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1ST SESSION

H. R. 3102

IN THE SENATE OF THE UNITED STATES

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Read twice and referred to the Committee on Agriculture, Nutrition, and
Forestry

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,*

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

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

4 (b) TABLE OF CONTENTS.—The table of contents of
5 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.

1 **TITLE I—SUPPLEMENTAL NU-**
2 **TRITION ASSISTANCE PRO-**
3 **GRAM**

4 **SEC. 101. PREVENTING PAYMENT OF CASH TO RECIPIENTS**
5 **OF SUPPLEMENTAL NUTRITION ASSISTANCE**
6 **BENEFITS FOR THE RETURN OF EMPTY BOT-**
7 **TLES AND CANS USED TO CONTAIN FOOD**
8 **PURCHASED WITH BENEFITS PROVIDED**
9 **UNDER THE PROGRAM.**

10 Section 3(k)(1) of the Food and Nutrition Act of
11 2008 (7 U.S.C. 2012(k)(1)) is amended—

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

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

21 **SEC. 102. RETAILERS.**

22 (a) DEFINITION OF RETAIL FOOD STORE.—Section
23 3(p)(1)(A) of the Food and Nutrition Act of 2008 (7
24 U.S.C. 2012(p)(1)(A)) is amended by striking “at least
25 2” and inserting “at least 3”.

1 (b) ALTERNATIVE BENEFIT DELIVERY.—Section
2 7(f) of the Food and Nutrition Act of 2008 (7 U.S.C.
3 2016(f)) is amended—

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

6 “(2) IMPOSITION OF COSTS.—

7 “(A) IN GENERAL.—Except as provided in
8 subparagraph (B), the Secretary shall require
9 participating retailers (including restaurants
10 participating in a State option restaurant pro-
11 gram intended to serve the elderly, disabled,
12 and homeless) to pay 100 percent of the costs
13 of acquiring, and arrange for the implementa-
14 tion of, electronic benefit transfer point-of-sale
15 equipment and supplies.

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

18 “(i) farmers’ markets and other di-
19 rect-to-consumer markets, military com-
20 missaries, nonprofit food buying coopera-
21 tives, and establishments, organizations,
22 programs, or group living arrangements
23 described in paragraphs (5), (7), and (8)
24 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-

1 ices to provide for and maintain a unique business
2 identification and a unique terminal identification
3 number information through the supplemental nutri-
4 tion assistance program electronic benefit transfer
5 transaction routing system. In developing the regula-
6 tions implementing this paragraph, the Secretary
7 shall consider existing commercial practices for other
8 point-of-sale debit transactions. The Secretary shall
9 issue proposed regulations implementing this para-
10 graph not earlier than 2 years after the date of en-
11 actment of this paragraph.”.

12 (c) ELECTRONIC BENEFIT TRANSFERS.—Section
13 7(h)(3)(B) of the Food and Nutrition Act of 2008 (7
14 U.S.C. 2016(h)(3)(B)) is amended by striking “is oper-
15 ational—” and all that follows through “(ii) in the case
16 of other participating stores,” and inserting “is oper-
17 ational”.

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

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

25 (2) by adding at the end the following:

1 “(g) EBT SERVICE REQUIREMENT.—An approved
 2 retail food store shall provide adequate EBT service as
 3 described in section 7(h)(3)(B).”.

4 **SEC. 103. ENHANCING SERVICES TO ELDERLY AND DIS-**
 5 **ABLED SUPPLEMENTAL NUTRITION ASSIST-**
 6 **ANCE PROGRAM PARTICIPANTS.**

7 (a) ENHANCING SERVICES TO ELDERLY AND DIS-
 8 ABLED PROGRAM PARTICIPANTS.—Section 3(p) of the
 9 Food and Nutrition Act of 2008 (7 U.S.C. 2012(p)) is
 10 amended—

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

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

15 (3) by inserting after paragraph (4) the fol-
 16 lowing:

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

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

21 “(i) unable to shop for food; and

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

23 or

24 “(II) physically or mentally handi-
 25 capped or otherwise disabled;

1 “(B) clearly notifies the participating
2 household at the time such household places a
3 food order—

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

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

10 “(C) sells food purchased for such house-
11 hold at the price paid by such service for such
12 food and without any additional cost markup.”.

13 (b) IMPLEMENTATION.—

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

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

20 (B) establish procedures to ensure that
21 such service—

22 (i) does not charge more for a food
23 item than the price paid by the such serv-
24 ice for such food item;

- 1 (ii) offers food delivery service at no
2 or low cost to households under such Act;
- 3 (iii) ensures that benefits provided
4 under the supplemental nutrition assist-
5 ance program are used only to purchase
6 food, as defined in section 3 of such Act;
- 7 (iv) limits the purchase of food, and
8 the delivery of such food, to households eli-
9 gible to receive services described in section
10 3(p)(5) of such Act as so amended;
- 11 (v) has established adequate safe-
12 guards against fraudulent activities, in-
13 cluding unauthorized use of electronic ben-
14 efit cards issued under such Act; and
- 15 (vi) such other requirements as the
16 Secretary deems to be appropriate.

17 (2) LIMITATION.—Before the issuance of rules
18 under paragraph (1), the Secretary of Agriculture
19 may not approve more than 20 food purchasing and
20 delivery services referred to in section 3(p)(5) of the
21 Food and Nutrition Act of 2008 as amended by this
22 Act, to participate as retail food stores under the
23 supplemental nutrition assistance program.

1 **SEC. 104. FOOD DISTRIBUTION PROGRAM ON INDIAN RES-**
2 **ERVATIONS.**

3 Section 4(b)(6)(F) of the Food and Nutrition Act of
4 2008 (7 U.S.C. 2013(b)(6)(F)) is amended by striking
5 “2012” and inserting “2016”.

6 **SEC. 105. UPDATING PROGRAM ELIGIBILITY.**

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

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

13 (2) in subsection (j) by striking “or who re-
14 ceives benefits under a State program” and inserting
15 “or who receives cash assistance under a State pro-
16 gram”.

17 **SEC. 106. EXCLUSION OF MEDICAL MARIJUANA FROM EX-**
18 **CESS MEDICAL EXPENSE DEDUCTION.**

19 Section 5(e)(5) of the Food and Nutrition Act of
20 2008 (7 U.S.C. 2014(e)(5)) is amended by adding at the
21 end the following:

22 “(C) EXCLUSION OF MEDICAL MARI-
23 JUANA.—The Secretary shall promulgate rules
24 to ensure that medical marijuana is not treated
25 as a medical expense for purposes of this para-
26 graph.”.

1 **SEC. 107. STANDARD UTILITY ALLOWANCES BASED ON THE**
2 **RECEIPT OF ENERGY ASSISTANCE PAY-**
3 **MENTS.**

4 (a) STANDARD UTILITY ALLOWANCES IN THE SUP-
5 PLEMENTAL NUTRITION ASSISTANCE PROGRAM.—Section
6 5(e)(6)(C) of the Food and Nutrition Act of 2008 (7
7 U.S.C. 2014(e)(6)(C)) is amended—

8 (1) in clause (i) by inserting “, subject to clause
9 (iv)” after “Secretary”; and

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

12 “(I) IN GENERAL.—Subject to
13 subclause (II), if a State agency elects
14 to use a standard utility allowance
15 that reflects heating and cooling costs,
16 the standard utility allowance shall be
17 made available to households that re-
18 ceived a payment, or on behalf of
19 which a payment was made, under the
20 Low-Income Home Energy Assistance
21 Act of 1981 (42 U.S.C. 8621 et seq.)
22 or other similar energy assistance pro-
23 gram, if in the current month or in
24 the immediately preceding 12 months,
25 the household either received such
26 payment, or such payment was made

1 on behalf of the household, that was
2 greater than \$20 annually, as deter-
3 mined by the Secretary.”; and

4 (b) CONFORMING AMENDMENT.—Section
5 2605(f)(2)(A) of the Low-Income Home Energy Assist-
6 ance Act of 1981 (42 U.S.C. 8624(f)(2)(A)) is amended
7 by inserting before the semicolon the following: “, except
8 that, for purposes of the supplemental nutrition assistance
9 program established under the Food and Nutrition Act of
10 2008 (7 U.S.C. 2011 et seq.), such payments or allow-
11 ances were greater than \$20 annually, consistent with sec-
12 tion 5(e)(6)(C)(iv)(I) of that Act (7 U.S.C.
13 2014(e)(6)(C)(iv)(I)), as determined by the Secretary of
14 Agriculture”.

15 (c) EFFECTIVE DATE AND IMPLEMENTATION.—

16 (1) IN GENERAL.—Except as provided in para-
17 graph (2), this section and the amendments made by
18 this section shall take effect on October 1, 2013,
19 and shall apply with respect to certification periods
20 that begin after such date.

21 (2) STATE OPTION TO DELAY IMPLEMENTATION
22 FOR CURRENT RECIPIENTS.—A State may, at the
23 option of the State, implement a policy that elimi-
24 nates or reduces the effect of the amendments made
25 by this section on households that received a stand-

1 ard utility allowance as of the date of enactment of
2 this Act, for not more than a 180-day period that
3 begins on the date on which such amendments would
4 otherwise apply to the respective household.

5 **SEC. 108. ELIGIBILITY DISQUALIFICATIONS.**

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

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

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

20 “(ii) is limited to remedial courses,
21 basic adult education, literacy, or English
22 as a second language;”.

1 **SEC. 109. REPEAL OF STATE WORK PROGRAM WAIVER AU-**
2 **THORITY.**

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

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

7 (2) by striking paragraph (4);

8 (3) in paragraph (6)—

9 (A) in subparagraph (A)(ii)—

10 (i) by striking subclause (II);

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

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

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

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

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

24 (E) by adding at the end the following:

25 “(H) FISCAL YEAR 2014 AND THERE-
26 AFTER.—Subject to subparagraph (G), for fis-

cal year 2014 and each subsequent fiscal year,
a State agency may provide a number of ex-
emptions such that the average monthly num-
ber 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: Fis-
cal Year 2011 (Supplemental Nutrition Assist-
ance Program Report No. SNAP–12–CHAR)
prepared for and published by the Office of Re-
search and Analysis of the Food and Nutrition
Service of the Department of Agriculture in No-
vember 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 GAM-
BLING WINNERS.**

(a) IN GENERAL.—Section 6 of the Food and Nutri-
tion Act of 2008 (7 U.S.C. 2015) is amended by adding
at the end the following:

1 “(r) INELIGIBILITY FOR BENEFITS DUE TO RECEIPT
2 OF SUBSTANTIAL LOTTERY OR GAMBLING WINNINGS.—

3 “(1) IN GENERAL.—Any household in which a
4 member receives substantial lottery or gambling
5 winnings, as determined by the Secretary, shall lose
6 eligibility for benefits immediately upon receipt of
7 the winnings.

8 “(2) DURATION OF INELIGIBILITY.—A house-
9 hold described in paragraph (1) shall remain ineli-
10 gible for participation until the household meets the
11 allowable financial resources and income eligibility
12 requirements under subsections (c), (d), (e), (f), (g),
13 (i), (k), (l), (m), and (n) of section 5.

