21 workers.”.

22 **SEC. 104. STUDIES.**

23 Section 18 of the Food Stamp Act of 1977 (7 U.S.C.  
24 2027) (as amended in section 103) is amended by adding  
25 at the end the following:

1 “(h) FNS STUDY.—

2 “(1) IN GENERAL.—There is authorized to be  
3 appropriated such sums as may be necessary for the  
4 2000 fiscal year and each fiscal year thereafter for  
5 the Secretary, through the Food and Nutrition Serv-  
6 ice, to conduct studies to measure Food Stamp Pro-  
7 gram impacts and integrity to assist in formulating  
8 nutrition policy and to assess the potential costs and  
9 benefits of legislative proposals.

10 “(2) REPORT TO CONGRESS.—Two years after  
11 the date of enactment of this subsection, the Sec-  
12 retary shall report the results of such studies to the  
13 Committee on Agriculture of the House of Rep-  
14 resentatives and the Committee on Agriculture, Nu-  
15 trition, and Forestry of the Senate.”.

16 **SEC. 105. GRANTS FOR COMMUNITY PARTNERSHIPS AND**  
17 **INNOVATIVE OUTREACH STRATEGIES.**

18 Section 18 of the Food Stamp Act of 1977 (7 U.S.C.  
19 2027) (as amended by Section 104) is amended by adding  
20 at the end the following:

21 “(i) GRANTS FOR COMMUNITY PARTNERSHIPS AND  
22 INNOVATIVE OUTREACH STRATEGIES.—

23 “(1) ESTABLISHMENT.—The Secretary of Agri-  
24 culture, in consultation with the Secretary of Health  
25 and Human Services, shall establish a program to

1       award grants to eligible organizations described in  
2       paragraph (2)—

3               “(A) to develop and test innovative strate-  
4               gies to ensure that low-income, needy families  
5               that are former or current recipients of benefits  
6               under a State program established under part  
7               A of title IV of the Social Security Act (42  
8               U.S.C. 601 et seq.) continue to receive benefits  
9               under this Act;

10              “(B) to help ensure that families that have  
11              applied for benefits under a State program es-  
12              tablished under part A of title IV of the Social  
13              Security Act (42 U.S.C. 601 et seq.), but that  
14              did not receive the benefits because of State di-  
15              version strategies or ineligibility for the bene-  
16              fits, are aware of the availability of, and are  
17              provided assistance in receiving, benefits under  
18              this Act;

19              “(C) to place special emphasis on con-  
20              ducting outreach to families with earned income  
21              that is at or above the income eligibility limits  
22              for benefits under a State program established  
23              under part A of title IV of the Social Security  
24              Act; and

1 “(D) to conduct outreach to families with  
2 children.

3 “(2) ELIGIBLE ORGANIZATIONS.—

4 “(A) IN GENERAL.—Grants under para-  
5 graph (1) may be awarded to—

6 “(i) food banks, food rescue, faith-  
7 based, and other community-based pro-  
8 grams, except that the total amount  
9 awarded to such organizations shall be not  
10 less than 15 percent of the aggregate  
11 amount of grants awarded under this sub-  
12 section;

13 “(ii) schools, health clinics, non-profit  
14 day care centers, Head Start programs  
15 carried out under the Head Start Act (42  
16 U.S.C. 9831 et seq.), Healthy Start pro-  
17 grams carried out under section 301 of the  
18 Public Health Service Act (42 U.S.C.  
19 241), agencies providing assistance under  
20 the special supplemental nutrition program  
21 for women, infants, and children estab-  
22 lished under section 17 of the Child Nutri-  
23 tion Act of 1966 (42 U.S.C. 1786), and  
24 other organizations conducting Medicaid  
25 and CHIP outreach, except that the total

1 amount awarded to such organizations,  
2 shall not be less than 15 percent of the ag-  
3 gregate amount of grants awarded under  
4 this subsection;

5 “(iii) State and political subdivisions  
6 of States;

7 “(iv) child nutrition programs (as de-  
8 fined in section 25(b) of the National  
9 School Lunch Act (42 U.S.C. 1769f(b));  
10 and

11 “(v) other organizations designated by  
12 the Secretary of Agriculture, in consulta-  
13 tion with the Secretary of Health and  
14 Human Services.