14 “(3) AGREEMENTS.—As determined by the Sec-
15 retary, each State agency, to the maximum extent
16 practicable, shall establish agreements with entities
17 responsible for the regulation or sponsorship of gam-
18 ing in the State to determine whether individuals
19 participating in the supplemental nutrition assist-
20 ance program have received substantial lottery or
21 gambling winnings.”.

22 (b) CONFORMING AMENDMENTS.—Section 5(a) of
23 the Food and Nutrition Act of 2008 (7 U.S.C. 2014(a))
24 is amended in the 2d sentence by striking “sections 6(b),

1 6(d)(2), and 6(g)” and inserting “subsections (b), (d)(2),
 2 (g), and (r) of section 6”.

3 **SEC. 111. IMPROVING SECURITY OF FOOD ASSISTANCE.**

4 Section 7(h)(8) of the Food and Nutrition Act of
 5 2008 (7 U.S.C. 2016(h)(8)) is amended—

6 (1) in the heading by striking “CARD FEE” and
 7 inserting “OF CARDS”;

8 (2) by striking “A State” and inserting the fol-
 9 lowing:

10 “(A) FEES.—A State”; and

11 (3) by adding after subparagraph (A) (as so
 12 designated by paragraph (2)) the following:

13 “(B) PURPOSEFUL LOSS OF CARDS.—

14 “(i) IN GENERAL.—Subject to terms
 15 and conditions established by the Secretary
 16 in accordance with clause (ii), if a house-
 17 hold makes excessive requests for replace-
 18 ment of the electronic benefit transfer card
 19 of the household, the Secretary may re-
 20 quire a State agency to decline to issue a
 21 replacement card to the household unless
 22 the household, upon request of the State
 23 agency, provides an explanation for the
 24 loss of the card.

1 “(ii) REQUIREMENTS.—The terms
2 and conditions established by the Secretary
3 shall provide that—

4 “(I) the household be given the
5 opportunity to provide the requested
6 explanation and meet the require-
7 ments under this paragraph promptly;

8 “(II) after an excessive number
9 of lost cards, the head of the house-
10 hold shall be required to review pro-
11 gram rights and responsibilities with
12 State agency personnel authorized to
13 make determinations under section
14 5(a); and

15 “(III) any action taken, including
16 actions required under section
17 6(b)(2), other than the withholding of
18 the electronic benefit transfer card
19 until an explanation described in sub-
20 clause (I) is provided, shall be con-
21 sistent with the due process protec-
22 tions under section 6(b) or 11(e)(10),
23 as appropriate.

24 “(C) PROTECTING VULNERABLE PER-
25 SONS.—In implementing this paragraph, a

1 State agency shall act to protect homeless per-
 2 sons, persons with disabilities, victims of
 3 crimes, and other vulnerable persons who lose
 4 electronic benefit transfer cards but are not in-
 5 tentionally committing fraud.

6 “(D) EFFECT ON ELIGIBILITY.—While a
 7 State may decline to issue an electronic benefits
 8 transfer card until a household satisfies the re-
 9 quirements under this paragraph, nothing in
 10 this paragraph shall be considered a denial of,
 11 or limitation on, the eligibility for benefits
 12 under section 5.”.

13 **SEC. 112. DEMONSTRATION PROJECTS ON ACCEPTANCE OF**
 14 **BENEFITS OF MOBILE TRANSACTIONS.**

15 Section 7(h) of the Food and Nutrition Act of 2008
 16 (7 U.S.C. 2016(h)) is amended by adding at the end the
 17 following:

18 “(14) DEMONSTRATION PROJECTS ON ACCEPT-
 19 ANCE OF BENEFITS OF MOBILE TRANSACTIONS.—

20 “(A) IN GENERAL.—The Secretary shall
 21 pilot the use of mobile technologies determined
 22 by the Secretary to be appropriate to test the
 23 feasibility and implications for program integ-
 24 rity, by allowing retail food stores, farmers
 25 markets, and other direct producer-to-consumer

1 marketing outlets to accept benefits from recipi-
2 ents of supplemental nutrition assistance
3 through mobile transactions.

4 “(B) DEMONSTRATION PROJECTS.—To be
5 eligible to participate in a demonstration project
6 under subsection (a), a retail food store, farm-
7 ers market, or other direct producer-to-con-
8 sumer marketing outlet shall submit to the Sec-
9 retary for approval a plan that includes—

10 “(i) a description of the technology;

11 “(ii) the manner by which the retail
12 food store, farmers market or other direct
13 producer-to-consumer marketing outlet will
14 provide proof of the transaction to house-
15 holds;

16 “(iii) the provision of data to the Sec-
17 retary, consistent with requirements estab-
18 lished by the Secretary, in a manner that
19 allows the Secretary to evaluate the impact
20 of the demonstration on participant access,
21 ease of use, and program integrity; and

22 “(iv) such other criteria as the Sec-
23 retary may require.

24 “(C) DATE OF COMPLETION.—The dem-
25 onstration projects under this paragraph shall

1 be completed and final reports submitted to the
2 Secretary by not later than July 1, 2016.

3 “(D) REPORT TO CONGRESS.—The Sec-
4 retary shall submit a report to the Committee
5 on Agriculture of the House of Representatives
6 and the Committee on Agriculture, Nutrition,
7 and Forestry of the Senate that includes a find-
8 ing, based on the data provided under subpara-
9 graph (C) whether or not implementation in all
10 States is in the best interest of the supple-
11 mental nutrition assistance program.”.

12 **SEC. 113. USE OF BENEFITS FOR PURCHASE OF COMMU-**
13 **NITY-SUPPORTED AGRICULTURE SHARE.**

14 Section 10 of the Food and Nutrition Act of 2008
15 (7 U.S.C. 2019) is amended in the 1st sentence by insert-
16 ing “agricultural producers who market agricultural prod-
17 ucts directly to consumers shall be authorized to redeem
18 benefits for the initial cost of the purchase of a commu-
19 nity-supported agriculture share,” after “food so pur-
20 chased,”.

21 **SEC. 114. RESTAURANT MEALS PROGRAM.**

22 (a) IN GENERAL.—Section 11(e) of the Food and
23 Nutrition Act of 2008 (7 U.S.C. 2020(e)) is amended—
24 (1) in paragraph (22) by striking “and” at the
25 end;

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

3 (3) by adding at the end the following:

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

8 “(A) the plans of the State agency for op-
9 erating the program, including—

10 “(i) documentation of a need that eli-
11 gible homeless, elderly, and disabled clients
12 are underserved in a particular geographic
13 area;

14 “(ii) the manner by which the State
15 agency will limit participation to only those
16 private establishments that the State de-
17 termines necessary to meet the need identi-
18 fied in clause (i); and

19 “(iii) any other conditions the Sec-
20 retary may prescribe, such as the level of
21 security necessary to ensure that only eligi-
22 ble recipients participate in the program;
23 and

1 “(B) a report by the State agency to the
2 Secretary annually, the schedule of which shall
3 be established by the Secretary, that includes—

4 “(i) the number of households and in-
5 dividual recipients authorized to partici-
6 pate in the program, including any infor-
7 mation on whether the individual recipient
8 is elderly, disabled, or homeless; and

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

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

16 “(h) PRIVATE ESTABLISHMENTS.—

17 “(1) IN GENERAL.—Subject to paragraph (2),
18 no private establishment that contracts with a State
19 agency to offer meals at concessional prices as de-
20 scribed in paragraphs (3), (4), and (9) of section
21 3(k) may be authorized to accept and redeem bene-
22 fits unless the Secretary determines that the partici-
23 pation of the private establishment is required to
24 meet a documented need in accordance with section
25 11(e)(24).

1 “(2) EXISTING CONTRACTS.—

2 “(A) IN GENERAL.—If, on the day before
3 the effective date of this subsection, a State has
4 entered into a contract with a private establish-
5 ment described in paragraph (1) and the Sec-
6 retary has not determined that the participation
7 of the private establishment is necessary to
8 meet a documented need in accordance with
9 section 11(e)(24), the Secretary shall allow the
10 operation of the private establishment to con-
11 tinue without that determination of need for a
12 period not to exceed 180 days from the date on
13 which the Secretary establishes determination
14 criteria, by regulation, under section 11(e)(24).

15 “(B) JUSTIFICATION.—If the Secretary de-
16 termines to terminate a contract with a private
17 establishment that is in effect on the effective
18 date of this subsection, the Secretary shall pro-
19 vide justification to the State in which the pri-
20 vate establishment is located for that termi-
21 nation.

22 “(3) REPORT TO CONGRESS.—Not later than
23 90 days after September 30, 2014, and 90 days
24 after the last day of each fiscal year thereafter, the
25 Secretary shall report to the Committee on Agri-

1 culture of the House of Representatives and the
2 Committee on Agriculture, Nutrition, and Forestry
3 of the Senate on the effectiveness of a program
4 under this subsection using any information received
5 from States under section 11(e)(24) as well as any
6 other information the Secretary may have relating to
7 the manner in which benefits are used.”.

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

12 **SEC. 115. MANDATING STATE IMMIGRATION VERIFICATION.**

13 Section 11(p) of the Food and Nutrition Act of 2008
14 (7 U.S.C. 2020(p)) is amended to read as follows:

15 “(p) STATE VERIFICATION OPTION.—In carrying out
16 the supplemental nutrition assistance program, a State
17 agency shall be required to use an income and eligibility,
18 or an immigration status, verification system established
19 under section 1137 of the Social Security Act (42 U.S.C.
20 1320b–7), in accordance with standards set by the Sec-
21 retary.”.

1 **SEC. 116. DATA EXCHANGE STANDARDIZATION FOR IM-**
2 **PROVED INTEROPERABILITY.**

3 (a) DATA EXCHANGE STANDARDIZATION.—Section
4 11 of the Food and Nutrition Act of 2008 (7 U.S.C. 2020)
5 is amended by adding at the end the following:

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

8 “(1) DESIGNATION.—The Secretary shall, in
9 consultation with an interagency work group estab-
10 lished by the Office of Management and Budget, and
11 considering State government perspectives, designate
12 data exchange standards to govern, under this
13 part—

14 “(A) necessary categories of information
15 that State agencies operating such programs
16 are required under applicable law to electroni-
17 cally exchange with another State agency; and

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

20 “(2) REQUIREMENTS.—The data exchange
21 standards required by paragraph (1) shall, to the ex-
22 tent practicable—

23 “(A) incorporate a widely accepted, non-
24 proprietary, searchable, computer-readable for-
25 mat, such as the eXtensible Markup Language;

1 “(B) contain interoperable standards devel-
2 oped and maintained by intergovernmental
3 partnerships, such as the National Information
4 Exchange Model;

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

9 “(D) be consistent with and implement ap-
10 plicable accounting principles;

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

14 “(F) be capable of being continually up-
15 graded as necessary.

16 “(3) RULES OF CONSTRUCTION.—Nothing in
17 this subsection shall be construed to require a
18 change to existing data exchange standards for Fed-
19 eral reporting found to be effective and efficient.”.