15 “(B) GEOGRAPHICAL DISTRIBUTION OF  
16 RECIPIENTS.—

17 “(i) IN GENERAL.—Subject to clause  
18 (ii), the Secretary of Agriculture, in con-  
19 sultation with the Secretary of Health and  
20 Human Services, shall select, from all eligi-  
21 ble applications received, at least 1 recipi-  
22 ent to receive a grant under this section  
23 from each USDA region and each addi-  
24 tional rural or urban area determined to be  
25 appropriate by the Secretary of Agri-

1 culture, in consultation with the Secretary  
2 of Health and Human Services.

3 “(ii) EXCEPTION.—The Secretary of  
4 Agriculture may not select grant recipients  
5 under clause (i) if the Secretary deter-  
6 mines that an insufficient number of eligi-  
7 ble grant applications has been received.

8 “(3) SELECTION.—The Secretary of Agri-  
9 culture, in consultation with the Secretary of Health  
10 and Human Services, shall develop criteria for se-  
11 lecting recipients of grants under paragraph (1) that  
12 include the consideration of—

13 “(A) the demonstrated track record of an  
14 organization in serving low income populations;

15 “(B) the ability of an organization to reach  
16 hard-to-serve populations;

17 “(C) the level of innovation in the pro-  
18 posals submitted in the application of an orga-  
19 nization for a grant; and

20 “(D) the development of partnerships be-  
21 tween the public and private sector entities and  
22 linkages with the community.

23 “(4) ADMINISTRATION.—

24 “(A) IN GENERAL.—The Secretary of Ag-  
25 riculture, in consultation with the Secretary of



1 Health and Human Services, shall administer  
2 the grant program under this section.

3 “(B) ADMINISTRATIVE COSTS.—Not more  
4 than 5 percent of funds made available for the  
5 grant program shall be used by the Secretary of  
6 Agriculture or the Secretary of Health and  
7 Human Services for administrative costs.

8 “(C) PROGRAM EVALUATIONS.—

9 “(i) IN GENERAL.—The Secretary of  
10 Agriculture and the Secretary of Health  
11 and Human Services shall jointly conduct  
12 evaluations of programs funded by grants  
13 under this section.

14 “(ii) LIMITATION.—Not more than 20  
15 percent of funds made available for the  
16 grant program shall be used for program  
17 evaluations described in clause(i).”.

18 **SEC. 106. DEMONSTRATION PROJECTS FOR ONLINE AND**  
19 **TELEPHONE PARTICIPATION IN FOOD STAMP**  
20 **PROGRAM.**

21 Section 18 of the Food Stamp Act (7 U.S.C. 2027)  
22 (as amended by Section 105) is amended by adding at  
23 the end the following:

24 “(j) ONLINE AND TELEPHONE PARTICIPATION IN  
25 THE FOOD STAMP PROGRAM.—There is authorized to be

1 appropriated such sums as may be necessary for the 2000  
2 fiscal year and each fiscal year thereafter for the Secretary  
3 to conduct demonstration projects to evaluate the feasi-  
4 bility and desirability of allowing eligible households to  
5 participate in the food stamp program through the use  
6 of the Internet and telephones.”.

7 **SEC. 107. NUTRITION INFORMATION.**

8 Section 18 of the Food Stamp Act of 1977 (7 U.S.C.  
9 2027) (as amended by section 106) is amended by adding  
10 at the end the following:

11 “(k) NUTRITION INFORMATION.—

12 “(1) IN GENERAL.—The Secretary of Agri-  
13 culture, in consultation with the Secretary of Health  
14 and Human Services, shall—

15 “(A) facilitate partnerships to provide in-  
16 formation on nutrition programs described in  
17 paragraph (3); and

18 “(B) maintain a toll-free information num-  
19 ber for individuals to call to obtain information  
20 concerning the nutrition programs.

21 “(2) PARTNERSHIPS.—

22 “(A) IN GENERAL.—To carry out para-  
23 graph (1)(A), the Secretary shall facilitate part-  
24 nerships composed of—

1 “(i) public agencies and organizations;

2 and

3 “(ii) entities and organizations from

4 the private sector; and

5 “(iii) states and political subdivisions

6 of states.

7 “(B) TAX CREDIT.—An entity or organiza-

8 tion that participates in a partnership under

9 this section to maintain the toll-free informa-

10 tion numbers described in paragraph (1)(B)

11 shall be eligible to receive a tax credit as pro-

12 vided in section 45D of part IV of subchapter

13 A of the Internal Revenue Code of 1986 (relat-

14 ing to business related credits).

15 “(3) INFORMATION.—In carrying out this sub-

16 section, the Secretary shall provide—

17 “(A) information concerning all Federal

18 nutrition programs, including the food stamp

19 program and child nutrition programs (as de-

20 fined in section 25(b) of the National School

21 Lunch Act (42 U.S.C. 1769f(b));

22 “(B) information which complies with all

23 provisions of the Food Stamp Act of 1977 (7

24 U.S.C. 2020(e)(1)) regarding access for non-

25 English speakers;

1           “(C) access to an individual to provide in-  
2           formation and clarification that is available  
3           through an automated phone information sys-  
4           tem.”.

5 **SEC. 108. COMPTROLLER GENERAL STUDY.**

6       (a) STUDY.—

7           (1) CATALOGUE OF STATE ACTIVITIES.—The  
8       Comptroller General of the United States shall con-  
9       duct a study of State outreach efforts, including ex-  
10      tended hours for working families. On-site investiga-  
11      tions shall be used to verify when extended hours are  
12      held, how often, and how such hours are advertised  
13      to eligible families.

14          (2) REPORT.—Not later than 2 years after the  
15      date of enactment of this Act, the Comptroller Gen-  
16      eral shall report his findings to the Committee on  
17      Ways and Means of the House of Representatives,  
18      the Finance Committee of the Senate, the Com-  
19      mittee on Agriculture of the House of Representa-  
20      tives, and the Committee on Agriculture, Nutrition,  
21      and Forestry of the Senate.”.

1 **TITLE II—FOOD STAMP INFOR-**  
2 **MATION THROUGH TANF PRO-**  
3 **GRAM AND TAX CREDIT**

4 **SEC. 201. INFORMATION PROVIDED TO INDIVIDUALS RE-**  
5 **GARDING ELIGIBILITY UNDER FOOD STAMP**  
6 **PROGRAM.**

7 (a) DEVELOPMENT OF MODEL STATE TANF PRO-  
8 GRAM APPLICATION.—

9 (1) DEVELOPMENT.—

10 (A) IN GENERAL.—The Secretary of  
11 Health and Human Services shall develop a  
12 model application for receiving benefits under a  
13 State TANF program (as defined in subsection  
14 (e)).

15 (B) INFORMATION REGARDING ELIGI-  
16 BILITY FOR FOOD STAMPS.—The first page of  
17 the model application shall clearly inform an  
18 applicant that the applicant may be eligible for  
19 benefits under the food stamp program under  
20 the Food Stamp Act of 1977 (7 U.S.C. 2011 et  
21 seq.), and inform the applicant on procedures  
22 for applying for benefits at the appropriate  
23 State agency, even if the applicant—

24 (i) is determined to be ineligible for  
25 benefits under a State TANF program;

1 (ii) receives benefits under such a pro-  
2 gram and is subsequently terminated from  
3 such a program; or

4 (iii) is receiving a diversion payment  
5 under such a program.

6 (2) VOLUNTARY USE BY STATES.—Use of the  
7 model application by the State agency or agencies  
8 that administer and supervise a State TANF  
9 program shall be on a voluntary basis.

10 (b) DEVELOPMENT OF NOTICE REGARDING POTEN-  
11 TIAL CONTINUED ELIGIBILITY UNDER FOOD STAMP PRO-  
12 GRAM.—

13 (1) DEVELOPMENT.—Not later than 6 months  
14 after the date of enactment, the Secretary of Health  
15 and Human Services, in consultation with the Sec-  
16 retary of Agriculture, shall develop a 1-page notice  
17 that provides an applicable individual with the infor-  
18 mation described in subsection (a)(1)(B).