20 (b) EFFECTIVE DATE.—The Secretary shall issue a
21 proposed rule within 24 months after the date of the en-
22 actment of this Act. The rule shall identify federally re-
23 quired data exchanges, include specification and timing of
24 exchanges to be standardized, and address the factors
25 used in determining whether and when to standardize data

1 exchanges. It should also specify state implementation op-
2 tions and describe future milestones.

3 **SEC. 117. PILOT PROJECTS TO IMPROVE FEDERAL-STATE**
4 **COOPERATION IN IDENTIFYING AND REDUC-**
5 **ING FRAUD IN THE SUPPLEMENTAL NUTRI-**
6 **TION ASSISTANCE PROGRAM.**

7 Section 12 of the Food and Nutrition Act of 2008
8 (7 U.S.C. 2021) is amended by adding at the end the fol-
9 lowing:

10 “(i) PILOT PROJECTS TO IMPROVE FEDERAL-STATE
11 COOPERATION IN IDENTIFYING AND REDUCING FRAUD IN
12 THE SUPPLEMENTAL NUTRITION ASSISTANCE PRO-
13 GRAM.—

14 “(1) IN GENERAL.—The Secretary shall carry
15 out, under such terms and conditions as determined
16 by the Secretary, pilot projects to test innovative
17 Federal-State partnerships to identify, investigate,
18 and reduce retailer fraud in the supplemental nutri-
19 tion assistance program, including allowing States to
20 operate retail Food Store investigation programs. At
21 least 1 such pilot project shall be carried out in an
22 urban area that is among the 10 largest urban areas
23 in the United States (based on population) if the
24 supplemental nutrition assistance program is sepa-
25 rately administered in such area and if the adminis-

1 tration of such program in such area complies with
2 the other applicable requirements of such program.

3 “(2) SELECTION CRITERIA.—Pilot projects shall
4 be selected based on criteria the Secretary estab-
5 lishes, which shall include—

6 “(A) enhancing existing efforts by the Sec-
7 retary to reduce retailer fraud;

8 “(B) requiring participant States to main-
9 tain their overall level of effort at addressing
10 recipient fraud, as determined by the Secretary,
11 prior to participation in the pilot project;

12 “(C) collaborating with other law enforce-
13 ment authorities as necessary to carry out an
14 effective pilot project;

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

18 “(E) the extent to which a State has com-
19 mitted resources to recipient fraud and the rel-
20 ative success of those efforts.

21 “(3) EVALUATION.—

22 “(A) The Secretary shall evaluate the
23 projects selected under this subsection to meas-
24 ure the impact of the pilot projects.

25 “(B) Such evaluation shall include—

1 “(i) each pilot project’s impact on in-
2 creasing the Secretary’s capacity to ad-
3 dress retailer fraud;

4 “(ii) the effectiveness of the pilot
5 projects in identifying, preventing and re-
6 ducing retailer fraud; and

7 “(iii) the cost effectiveness of such
8 pilot projects.

9 “(4) REPORT TO CONGRESS.—Not later than
10 September 30, 2017, the Secretary shall submit to
11 the Committee on Agriculture of the House of Rep-
12 resentatives and the Committee on Agriculture, Nu-
13 trition and Forestry of the Senate, a report that in-
14 cludes a description of the results of each pilot
15 project, including an evaluation of the impact of the
16 project on retailer fraud and the costs associated
17 with each pilot project.

18 “(5) FUNDING.—Any costs incurred by the
19 State to operate the pilot projects in excess of the
20 amount expended under this Act for retailer fraud in
21 the respective State in the previous fiscal year shall
22 not be eligible for Federal reimbursement under this
23 Act.”.

1 **SEC. 118. PROHIBITING GOVERNMENT-SPONSORED RE-**
2 **CRUITMENT ACTIVITIES.**

3 (a) ADMINISTRATIVE COST-SHARING AND QUALITY
4 CONTROL.—Section 16(a)(4) of the Food and Nutrition
5 Act of 2008 (7 U.S.C. 2025(a)(4)) is amended by insert-
6 ing after “recruitment activities” the following: “designed
7 to persuade an individual to apply for program benefits
8 or that promote the program via television, radio, or bill-
9 board advertisements”.

10 (b) LIMITATION ON USE OF FUNDS AUTHORIZED TO
11 BE APPROPRIATED UNDER ACT.—Section 18 of the Food
12 and Nutrition Act of 2008 (7 U.S.C. 2027) is amended
13 by adding at the end the following:

14 “(g) BAN ON RECRUITMENT AND PROMOTION AC-
15 TIVITIES.—(1) Except as provided in paragraph (2), no
16 funds authorized to be appropriated under this Act shall
17 be used by the Secretary for—

18 “(A) recruitment activities designed to persuade
19 an individual to apply for supplemental nutrition as-
20 sistance program benefits;

21 “(B) television, radio, or billboard advertise-
22 ments that are designed to promote supplemental
23 nutrition assistance program benefits and enroll-
24 ment; or

1 “(C) any agreements with foreign governments
2 designed to promote supplemental nutrition assist-
3 ance program benefits and enrollment.

4 “(2) Paragraph (1)(B) shall not apply to pro-
5 grammatic activities undertaken with respect to benefits
6 made available in response to a natural disaster.”.

7 (c) BAN ON RECRUITMENT ACTIVITIES BY ENTITIES
8 THAT RECEIVE FUNDS.—Section 18 of the Food and Nu-
9 trition Act of 2008 (7 U.S.C. 2027) is amended by adding
10 at the end the following:

11 “(h) BAN ON RECRUITMENT BY ENTITIES THAT RE-
12 CEIVE FUNDS.—The Secretary shall issue regulations that
13 forbid entities that receive funds under this Act to com-
14 pensate any person for conducting outreach activities re-
15 lating to participation in, or for recruiting individuals to
16 apply to receive benefits under, the supplemental nutrition
17 assistance program if the amount of such compensation
18 would be based on the number of individuals who apply
19 to receive such benefits.”.

20 **SEC. 119. REPEAL OF BONUS PROGRAM.**

21 Section 16(d) of the Food and Nutrition Act of 2008
22 (7 U.S.C. 2025(d)) is repealed.

1 **SEC. 120. FUNDING OF EMPLOYMENT AND TRAINING PRO-**
2 **GRAMS.**

3 Section 16(h)(1)(A) of the Food and Nutrition Act
4 of 2008 (7 U.S.C. 2025(h)(1)(A)) is amended by striking
5 “\$90,000,000” and all that follows through
6 “\$79,000,000”, and inserting “\$79,000,000 for each fis-
7 cal year”.

8 **SEC. 121. MONITORING EMPLOYMENT AND TRAINING PRO-**
9 **GRAMS.**

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

13 “(5)(A) IN GENERAL.—The Secretary shall
14 monitor the employment and training programs car-
15 ried out by State agencies under section 6(d)(4) and
16 assess their effectiveness in—

17 “(i) preparing members of households par-
18 ticipating in the supplemental nutrition assist-
19 ance program for employment, including the ac-
20 quisition of basic skills necessary for employ-
21 ment; and

22 “(ii) increasing the numbers of household
23 members who obtain and retain employment
24 subsequent to their participation in such em-
25 ployment and training programs.

1 “(B) REPORTING MEASURES.—The Secretary,
2 in consultation with the Secretary of Labor, shall de-
3 velop reporting measures that identify improvements
4 in the skills, training education or work experience
5 of members of households participating in the sup-
6 plemental nutrition assistance program. Measures
7 shall be based on common measures of performance
8 for federal workforce training programs, so long as
9 they reflect the challenges facing the types of mem-
10 bers of households participating in the supplemental
11 nutrition assistance program who participate in a
12 specific employment and training component. The
13 Secretary shall require that each State employment
14 and training plan submitted under section 11(e)(19)
15 identify appropriate reporting measures for each of
16 their proposed components that serve at least 100
17 people. Such measures may include:

18 “(i) the percentage and number of pro-
19 gram participants who received employment and
20 training services and are in unsubsidized em-
21 ployment subsequent to the receipt of those
22 services;

23 “(ii) the percentage and number of pro-
24 gram participants who obtain a recognized post-
25 secondary credential, including a registered ap-

1 prenticeship, or a regular secondary school di-
2 ploma or its recognized equivalent, while par-
3 ticipating in or within 1 year after receiving
4 employment and training services;

5 “(iii) the percentage and number of pro-
6 gram participants who are in an education or
7 training program that is intended to lead to a
8 recognized postsecondary credential, including a
9 registered apprenticeship or on-the-job training
10 program, a regular secondary school diploma or
11 its recognized equivalent, or unsubsidized em-
12 ployment;

13 “(iv) subject to the terms and conditions
14 set by the Secretary, measures developed by
15 each State agency to assess the skills acquisi-
16 tion of employment and training program par-
17 ticipants that reflect the goals of their specific
18 employment and training program components,
19 which may include, but are not limited to—

20 “(I) the percentage and number of
21 program participants who are meeting pro-
22 gram requirements in each component of
23 the State’s education and training pro-
24 gram; and

1 “(II) the percentage and number of
2 program participants who are gaining
3 skills likely to lead to employment as meas-
4 ured through testing, quantitative or quali-
5 tative assessment or other method; and

6 “(v) other indicators as approved by the
7 Secretary.

8 “(C) STATE REPORT.—Each State agency shall
9 annually prepare and submit to the Secretary a re-
10 port on the State’s employment and training pro-
11 gram that includes the numbers of supplemental nu-
12 trition assistance program participants who have
13 gained skills, training, work or experience that will
14 increase their ability to obtain regular employment
15 using measures identified in subparagraph (B).

16 “(D) MODIFICATIONS TO THE STATE EMPLOY-
17 MENT AND TRAINING PLAN.—Subject to the terms
18 and conditions established by the Secretary, if the
19 Secretary determines that the state agency’s per-
20 formance with respect to employment and training
21 outcomes is inadequate, the Secretary may require
22 the State agency to make modifications to their em-
23 ployment and training plan to improve such out-
24 comes.

25 “(E) PERIODIC EVALUATION.—

1 “(i) IN GENERAL.—Subject to terms and
2 conditions established by the Secretary, not
3 later than October 1, 2016, and not less fre-
4 quently than once every 5 years thereafter, the
5 Secretary shall conduct a study to review exist-
6 ing practice and research to identify employ-
7 ment and training program components and
8 practices that—

9 “(I) effectively assist members of
10 households participating in the supple-
11 mental nutrition assistance program in
12 gaining skills, training, work, or experience
13 that will increase their ability to obtain
14 regular employment, and

15 “(II) are best integrated with state-
16 wide workforce development systems.

17 “(ii) REPORT TO CONGRESS.—The Sec-
18 retary shall submit a report that describes the
19 results of the study under clause (i) to the
20 Committee on Agriculture in the House of Rep-
21 resentatives, and the Committee on Agriculture,
22 Nutrition and Forestry in the Senate.”.

23 (b) EFFECTIVE DATE.—Notwithstanding section 4(c)
24 of the Food and Nutrition Act of 2008 (7 U.S.C.
25 2013(a)), the Secretary shall issue interim final regula-

1 tions implementing the amendment made by subsection
2 (a) no later than 18 months after the date of enactment
3 of this Act. States shall include such reporting measures
4 in their employment and training plans for the 1st fiscal
5 year thereafter that begins no sooner than 6 months after
6 the date that such regulations are published.

7 **SEC. 122. COOPERATION WITH PROGRAM RESEARCH AND**
8 **EVALUATION.**

9 Section 17 of the Food and Nutrition Act of 2008
10 (7 U.S.C. 2026) is amended by adding at the end the fol-
11 lowing:

12 “(l) COOPERATION WITH PROGRAM RESEARCH AND
13 EVALUATION.—States, State agencies, local agencies, in-
14 stitutions, facilities such as data consortiums, and con-
15 tractors participating in programs authorized under this
16 Act shall cooperate with officials and contractors acting
17 on behalf of the Secretary in the conduct of evaluations
18 and studies under this Act and shall submit information
19 at such time and in such manner as the Secretary may
20 require.”.

1 **SEC. 123. PILOT PROJECTS TO REDUCE DEPENDENCY AND**
2 **INCREASE WORK EFFORT IN THE SUPPLE-**
3 **MENTAL NUTRITION ASSISTANCE PROGRAM.**

4 Section 17 of the Food and Nutrition Act of 2008
5 (7 U.S.C. 2026), as amended by section 121, is amended
6 by adding at the end the following:

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

10 “(1) IN GENERAL.—The Secretary shall carry
11 out, under such terms and conditions as the Sec-
12 retary considers to be appropriate, pilot projects to
13 identify best practices for employment and training
14 programs under this Act to raise the number of
15 work registrants who obtain unsubsidized employ-
16 ment, increase their earned income, and reduce their
17 reliance on public assistance, including but not lim-
18 ited to the supplemental nutrition assistance pro-
19 gram.

20 “(2) SELECTION CRITERIA.—Pilot projects shall
21 be selected based on criteria the Secretary estab-
22 lishes, that shall include—

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

25 “(B) agreeing to participate in the evalua-
26 tion described in paragraph (3), including mak-

1 ing available data on participants’ employment
2 activities and post-participation employment,
3 earnings, and public benefit receipt;

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

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

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

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

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

19 “(I) section 20 workfare;

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

23 “(III) post-employment support
24 services necessary for maintaining em-
25 ployment; and

1 “(IV) education leading to a rec-
2 ognized postsecondary credential, reg-
3 istered apprenticeship, or secondary
4 school diploma or its equivalent;

5 “(iii) are located in a range of geo-
6 graphic areas, including rural, urban, and
7 Indian reservations; and

8 “(iv) include participants who are ex-
9 empt and not exempt under section
10 (6)(d)(2).

11 “(3) EVALUATION.—The Secretary shall pro-
12 vide for an independent evaluation of projects se-
13 lected under this subsection to measure the impact
14 of the pilot projects on the ability of each pilot
15 project target population to find and retain employ-
16 ment that leads to increased household income and
17 reduced dependency, compared to what would have
18 occurred in the absence of the pilot project.

19 “(4) REPORT TO CONGRESS.—By September
20 30, 2017, the Secretary shall submit, to the Com-
21 mittee on Agriculture of the House of Representa-
22 tives and the Committee on Agriculture, Nutrition,
23 and Forestry of the Senate, a report that includes
24 a description of—

1 “(A) the results of each pilot project, in-
2 cluding an evaluation of the impact of the
3 project on the employment, income, and public
4 benefit receipt of the targeted population of
5 work registrants;

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

8 “(C) the planned dissemination of the re-
9 ports’ findings with State agencies; and

10 “(D) the steps and funding necessary to
11 incorporate components of pilot projects that
12 demonstrate increased employment and earn-
13 ings into State employment and training pro-
14 grams.

15 “(5) FUNDING.—From amounts made available
16 under section 18(a)(1), the Secretary shall make
17 \$10,000,000 available for each of the fiscal years
18 2014, 2015, and 2016 to carry out this subsection.
19 Such amounts shall remain available until expended.

20 “(6) USE OF FUNDS.—

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

23 “(i) pilot projects that comply with
24 the provisions of this Act;

1 “(ii) the costs and administration of
2 the pilot projects;

3 “(iii) the costs incurred in providing
4 information and data to the independent
5 evaluation under paragraph (3); and

6 “(iv) the costs of the evaluation under
7 paragraph (3).

8 “(B) Funds made available under this sub-
9 section may not be used to supplant non-Fed-
10 eral funds used for existing employment and
11 training activities.”.

12 **SEC. 124. AUTHORIZATION OF APPROPRIATIONS.**

13 Section 18(a)(1) of the Food and Nutrition Act of
14 2008 (7 U.S.C. 2027(a)(1)) is amended in the 1st sen-
15 tence by striking “2012” and inserting “2016”.

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

18 Section 19(a)(2)(B) of the Food and Nutrition Act
19 of 2008 (7 U.S.C. 2028(a)(2)(B)) is amended by adding
20 at the end the following:

21 “(iii) LIMITATION ON USE OF
22 FUNDS.—None of the funds made available
23 to the Commonwealth of Puerto Rico
24 under this subparagraph may be used to

1 provide nutrition assistance in the form of
2 cash benefits.”.

3 **SEC. 126. ASSISTANCE FOR COMMUNITY FOOD PROJECTS.**

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

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

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

11 (3) by adding at the end the following:

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

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

18 “(3) FUNDING.—

19 “(A) IN GENERAL.—Out of any funds in
20 the Treasury not otherwise appropriated, the
21 Secretary of the Treasury shall transfer to the
22 Secretary to carry out this section not less than
23 \$10,000,000 for fiscal year 2014 and each fis-
24 cal year thereafter. Of the amount made avail-
25 able under this subparagraph for each such fis-

1 cal year, \$5,000,000 shall be available to carry
 2 out subsection (a)(1)(B)(I)(IV).

3 “(B) RECEIPT AND ACCEPTANCE.—The
 4 Secretary shall be entitled to receive, shall ac-
 5 cept, and shall use to carry out this section, the
 6 funds transferred under subparagraph (A) with-
 7 out further appropriation.

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

13 **SEC. 127. EMERGENCY FOOD ASSISTANCE.**

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

17 (1) in paragraph (1) by striking “2008 through
 18 2012” and inserting “2013 through 2016”;

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

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

22 “(B) for fiscal year 2014, the dollar
 23 amount of commodities specified in subpara-
 24 graph (A) adjusted by the percentage by which
 25 the thrifty food plan has been adjusted under

1 section 3(u)(4) between June 30, 2012 and
2 June 30, 2013, and increased by \$70,000,000;

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

9 “(D) for fiscal year 2016, the dollar
10 amount of commodities determined for fiscal
11 year 2015 under subparagraph (C) adjusted by
12 the percentage by which the thrifty food plan
13 has been adjusted under section 3(u)(4) be-
14 tween June 30, 2014 and June 30, 2015, and
15 reduced by \$50,000,000; and

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

23 (3) by adding at the end the following:

1 “(3) FUNDS AVAILABILITY.—For purposes of
2 the funds described in this subsection, the Secretary
3 shall—

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

6 “(B) allow States to carry over unex-
7 pended balances to the next fiscal year pursu-
8 ant to such terms and conditions as are deter-
9 mined by the Secretary.”.

10 (b) EMERGENCY FOOD PROGRAM INFRASTRUCTURE
11 GRANTS.—Section 209(d) of the Emergency Food Assist-
12 ance Act of 1983 (7 U.S.C. 7511a(d)) is amended by
13 striking “2012” and inserting “2016”.

14 **SEC. 128. NUTRITION EDUCATION.**

15 Section 28 of the Food and Nutrition Act of 2008
16 (7 U.S.C. 2036a) is amended—

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

19 (2) in subsection (d)(1)—

20 (A) in subparagraph (D) by striking
21 “\$401,000,000;” and inserting “\$372,000,000;
22 and”;

23 (B) by striking subparagraph (E); and

1 (C) in subparagraph (F) by striking “(F)
2 for fiscal year 2016” and inserting “(E) for fis-
3 cal year 2015”.

4 **SEC. 129. RETAILER TRAFFICKING.**

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

7 **“SEC. 29. RETAILER TRAFFICKING.**

8 “(a) PURPOSE.—The purpose of this section is to
9 provide the Department of Agriculture with additional re-
10 sources to prevent trafficking in violation of this Act by
11 strengthening recipient and retailer program integrity.
12 Additional funds are provided to supplement the Depart-
13 ment’s payment accuracy, and retailer and recipient integ-
14 rity activities.

15 “(b) FUNDING.—

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

21 “(2) RECEIPT AND ACCEPTANCE.—The Sec-
22 retary shall be entitled to receive, shall accept, and
23 shall use to carry out this section the funds trans-
24 ferred under paragraph (1) without further appro-
25 priation.

1 “(3) MAINTENANCE OF FUNDING.—The fund-
2 ing provided under paragraph (1) shall supplement
3 (and not supplant) other Federal funding for pro-
4 grams carried out under this Act.”.

5 **SEC. 130. TECHNICAL AND CONFORMING AMENDMENTS.**

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

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

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

12 (3) by striking subsection (l);

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

15 (5) by inserting after subsection (s) (as so re-
16 designated) the following:

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

19 (b) Section 4(a) of the Food and Nutrition Act of
20 2008 (7 U.S.C. 2013(a)) is amended by striking “bene-
21 fits” the last place it appears and inserting “Benefits”.

22 (c) Section 5 of the Food and Nutrition Act of 2008
23 (7 U.S.C. 2014) is amended—

1 (1) in the last sentence of subsection (i)(2)(D)
2 by striking “section 13(b)(2)” and inserting “section
3 13(b)”;

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

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

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

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

12 (e) Section 7(h) of the Food and Nutrition Act of
13 2008 (7 U.S.C. 2016(h)) is amended by redesignating the
14 2d paragraph (12) as paragraph (13).

15 (f) Section 12 of the Food and Nutrition Act of 2008
16 (7 U.S.C. 2021) is amended—

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

19 (2) in subsection (g)(1) by striking “(7 U.S.C.
20 1786)” and inserting “(42 U.S.C. 1786)”.

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

1 (h) Section 16(a) of the Food and Nutrition Act of
2 2008 (7 U.S.C. 2025(a)) is amended in the proviso fol-
3 lowing paragraph (8) by striking “, as amended.”.

4 (i) Section 18(e) of the Food and Nutrition Act of
5 2008 (7 U.S.C. 2027(e)) is amended in the 1st sentence
6 by striking “sections 7(f)” and inserting “section 7(f)”.

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

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

14 (l) Section 27(a)(1) of the Food and Nutrition Act
15 of 2008 (7 U.S.C. 2036(a)(1)) is amended by striking
16 “(Public Law 98–8; 7 U.S.C. 612c note)” and inserting
17 “(7 U.S.C. 7515)”.

18 (m) Section 509 of the Older Americans Act of 1965
19 (42 U.S.C. 3056g) is amended in the section heading by
20 striking “**FOOD STAMP PROGRAMS**” and inserting
21 “**SUPPLEMENTAL NUTRITION ASSISTANCE PRO-**
22 **GRAM**”.