19 (2) USE BY STATES.—

20 (A) VOLUNTARY USE.—Subject to sub-  
21 paragraph (B), use of the notice by the State  
22 agency or agencies that administer and super-  
23 vise a State TANF program shall be on a vol-  
24 untary basis.

25 (B) MANDATORY USE.—

1 (i) IN GENERAL.—If the Secretary of  
2 Health and Human Services determines  
3 (for any period) that a State is providing  
4 the information described in subsection  
5 (a)(1)(B) to less than 75 percent of appli-  
6 cable individuals, such State shall provide  
7 the notice to all applicable individuals until  
8 such time as the State demonstrates to the  
9 Secretary that the State is providing such  
10 information to such percentage of applica-  
11 ble individuals.

12 (ii) APPLICABLE INDIVIDUAL DE-  
13 FINED.—For purposes of this subpara-  
14 graph, the term “applicable individual”  
15 means an individual—

16 (I) who is determined to be ineli-  
17 gible for benefits under a State  
18 TANF program;

19 (II) whose benefits under such a  
20 program have terminated; or

21 (III) who is receiving a diversion  
22 payment under such a program.

23 (c) FORM.—The model application developed pursu-  
24 ant to subsection (a) and the notice developed pursuant  
25 to subsection (b) shall use language that is concise and

1 easily understandable by applicants under a State TANF  
2 program.

3 (d) DISTRIBUTION.—The Secretary of Health and  
4 Human Services shall distribute the model application de-  
5 veloped pursuant to subsection (a) and the notice devel-  
6 oped pursuant to subsection (b) to the State agency or  
7 agencies that administer and supervise a State TANF pro-  
8 gram.

9 (e) DEFINITION OF STATE TANF PROGRAM.—In  
10 this section, the term “State TANF program” means  
11 State programs established under part A of title IV of the  
12 Social Security Act (42 U.S.C. 601 et seq.).

13 **SEC. 202. CREDIT FOR EXPANSION OF TOLL-FREE INFOR-**  
14 **MATION NUMBER.**

15 (a) TAX CREDIT.—Subpart D of part IV of sub-  
16 chapter A of chapter 1 of the Internal Revenue Code of  
17 1986 (relating to business related credits) is amended by  
18 adding at the end the following:

19 **“SEC. 45D. CREDIT FOR EXPANSION OF TOLL-FREE INFOR-**  
20 **MATION NUMBER.**

21 “For purposes of section 38, the toll-free information  
22 number credit of any taxpayer for any taxable year is 10  
23 percent of the expenses paid or incurred by the taxpayer  
24 during such taxable year as a participant in the partner-



1 ship described in section 17(o)(2) of the Food Stamp Act  
2 of 1977 (7 U.S.C. 2026(o)(2)).”.

3 (b) CREDIT TREATED AS BUSINESS CREDIT.—Sec-  
4 tion 38(b) of the Internal Revenue Code of 1986 (relating  
5 to current year business credit) is amended by striking  
6 “plus” at the end of paragraph (11), by striking the period  
7 at the end of paragraph (12) and inserting “, plus”, and  
8 by adding at the end the following:

9 “(13) the toll-free information number credit  
10 determined under section 45D.”.

11 (c) TRANSITIONAL RULE.—Section 39(d) of the In-  
12 ternal Revenue Code of 1986 (relating to transitional  
13 rules) is amended by adding at the end the following:

14 “(9) NO CARRYBACK OF SECTION 45D CREDIT  
15 BEFORE EFFECTIVE DATE.—No portion of the un-  
16 used business credit for any taxable year which is  
17 attributable to the credit allowable under section  
18 45D may be carried back to a taxable year ending  
19 before the date of the enactment of such section.”.

20 (d) CLERICAL AMENDMENT.—The table of sections  
21 for subpart D of part IV of subchapter A of chapter 1  
22 of the Internal Revenue Code of 1986 is amended by add-  
23 ing at the end the following:

“Sec. 45D. Credit for expansion of toll-free number.”.

24 (e) EFFECTIVE DATE.—The amendments made by  
25 this section shall apply to payments made or incurred in

- 1 taxable years beginning after the date of enactment of this
- 2 Act.