23 (n) Section 4115(c)(2)(H) of the Food, Conservation,
24 and Energy Act of 2008 (Public Law 110–246; 122 Stat.
25 1871) is amended by striking “531” and inserting “454”.

1 (o) Section 3803(c)(2)(C)(vii) of title 31 of the
2 United States Code is amended by striking “section 3(l)”
3 and inserting “section 3(s)”.

4 (p) Section 115 of the Personal Responsibility and
5 Work Opportunity Reconciliation Act of 1996 (Public Law
6 104–193) is amended—

7 (1) in subsection (a)(2) by striking “section
8 3(l)” and inserting “section 3(s)”;

9 (2) in subsection (b)(2) by striking “section
10 3(l)” and inserting “section 3(s)”;

11 (3) in subsection (e)(2) by striking “section
12 3(l)” and inserting “section 3(s)”.

13 (q) The Agriculture and Consumer Protection Act of
14 1973 (7 U.S.C. 612c) is amended—

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

18 (2) in section 5—

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

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

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

3 (1) in the heading of section 453(j)(10) by
 4 striking “FOOD STAMP” and inserting “SUPPLE-
 5 MENTAL NUTRITION ASSISTANCE”;

6 (2) in section 1137—

7 (A) in subsection (a)(5)(B) by striking
 8 “food stamp” and inserting “supplemental nu-
 9 trition assistance”; and

10 (B) in subsection (b)(4) by striking “food
 11 stamp program under the Food Stamp Act of
 12 1977” and inserting “supplemental nutrition
 13 assistance program under the Food and Nutri-
 14 tion Act of 2008”; and

15 (3) in the heading of section 1631(n) by strik-
 16 ing “FOOD STAMP” and inserting “SUPPLEMENTAL
 17 NUTRITION ASSISTANCE”.

18 **SEC. 131. TOLERANCE LEVEL FOR EXCLUDING SMALL ER-**
 19 **RORS.**

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

23 (1) for fiscal year 2014 at an amount no great-
 24 er than \$25; and

1 (2) for each fiscal year thereafter, the amount
2 specified in paragraph (1) adjusted by the percent-
3 age by which the thrifty food plan is adjusted under
4 section 3(u)(4) of such Act between June 30, 2012,
5 and June 30 of the immediately preceding fiscal
6 year.

7 **SEC. 132. COMMONWEALTH OF THE NORTHERN MARIANA**
8 **ISLANDS PILOT PROGRAM.**

9 (a) STUDY.—

10 (1) IN GENERAL.—Prior to establishing the
11 pilot program under subsection (b), the Secretary
12 shall conduct a study to be completed not later than
13 2 years after the effective date of this section to as-
14 sess—

15 (A) the capabilities of the Commonwealth
16 of the Northern Mariana Islands to operate the
17 supplemental nutrition assistance program in
18 the same manner in which the program is oper-
19 ated in the States (as defined in section 3 of
20 the Food and Nutrition Act (7 U.S.C. 2011 et
21 seq.)); and

22 (B) alternative models of the supplemental
23 nutrition assistance program operation and ben-
24 efit delivery that best meet the nutrition assist-

1 ance needs of the Commonwealth of the North-
2 ern Mariana Islands.

3 (2) SCOPE.—The study conducted under para-
4 graph (1)(A) will assess the capability of the Com-
5 monwealth to fulfill the responsibilities of a State
6 agency, including—

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

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

12 (C) maintaining the integrity of the pro-
13 gram, including operation of a quality control
14 system, as prescribed by section 16(c) of the
15 Act;

16 (D) implementing work requirements, in-
17 cluding operating an employment and training
18 program, as prescribed by section 6(d) of the
19 Act; and

20 (E) paying a share of administrative costs
21 with non-Federal funds, as prescribed by sec-
22 tion 16(a) of the Act.

23 (b) ESTABLISHMENT.—If the Secretary determines
24 that a pilot program is feasible, the Secretary shall estab-
25 lish a pilot program for the Commonwealth of the North-

1 ern Mariana Islands to operate the supplemental nutrition
2 assistance program in the same manner in which the pro-
3 gram is operated in the States.

4 (c) SCOPE.—The Secretary shall utilize the informa-
5 tion obtained from the study conducted under subsection
6 (a) to establish the scope of the pilot program established
7 under subsection (b).

8 (d) REPORT.—Not later than June 30, 2019, the
9 Secretary shall submit to the Committee on Agriculture
10 of the House of Representatives and the Committee on
11 Agriculture, Nutrition, and Forestry of the Senate a re-
12 port on the pilot program carried out under this section,
13 including an analysis of the feasibility of operating in the
14 Commonwealth of the Northern Mariana Islands the sup-
15 plemental nutrition assistance program as it is operated
16 in the States.

17 (e) FUNDING.—

18 (1) STUDY.—Of the funds made available under
19 section 18(a)(1) of the Food and Nutrition Act of
20 2008, the Secretary may use not more than
21 \$1,000,000 in each of fiscal years 2014 and 2015 to
22 conduct the study described in subsection (a).

23 (2) PILOT PROGRAM.—Of the funds made avail-
24 able under section 18(a)(1) of the Food and Nutri-
25 tion Act of 2008, for the purposes of establishing

1 and carrying out the pilot program established under
2 subsection (b) of this section, including the Federal
3 costs for providing technical assistance to the Com-
4 monwealth, authorizing and monitoring retail food
5 stores, and assessing pilot operations, the Secretary
6 may use not more than—

7 (A) \$13,500,000 in fiscal year 2016; and

8 (B) \$8,500,000 in each of fiscal years
9 2017 and 2018.

10 **SEC. 133. ANNUAL STATE REPORT ON VERIFICATION OF**
11 **SNAP PARTICIPATION.**

12 (a) ANNUAL REPORT.—Not later 1 year after the
13 date specified by the Secretary in the 180-day period be-
14 ginning on the date of the enactment of this Act, and an-
15 nually thereafter, each State agency that carries out the
16 supplemental nutrition assistance program shall submit to
17 the Secretary a report containing sufficient information
18 for the Secretary to determine whether the State agency
19 has, for the then most recently concluded fiscal year pre-
20 ceding such annual date, verified that households to which
21 such State agency provided such assistance in such fiscal
22 year—

23 (1) did not obtain benefits attributable to a de-
24 ceased individual;

1 (2) did not include an individual who was si-
2 multaneously included in a household receiving such
3 assistance in another State; and

4 (3) did not include, during the time benefits
5 were provided, an individual who was then disquali-
6 fied from receiving benefits.

7 (b) PENALTY FOR NONCOMPLIANCE.—For any fiscal
8 year for which a State agency fails to comply with sub-
9 section (a), the Secretary shall reduce by 50 percent the
10 amount otherwise payable to such State agency under sec-
11 tion 16(a) of the Food and Nutrition Act of 2008 with
12 respect to such fiscal year.

13 **SEC. 134. TERMINATION OF EXISTING AGREEMENT.**

14 Effective on the date of the enactment of this Act,
15 the memorandum of understanding entered into on July
16 22, 2004, by the Secretary of Agriculture of the United
17 States Department of Agriculture and the Secretary of
18 Foreign Affairs of the Republic of Mexico and known as
19 the “Partnership for Nutrition Assistance Initiative” is
20 null and void.

21 **SEC. 135. SERVICE OF TRADITIONAL FOODS IN PUBLIC FA-**
22 **CILITIES.**

23 (a) DEFINITIONS.—In this section:

24 (1) FOOD SERVICE PROGRAM.—The term “food
25 service program” includes—

1 (A) food service at a residential child care
2 facility with a license from an appropriate State
3 agency;

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

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

9 (D) a senior meal program.

10 (2) INDIAN; INDIAN TRIBE; INDIAN TRIBAL OR-
11 GANIZATION.—The terms “Indian”; “Indian tribe”;
12 and “Indian Tribal Organization” have the mean-
13 ings given those terms in section 4 of the Indian
14 Self-Determination and Education Assistance Act
15 (25 U.S.C. 450b).

16 (3) TRADITIONAL FOOD.—

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

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

22 (i) wild game meat;

23 (ii) fish;

24 (iii) seafood;

25 (iv) marine mammals;

1 (v) plants; and

2 (vi) berries.

3 (b) PROGRAM.—Notwithstanding any other provision
4 of law, the Secretary shall allow the donation to and serv-
5 ing of traditional food through a food service program at
6 a public facility, nonprofit facility, including facilities oper-
7 ated by an Indian tribe or tribal organization that pri-
8 marily serves Indians if the operator of the food service
9 program—

10 (1) ensures that the food is received whole, gut-
11 ted, gilled, as quarters, or as a roast, without fur-
12 ther processing;

13 (2) makes a reasonable determination that—

14 (A) the animal was not diseased;

15 (B) the food was butchered, dressed, trans-
16 ported, and stored to prevent contamination,
17 undesirable microbial growth, or deterioration;
18 and

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

21 (3) carries out any further preparation or proc-
22 essing of the food at a different time or in a dif-
23 ferent space from the preparation or processing of
24 other food for the applicable program to prevent
25 cross-contamination;

1 (4) cleans and sanitizes food-contact surfaces of
2 equipment and utensils after processing the tradi-
3 tional food; and

4 (5) labels donated traditional food with the
5 name of the food and stores the traditional food sep-
6 arately from other food for the applicable program,
7 including through storage in a separate freezer or
8 refrigerator or in a separate compartment or shelf in
9 the freezer or refrigerator.

10 (c) LIABILITY.—Liability for damages from donated
11 traditional food and products to the participating food
12 service program shall not be subject to civil or criminal
13 liability arising from the nature, age, packaging, or condi-
14 tion of donated food.

15 **SEC. 136. TESTING APPLICANTS FOR UNLAWFUL USE OF**
16 **CONTROLLED SUBSTANCES.**

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

20 “(s) TESTING APPLICANTS FOR UNLAWFUL USE OF
21 CONTROLLED SUBSTANCES.—

22 “(1) Nothing in this Act, or in any other Fed-
23 eral law, shall be considered to prevent a State, at
24 the full cost to such State, from—

1 “(A) enacting legislation to provide for
2 testing any individual who is a member of a
3 household applying for supplemental nutrition
4 assistance benefits, for the unlawful use of con-
5 trolled substances as a condition for receiving
6 such benefits; and

7 “(B) finding an individual ineligible to par-
8 ticipate in the supplemental nutrition assistance
9 program on the basis of the positive result of
10 the testing conducted by the State under such
11 legislation.

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

16 **SEC. 137. ELIGIBILITY DISQUALIFICATIONS FOR CERTAIN**
17 **CONVICTED FELONS.**

18 (a) AMENDMENT.—Section 6 of the Food and Nutri-
19 tion Act of 2008 (7 U.S.C. 2015), as amended by sections
20 109 and 135, is amended by adding at the end the fol-
21 lowing:

22 “(t) DISQUALIFICATION FOR CERTAIN CONVICTED
23 FELONS.—

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

4 “(A) aggravated sexual abuse under sec-
5 tion 2241 of title 18, United States Code;

6 “(B) murder under section 1111 of title
7 18, United States Code;

8 “(C) an offense under chapter 110 of title
9 18, United States Code;

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

14 “(E) an offense under State law deter-
15 mined by the Attorney General to be substan-
16 tially similar to an offense described in sub-
17 paragraph (A), (B), or (C).

18 “(2) EFFECTS ON ASSISTANCE AND BENEFITS
19 FOR OTHERS.—The amount of benefits otherwise re-
20 quired to be provided to an eligible household under
21 this Act shall be determined by considering the indi-
22 vidual to whom paragraph (1) applies not to be a
23 member of such household, except that the income
24 and resources of the individual shall be considered to
25 be income and resources of the household.

(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.

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:

HR 3102 RFS

1 **SEC. 139. PILOT PROJECTS TO PROMOTE WORK AND IN-**
2 **CREASE STATE ACCOUNTABILITY IN THE**
3 **SUPPLEMENTAL NUTRITION ASSISTANCE**
4 **PROGRAM.**

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

9 “(n) PILOT PROJECTS TO PROMOTE WORK AND IN-
10 CREASE STATE ACCOUNTABILITY IN THE SUPPLEMENTAL
11 NUTRITION ASSISTANCE PROGRAM.—

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

21 “(2) AGREEMENTS.—

22 “(A) IN GENERAL.—In carrying out this
23 subsection, the Secretary shall enter into coop-
24 erative agreements with States in accordance
25 with pilot projects that meet the criteria re-
26 quired under this subsection.

1 “(B) APPLICATION.—To be eligible to
2 enter into a cooperative agreement to operate a
3 pilot project under this subsection, a State shall
4 amend its State plan under section 11(d) to in-
5 clude a description of its pilot project and ex-
6 planations of how such project meets the cri-
7 teria required under this subsection. The Sec-
8 retary may not disapprove a pilot project which
9 meets the requirements under this subsection.

10 “(C) ASSURANCES.—A State shall include
11 in its plan assurances that its pilot project
12 will—

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

16 “(ii) have a robust data collection sys-
17 tem for program administration that is de-
18 signed and shared with project evaluators
19 to ensure proper and timely evaluation;
20 and

21 “(iii) intend to offer a work activity
22 described in paragraph (3) to adults as-
23 signed and required to participate under
24 paragraph (4)(A) and who are not exempt
25 under paragraph (4)(B).

1 “(D) NUMBER OF PILOT PROJECTS.—Any
2 State may carry out a pilot project that meets
3 the requirements of this subsection.

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

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

10 “(i) Employment in the public or private
11 sector that is not subsidized by any public pro-
12 gram.

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

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

21 “(iv) A work activity that—

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

24 “(II) provides an adult with an oppor-
25 tunity to acquire the general skills, knowl-

1 edge, and work habits necessary to obtain
2 employment;

3 “(III) is designed to improve the em-
4 ployability of those who cannot find unsub-
5 sidized employment; and

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

9 “(v) Training in the public or private sec-
10 tor that is given to a paid employee while he or
11 she is engaged in productive work and that pro-
12 vides knowledge and skills essential to the full
13 and adequate performance of the job.

14 “(vi) Job search, obtaining employment, or
15 preparation to seek or obtain employment, in-
16 cluding—

17 “(I) life skills training;

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

23 “(III) rehabilitation activities,
24 supervised by a public agency or other respon-
25 sible party on an ongoing basis.

1 “(vii) Structured programs and embedded
2 activities—

3 “(I) in which adults perform work for
4 the direct benefit of the community under
5 the auspices of public or nonprofit organi-
6 zations;

7 “(II) that are limited to projects that
8 serve useful community purposes in fields
9 such as health, social service, environ-
10 mental protection, education, urban and
11 rural redevelopment, welfare, recreation,
12 public facilities, public safety, and child
13 care;

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

18 “(IV) that are supervised on an ongo-
19 ing basis; and

20 “(V) with respect to which a State
21 agency takes into account, to the extent
22 possible, the prior training, experience, and
23 skills of a recipient in making appropriate
24 community service assignments.

1 “(viii) Career and technical training pro-
2 grams (not to exceed 12 months with respect to
3 any adult) that are directly related to the prep-
4 aration of adults for employment in current or
5 emerging occupations and that are supervised
6 on an ongoing basis.

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

13 “(x) Education that is related to a specific
14 occupation, job, or job offer and that is super-
15 vised on an ongoing basis.

16 “(xi) In the case of an adult who has not
17 completed secondary school or received such a
18 certificate of general equivalence, regular at-
19 tendance—

20 “(I) in accordance with the require-
21 ments of the secondary school or course of
22 study, at a secondary school or in a course
23 of study leading to such certificate; and

24 “(II) supervised on an ongoing basis.

1 “(xii) Providing child care to enable an-
2 other recipient of public benefits to participate
3 in a community service program that—

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

6 “(II) is a structured program de-
7 signed to improve the employability of
8 adults who participate in such program;
9 and

10 “(III) is supervised on an ongoing
11 basis.

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

19 “(4) PILOT PROJECTS.—Pilot projects carried
20 out under this subsection shall include interventions
21 to which adults are assigned that are designed to re-
22 duce unnecessary dependence, promote self-suffi-
23 ciency, increase work levels, increase earned income,
24 and reduce supplemental nutrition assistance benefit
25 expenditures among households eligible for, applying

1 for, or participating in the supplemental nutrition
2 assistance program.

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

5 “(i) be subject to mandatory partici-
6 pation in work activities specified in para-
7 graph (3);

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

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

14 “(iv) be subject to penalties during a
15 period of nonparticipation without good
16 cause ranging from, at State option, a
17 minimum of the removal of the adults from
18 the household benefit amount, up to a
19 maximum of the discontinuance of the en-
20 tire household benefit amount; and

21 “(v) not be penalized for nonparticipa-
22 tion if child care is not available for 1 or
23 more children under 6 years of age.

24 “(B) The State shall allow certain individ-
25 uals to be exempt from work requirements—

1 “(i) those participating in work pro-
2 grams under a State program funded
3 under part A of title IV of the Social Secu-
4 rity Act (42 U.S.C. 601 et seq.) for an
5 equal or greater number of hours;

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

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

11 “(iv) an adult who is receiving tem-
12 porary or permanent disability benefits
13 provided by a governmental entity; and

14 “(v) those with a good cause reason
15 for nonparticipation, such as victims of do-
16 mestic violence, as defined by the State.

17 “(5) EVALUATION AND REPORTING.—

18 “(A) EVALUATION.—

19 “(i) INDEPENDENT EVALUATION.—

20 “(I) IN GENERAL.—The Sec-
21 retary shall provide for each State
22 that enters into a cooperative agree-
23 ment under paragraph (2) an inde-
24 pendent, longitudinal evaluation of its
25 pilot project under this subsection to

1 determine total program savings over
2 the entire course of the pilot project
3 with results reported in consecutive
4 12-month increments.

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

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

23 “(aa) is not subject to the
24 interventions provided by the

1 State under the pilot project
2 under this subsection; and

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

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

14 “(V) DEFINITION.—Constructed
15 control group means there is no ran-
16 dom assignment, and instead program
17 participants (those subject to inter-
18 ventions) and non-participants (con-
19 trol described in subclause (III)) are
20 equated using matching or statistical
21 procedures on characteristics that
22 may be associated with program out-
23 comes.

24 “(B) REPORTING.—Not later than 90 days
25 after the end of fiscal year 2014 and of each

1 fiscal year thereafter, until the completion of
2 the last evaluation under subparagraph (A), the
3 Secretary shall submit to the Committee on Ag-
4 riculture of the House of Representatives and
5 the Committee on Agriculture, Nutrition, and
6 Forestry of the Senate, a report that includes
7 a description of—

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

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

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

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

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

22 “(III) equivalent information
23 about similar or identical measures
24 for control groups;

1 “(IV) the planned dissemination
2 of the report findings to State agen-
3 cies; and

4 “(V) the steps and funding nec-
5 essary to incorporate into State em-
6 ployment and training programs the
7 components of pilot projects that dem-
8 onstrate increased employment and
9 earnings.

10 “(C) PUBLIC DISSEMINATION.—In addi-
11 tion to the reporting requirements under sub-
12 paragraph (B), evaluation results shall be
13 shared broadly to inform policy makers, service
14 providers, other partners, and the public in
15 order to promote wide use of successful strate-
16 gies, including by posting evaluation results on
17 the Internet website of the Department of Agri-
18 culture.

19 “(6) FUNDING.—

20 “(A) ADDITIONAL AVAILABLE FUNDS.—
21 From amounts made available under section
22 18(a)(1), the Secretary shall make available—

23 “(i) up to \$1,000,000 for each of the
24 fiscal years 2014 through 2017 for evalua-
25 tions described in paragraph (5) to carry

1 out this subsection, with such amounts to
2 remain available until expended; and

3 “(ii) amounts equal to one-half of the
4 accumulated supplemental nutrition assist-
5 ance benefit dollars saved over each con-
6 secutive 12-month period according to the
7 evaluation under paragraph (5) for bonus
8 grants to States under paragraph (7)(B).

9 “(B) ADMINISTRATIVE EXPENSES.—

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

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

20 “(II) the Secretary shall also re-
21 imburse the State in an amount equal
22 to 50 percent of the total amount of
23 payments made or costs incurred by
24 the State agency in connection with
25 transportation costs and other ex-

1 penses reasonably necessary and di-
2 rectly related to participation in a
3 pilot project under this subsection, ex-
4 cept that the amount of the reim-
5 bursement for dependent care ex-
6 penses shall not exceed an amount
7 equal to the payment made under sec-
8 tion 6(d)(4)(I)(i)(II) but not more
9 than the applicable local market rate,
10 and such reimbursement shall not be
11 made out of funds allocated under
12 section 16(h)(1).

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

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

22 “(II) \$277,000,000 (plus the
23 amount carried over, if any, under
24 clause (iii)), divided by the aggregate
25 amount of administrative expenses

1 that would be reimbursable for such
2 fiscal year to all of the States under
3 clause (i) without regard to this
4 clause.

5 “(iii) CARRYOVER.—The amount by
6 which \$277,000,000 exceeds the aggregate
7 amount paid under clause (i) for a par-
8 ticular fiscal year shall remain available for
9 payments under such clause for any subse-
10 quent fiscal year.

11 “(C) OTHER FUNDS.—Any additional
12 funds required by a State to carry out a pilot
13 project under this subsection may be provided
14 by the State from funds made available to the
15 State for such purpose and in accordance with
16 State and other Federal laws, including the fol-
17 lowing:

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

20 “(ii) The Workforce Investment Act
21 of 1998 (29 U.S.C. 9201 et seq.).

22 “(iii) The Child Care and Develop-
23 ment Block Grant Act of 1990 (42 U.S.C.
24 9858 et seq.) and section 418 of the Social
25 Security Act (42 U.S.C. 618).

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

4 “(7) USE OF FUNDS.—

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

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

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

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

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

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

22 “(ii) any State purpose, not to be re-
23 stricted to the supplemental nutrition as-
24 sistance program or its beneficiary popu-
25 lation.”.

1 (b) CONFORMING AMENDMENTS.—The Food and
2 Nutrition Act of 2008 (7 U.S.C. 2011 et seq.) is amend-
3 ed—

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

6 (A) in subsection (a) by striking “sub-
7 section (k)” and inserting “subsections (k) and
8 (h) and section 20”; and

9 (B) in subsection (h)—

10 (i) in paragraph (1)—

11 (I) in subparagraph (A) by in-
12 serting “under sections 6(d)(4) and
13 17(n)” after “programs”; and

14 (II) by striking subparagraph
15 (E);

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

18 “(2) EXCLUSION OF REIMBURSEMENT FOR AD-
19 MINISTRATIVE COSTS.—No funds may be paid under
20 subsection (a) to a State agency for administrative
21 costs incurred to carry out any of such programs in
22 such fiscal year.”;

23 (iii) in paragraph (4) by inserting “or
24 17(n)” after “section 6(d)(4)”; and

1 (iv) by redesignating paragraphs (4)
 2 and (5) as paragraphs (3) and (4), respec-
 3 tively;

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

6 “(g) EXCLUSION OF REIMBURSEMENT FOR ADMINIS-
 7 TRATIVE COSTS.—No funds may be paid under this sec-
 8 tion to a State agency for administrative costs incurred
 9 to carry out a workfare program operated under this sec-
 10 tion.”; and

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

13 **SEC. 140. IMPROVED WAGE VERIFICATION USING THE NA-**
 14 **TIONAL DIRECTORY OF NEW HIRES.**

15 Effective October 1, 2013, section 11(e) of the Food
 16 and Nutrition Act of 2008 (7 U.S.C. 2020(e)) is amend-
 17 ed—

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

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

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

25 (4) by adding at the end the following:

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

8 **SEC. 141. FEASIBILITY STUDY FOR INDIAN TRIBES.**

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

12 “(d) FEASIBILITY STUDY FOR INDIAN TRIBES.—

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

20 “(2) CONSIDERATIONS.—In conducting the
21 study, the Secretary shall consider—

22 “(A) the probable effects on specific pro-
23 grams and program beneficiaries of such a
24 demonstration project;

1 “(B) statutory, regulatory, or other im-
2 pediments to implementation of such a dem-
3 onstration project;

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

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

8 “(E) methods to assure quality and ac-
9 countability in such a demonstration project;
10 and

11 “(F) such other issues that may be deter-
12 mined by the Secretary or developed through
13 consultation with pursuant to paragraph (4).

14 “(3) REPORT.—Not later than 18 months after
15 the effective date of this subsection, the Secretary
16 shall submit a report to the Committee on Agri-
17 culture, Nutrition and Forestry of the Senate and
18 the Committee on Agriculture of the House of Rep-
19 resentatives. The report shall contain—

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

22 “(B) a list of programs, services, functions,
23 and activities (or portions thereof) within each
24 agency with respect to which it would be fea-

1 sible to include in a tribal demonstration
2 project;

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

10 “(D) a list of legislative actions required in
11 order to include those programs, services, func-
12 tion, and activities (or portions thereof) in-
13 cluded in the list provided pursuant to subpara-
14 graph (B) but not included in the list provided
15 pursuant to subparagraph (C), in a tribal dem-
16 onstration project.

17 “(4) CONSULTATION WITH INDIAN TRIBES.—
18 The Secretary shall consult with Indian tribes to de-
19 termine a protocol for consultation under paragraph
20 (1) prior to consultation under such paragraph with
21 the other entities described in such paragraph. The
22 protocol shall require, at a minimum, that—

23 “(A) the government-to-government rela-
24 tionship with Indian tribes forms the basis for
25 the consultation process;

1 “(B) the Indian tribes and the Secretary
 2 jointly conduct the consultations required by
 3 this subsection; and

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

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

11 **TITLE II—COMMODITY** 12 **DISTRIBUTION PROGRAMS**

13 **SEC. 201. COMMODITY DISTRIBUTION PROGRAM.**

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

18 **SEC. 202. COMMODITY SUPPLEMENTAL FOOD PROGRAM.**

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

22 (1) in paragraphs (1) and (2)(B) of subsection
 23 (a) by striking “2012” each place it appears and in-
 24 serting “2016”;

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

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

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

9 (4) by adding at the end the following:

10 “(m) PHASE-OUT.—Notwithstanding any other pro-
11 vision of law, an individual who receives assistance under
12 the commodity supplemental food program on the day be-
13 fore the effective date of this subsection shall continue to
14 receive that assistance until the date on which the indi-
15 vidual no longer qualifies for assistance under the eligi-
16 bility criteria for the program in effect on the day before
17 the effective date of this subsection.”.

18 **SEC. 203. DISTRIBUTION OF SURPLUS COMMODITIES TO**
19 **SPECIAL NUTRITION PROJECTS.**

20 Section 1114(a)(2)(A) of the Agriculture and Food
21 Act of 1981 (7 U.S.C. 1431e(2)(A)) is amended in the
22 1st sentence by striking “2012” and inserting “2016”.

1 **SEC. 204. PROCESSING OF COMMODITIES.**

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

5 (1) striking the heading and inserting “**COM-**
6 **MODITY DONATIONS AND PROCESSING**”; and

7 (2) adding at the end the following:

8 “(c) PROCESSING.—For any program included in
9 subsection (b), the Secretary may, notwithstanding any
10 other provision of State or Federal law relating to the pro-
11 curement of goods and services—

12 “(1) retain title to commodities delivered to a
13 processor, on behalf of a State (including a State
14 distributing agency and a recipient agency), until
15 such time as end products containing such commod-
16 ities, or similar commodities as approved by the Sec-
17 retary, are delivered to a State distributing agency
18 or to a recipient agency; and

19 “(2) promulgate regulations to ensure account-
20 ability for commodities provided to a processor for
21 processing into end products, and to facilitate proc-
22 essing of commodities into end products for use by
23 recipient agencies. Such regulations may provide
24 that—

25 “(A) a processor that receives commodities
26 for processing into end products, or provides a

1 service with respect to such commodities or end
2 products, in accordance with its agreement with
3 a State distributing agency or a recipient agen-
4 cy, provide to the Secretary a bond or other
5 means of financial assurance to protect the
6 value of such commodities; and

7 “(B) in the event a processor fails to de-
8 liver to a State distributing agency or a recipi-
9 ent agency an end product in conformance with
10 the processing agreement entered into under
11 this Act, the Secretary take action with respect
12 to the bond or other means of financial assur-
13 ance pursuant to regulations promulgated
14 under this paragraph and distribute any pro-
15 ceeds obtained by the Secretary to one or more
16 State distributing agencies and recipient agen-
17 cies as determined appropriate by the Sec-
18 retary.”.

19 (b) DEFINITIONS.—Section 18 of the Commodity
20 Distribution Reform Act and WIC Amendments of 1987
21 (7 U.S.C. 612c note) is amended by striking paragraphs
22 (1) and (2) and inserting the following:

23 “(1) The term ‘commodities’ means agricultural
24 commodities and their products that are donated by
25 the Secretary for use by recipient agencies.

1 “(2) The term ‘end product’ means a food
2 product that contains processed commodities.”.

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

7 (1) in subsection (a)—

8 (A) in paragraph (2) by striking subpara-
9 graph (B) and inserting the following:

10 “(B) the program established under sec-
11 tion 4(b) of the Food and Nutrition Act of
12 2008 (7 U.S.C. 2013(b));”; and

13 (B) in paragraph (3)(D) by striking “the
14 Committee on Education and Labor” and in-
15 serting “the Committee on Education and the
16 Workforce”;

17 (2) in subsection (b)(1)(A)(ii) by striking “sec-
18 tion 32 of the Agricultural Adjustment Act (7
19 U.S.C. 601 et seq.)” and inserting “section 32 of
20 the Act of August 24, 1935 (7 U.S.C. 612c)”;

21 (3) in subsection (e)(1)(D)(iii) by striking sub-
22 clause (II) and inserting the following:

23 “(II) the program established
24 under section 4(b) of the Food and

1 Nutrition Act of 2008 (7 U.S.C.
2 2013(b));” and

3 (4) in subsection (k) by striking “the Com-
4 mittee on Education and Labor” and inserting “the
5 Committee on Education and the Workforce”.

6 **TITLE III—MISCELLANEOUS**

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

8 Section 4402 of the Farm Security and Rural Invest-
9 ment Act of 2002 (7 U.S.C. 3007) is amended—

10 (1) in the section heading by striking “**SEN-**
11 **IORES**”;

12 (2) by amending subsection (a) to read as fol-
13 lows:

14 “(a) FUNDING.—

15 “(1) IN GENERAL.—Of the funds of the Com-
16 modity Credit Corporation, the Secretary of Agri-
17 culture shall use to carry out and expand the farm-
18 ers market nutrition program \$20,600,000 for each
19 of fiscal years 2014 through 2016.

20 “(2) ADDITIONAL FUNDING.—There is author-
21 ized to be appropriated such sums as are necessary
22 to carry out this subsection for each of the fiscal
23 years specified in paragraph (1).

24 “(3) REQUIREMENT.—Not less than 50 percent
25 of the funds made available to carry out this section

1 in any fiscal year shall be used to provide assistance
2 to seniors.”;

3 (3) in subsection (b)—

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

6 (B) in paragraph (1) by inserting “, and
7 low-income families who are determined to be at
8 nutritional risk” after “low-income seniors”;

9 (4) in subsection (c) by striking “seniors”;

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

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

12 (7) by redesignating subsections (c), (d), (e),
13 and (f) as subsections (d), (e), (f), and (g), respec-
14 tively; and

15 (8) by inserting after subsection (b) the fol-
16 lowing:

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

22 “(1) for the issuance of coupons or vouchers to
23 participating individuals;

1 “(2) establishing an appropriate annual per-
 2 centage limitation on the use of funds for adminis-
 3 trative costs; and

4 “(3) specifying other terms and conditions as
 5 the Secretary deems appropriate to encourage ex-
 6 panding the participation of small scale farmers in
 7 Federal nutrition programs.”.

8 **SEC. 302. NUTRITION INFORMATION AND AWARENESS**
 9 **PILOT PROGRAM.**

10 Section 4403 of the Farm Security and Rural Invest-
 11 ment Act of 2002 (7 U.S.C. 3171 note; Public Law 107–
 12 171) is repealed.

13 **SEC. 303. FRESH FRUIT AND VEGETABLE PROGRAM.**

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

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

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

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

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

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

24 Section 10603 of the Farm Security and Rural In-
 25 vestment Act of 2002 (7 U.S.C. 612c–4) is amended—

1 (1) in subsection (b), by striking “2012” and
2 inserting “2016”;

3 (2) by redesignating subsection (c) as sub-
4 section (d); and

5 (3) by inserting after subsection (b) the fol-
6 lowing:

7 “(c) PILOT GRANT PROGRAM FOR PURCHASE OF
8 FRESH FRUITS AND VEGETABLES.—

9 “(1) IN GENERAL.—Using amounts made avail-
10 able to carry out subsection (b), the Secretary of Ag-
11 riculture shall conduct a pilot program under which
12 the Secretary will give not more than five partici-
13 pating States the option of receiving a grant in an
14 amount equal to the value of the commodities that
15 the participating State would otherwise receive
16 under this section for each of fiscal years 2014
17 through 2016.

18 “(2) USE OF GRANT FUNDS.—A participating
19 State receiving a grant under this subsection may
20 use the grant funds solely to purchase fresh fruits
21 and vegetables for distribution to schools and service
22 institutions in the State that participate in the food
23 service programs under the Richard B. Russell Na-
24 tional School Lunch Act (42 U.S.C. 1751 et seq.)

1 and the Child Nutrition Act of 1966 (42 U.S.C.
2 1771 et seq.).

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

6 “(4) REPORTING REQUIREMENTS.—

7 “(A) SCHOOL AND SERVICE INSTITUTION
8 REQUIREMENT.—Schools and service institu-
9 tions in a participating State shall keep records
10 of purchases of fresh fruits and vegetables
11 made using the grant funds and report such
12 records to the State.

13 “(B) STATE REQUIREMENT.—Each par-
14 ticipating State shall submit to the Secretary a
15 report on the success of the pilot program in
16 the State, including information on—

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

20 “(ii) the benefit provided by such pur-
21 chases in conducting the school food serv-
22 ice in the State, including meeting school
23 meal requirements.”.

1 **SEC. 305. ENCOURAGING LOCALLY AND REGIONALLY**
2 **GROWN AND RAISED FOOD.**

3 (a) COMMODITY PURCHASE STREAMLINING.—The
4 Secretary may permit each school food authority with a
5 low annual commodity entitlement value, as determined by
6 the Secretary, to elect to substitute locally and regionally
7 grown and raised food for the authority's allotment, in
8 whole or in part, of commodity assistance for the school
9 meal programs under the Richard B. Russell National
10 School Lunch Act (42 U.S.C. 1751 et seq.) and the Child
11 Nutrition Act of 1966 (42 U.S.C. 1771 et seq.), if—

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

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

17 (3) the election will provide the school food au-
18 thority with greater flexibility to purchase locally
19 and regionally grown and raised foods.

20 (b) FARM-TO-SCHOOL DEMONSTRATION PRO-
21 GRAMS.—

22 (1) IN GENERAL.—The Secretary may establish
23 farm-to-school demonstration programs under which
24 school food authorities, agricultural producers pro-
25 ducing for local and regional markets, and other
26 farm-to-school stakeholders will collaborate with the

1 Agriculture Marketing Service to, on a cost neutral
2 basis, source food for the school meal programs
3 under the Richard B. Russell National School Lunch
4 Act (42 U.S.C. 1751 et seq.) and the Child Nutri-
5 tion Act of 1966 (42 U.S.C. 1771 et seq.) from local
6 farmers and ranchers in lieu of the commodity as-
7 sistance provided to the school food authorities for
8 the school meal programs.

9 (2) REQUIREMENTS.—

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

13 (i) facilitate and increase the purchase
14 of unprocessed and minimally processed lo-
15 cally and regionally grown and raised agri-
16 cultural products to be served under the
17 school meal programs;

18 (ii) test methods to improve procure-
19 ment, transportation, and meal preparation
20 processes for the school meal programs;

21 (iii) assess whether administrative
22 costs can be saved through increased
23 school food authority flexibility to source
24 locally and regionally produced foods for
25 the school meal programs; and

1 (iv) undertake rigorous evaluation and
2 share information about results of the
3 demonstration program, including cost sav-
4 ings, with the Secretary, other school food
5 authorities, agricultural producers pro-
6 ducing for the local and regional market,
7 and the general public.

8 (B) PLANS.—In order to be selected to
9 carry out a demonstration program under this
10 subsection, a school food authority shall submit
11 to the Secretary a plan at such time and in
12 such manner as the Secretary may require, and
13 containing information with respect to the re-
14 quirements described in clauses (i) through (iv)
15 of subparagraph (A).

16 (3) TECHNICAL ASSISTANCE.—The Secretary
17 shall provide technical assistance to demonstration
18 program participants to assist such participants to
19 acquire bids from potential vendors in a timely and
20 cost-effective manner.

21 (4) LENGTH.—The Secretary shall determine
22 the appropriate length of time for each demonstra-
23 tion program under this subsection.

24 (5) COORDINATION.—The Secretary shall co-
25 ordinate among relevant agencies of the Department

1 of Agriculture and non-governmental organizations
2 with appropriate expertise to facilitate the provision
3 of training and technical assistance necessary to suc-
4 cessfully carry out demonstration programs under
5 this subsection.

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

10 (7) DIVERSITY AND BALANCE.—In selecting
11 demonstration programs to be carried out under this
12 subsection, the Secretary shall, to the maximum ex-
13 tent practicable, ensure—

14 (A) geographical diversity;

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

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

23 (D) equitable treatment of school food au-
24 thorities with a high percentage of students eli-

1 gible for free or reduced price lunches, as deter-
2 mined by the Secretary; and

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

7 **SEC. 306. REVIEW OF PUBLIC HEALTH BENEFITS OF WHITE**
8 **POTATOES.**

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

17 **SEC. 307. HEALTHY FOOD FINANCING INITIATIVE.**

18 (a) IN GENERAL.—Subtitle D of title II of the De-
19 partment of Agriculture Reorganization Act of 1994 (7
20 U.S.C. 6951 et seq.) is amended by adding at the end
21 the following:

22 **“SEC. 242. HEALTHY FOOD FINANCING INITIATIVE.**

23 “(a) PURPOSE.—The purpose of this section is to en-
24 hance the authorities of the Secretary to support efforts
25 to provide access to healthy food by establishing an initia-

1 tive to improve access to healthy foods in underserved
2 areas, to create and preserve quality jobs, and to revitalize
3 low-income communities by providing loans and grants to
4 eligible fresh, healthy food retailers to overcome the higher
5 costs and initial barriers to entry in underserved areas.

6 “(b) DEFINITIONS.—In this section:

7 “(1) COMMUNITY DEVELOPMENT FINANCIAL IN-
8 STITUTION.—The term ‘community development fi-
9 nancial institution’ has the meaning given the term
10 in section 103 of the Community Development
11 Banking and Financial Institutions Act of 1994 (12
12 U.S.C. 4702).

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

16 “(3) NATIONAL FUND MANAGER.—The term
17 ‘national fund manager’ means a community devel-
18 opment financial institution that is—

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

21 “(B) certified by the Community Develop-
22 ment Financial Institution Fund of the Depart-
23 ment of Treasury to manage the Initiative for
24 purposes of—

25 “(i) raising private capital;

1 “(ii) providing financial and technical
2 assistance to partnerships; and

3 “(iii) funding eligible projects to at-
4 tract fresh, healthy food retailers to under-
5 served areas, in accordance with this sec-
6 tion.

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

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

12 “(B) provides financial and technical as-
13 sistance to eligible projects; and

14 “(C) meets such other criteria as the Sec-
15 retary may establish.

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

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

24 “(7) STAPLE FOOD.—

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

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

5 “(i) bread;

6 “(ii) flour;

7 “(iii) fruits;

8 “(iv) vegetables; and

9 “(v) meat.

10 “(c) INITIATIVE.—

11 “(1) ESTABLISHMENT.—The Secretary shall es-
12 tablish an initiative to achieve the purpose described
13 in subsection (a) in accordance with this subsection.

14 “(2) IMPLEMENTATION.—

15 “(A) IN GENERAL.—

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

22 “(ii) USE OF FUNDS.—Funds pro-
23 vided to an entity pursuant to clause (i)
24 shall be used—

1 “(I) to create revolving loan pools
2 of capital or other products to provide
3 loans to finance eligible projects or
4 partnerships;

5 “(II) to provide grants for eligi-
6 ble projects or partnerships;

7 “(III) to provide technical assist-
8 ance to funded projects and entities
9 seeking Initiative funding; and

10 “(IV) to cover administrative ex-
11 penses of the national fund manager
12 in an amount not to exceed 10 per-
13 cent of the Federal funds provided.

14 “(B) ELIGIBLE PROJECTS.—Subject to the
15 approval of the Secretary, the national fund
16 manager shall establish eligibility criteria for
17 projects under the Initiative, which shall include
18 the existence or planned execution of agree-
19 ments—

20 “(i) to expand or preserve the avail-
21 ability of staple foods in underserved areas
22 with moderate- and low-income populations
23 by maintaining or increasing the number
24 of retail outlets that offer an assortment of
25 perishable food and staple food items, as

1 determined by the Secretary, in those
2 areas; and

3 “(ii) to accept benefits under the sup-
4 plemental nutrition assistance program es-
5 tablished under the Food and Nutrition
6 Act of 2008 (7 U.S.C. 2011 et seq.).

7 “(C) PRIORITIES.—In carrying out the Ini-
8 tiative, priority shall be given to projects that—

9 “(i) are located in severely distressed
10 low-income communities, as defined by the
11 Community Development Financial Insti-
12 tutions Fund of the Department of Treas-
13 ury; and

14 “(ii) include 1 or more of the fol-
15 lowing characteristics:

16 “(I) The project will create or re-
17 tain quality jobs for low-income resi-
18 dents in the community.

19 “(II) The project supports re-
20 gional food systems and locally grown
21 foods, to the maximum extent prac-
22 ticable.

23 “(III) In areas served by public
24 transit, the project is accessible by
25 public transit.

1 “(IV) The project involves
2 women- or minority-owned businesses.

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

6 “(VI) The project otherwise ad-
7 vances the purpose of this section, as
8 determined by the Secretary.

9 “(d) AUTHORIZATION OF APPROPRIATIONS.—There
10 is authorized to be appropriated to the Secretary to carry
11 out this section \$125,000,000, to remain available until
12 expended.”.

13 (b) CONFORMING AMENDMENT.—Section 296(b) of
14 the Department of Agriculture Reorganization Act of
15 1994 (7 U.S.C. 7014(b)) is amended—

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

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

20 (3) by adding at the end the following:

21 “(8) the authority of the Secretary to establish
22 and carry out the Health Food Financing Initiative
23 under section 242.”.

1 **SEC. 308. REVIEW OF SOLE-SOURCE CONTRACTS IN FED-**
2 **ERAL NUTRITION PROGRAMS.**

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

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

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

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

20 “(1) to increase the purchase of Kosher and
21 Halal food from food manufacturers with a Kosher
22 or Halal certification to carry out the program es-
23 tablished under this Act if the Kosher and Halal
24 food purchased is cost neutral as compared to food
25 that is not from food manufacturers with a Kosher
26 or Halal certification; and

1 “(2) to modify the labeling of the commodities
2 list used to carry out the program in a manner that
3 enables Kosher and Halal food bank operators to
4 identify which commodities to obtain from local food
5 banks.”.

Passed the House of Representatives September 19,
2013.

Attest:

KAREN L. HAAS,
Clerk.