

AMENDMENT NO. _____ Calendar No. _____

Purpose: To provide for certain work requirements for able-bodied adults without dependents and to require State agencies to operate a work activation program for eligible participants in the supplemental nutrition assistance program.

IN THE SENATE OF THE UNITED STATES—115th Cong., 2d Sess.

H. R. 2

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

Referred to the Committee on _____ and
ordered to be printed

Ordered to lie on the table and to be printed

AMENDMENT intended to be proposed by Mr. CRUZ (for himself and Mr. LEE) to the amendment (No. _____) proposed by _____

Viz:

1 Strike sections 4103 through 4116 and insert the fol-
2 lowing:

3 **SEC. 4103. WORK REQUIREMENTS FOR ABLE-BODIED**
4 **ADULTS WITHOUT DEPENDENTS; WORK ACTI-**
5 **VATION PROGRAM FOR ADULTS WITH DE-**
6 **PENDENT CHILDREN.**

7 (a) DECLARATION OF POLICY.—Section 2 of the
8 Food and Nutrition Act of 2008 (7 U.S.C. 2011) is

1 amended by adding at the end the following: “Congress
2 further finds that it should also be the purpose of the sup-
3 plemental nutrition assistance program to increase em-
4 ployment, to encourage healthy marriage, and to promote
5 prosperous self-sufficiency, which means the ability of
6 households to maintain an income above the poverty level
7 without services and benefits from the Federal Govern-
8 ment.”.

9 (b) DEFINITIONS.—

10 (1) FOOD.—Section 3(k) of the Food and Nu-
11 trition Act of 2008 (7 U.S.C. 2012(k)) is amended
12 by inserting before the period at the end the fol-
13 lowing: “, except that a food, food product, meal, or
14 other item described in this subsection shall be con-
15 sidered a food under this Act only if it is an essen-
16 tial (as determined by the Secretary)”.

17 (2) SUPERVISED JOB SEARCH.—Section 3 of
18 the Food and Nutrition Act of 2008 (7 U.S.C.
19 2012) is amended—

20 (A) by redesignating subsections (t)
21 through (v) as subsections (u) through (w), re-
22 spectively; and

23 (B) by inserting after subsection (s) the
24 following:

1 “(t) SUPERVISED JOB SEARCH.—The term ‘super-
2 vised job search’ means a job search program that has
3 the following characteristics:

4 “(1) The job search occurs at an official loca-
5 tion where the presence and activity of the recipient
6 can be directly observed, supervised, and monitored.

7 “(2) The entry, time onsite, and exit of the re-
8 cipient from the official job search location are re-
9 corded in a manner that prevents fraud.

10 “(3) The recipient is expected to remain and
11 undertake job search activities at the job search cen-
12 ter.

13 “(4) The quantity of time the recipient is ob-
14 served and monitored engaging in job search at the
15 official location is recorded for purposes of compli-
16 ance with the work and work activation require-
17 ments of sections 6(o) and 30.”.

18 (3) CONFORMING AMENDMENT.—Section
19 27(a)(2) of the Food and Nutrition Act of 2008 (7
20 U.S.C. 2036(a)(2)) is amended in subparagraphs
21 (C) and (E) by striking “3(u)(4)” each place it ap-
22 pears and inserting “3(v)(4)”.

23 (c) WORK REQUIREMENT FOR ABLE-BODIED
24 ADULTS WITHOUT DEPENDENTS.—Section 6(o) of the

1 Food and Nutrition Act of 2008 (7 U.S.C. 2015(o)) is
2 amended—

3 (1) in paragraph (2)—

4 (A) in the matter preceding subparagraph
5 (A), by striking “not less than 3 months (con-
6 secutive or otherwise)” and inserting “more
7 than 1 month”;

8 (B) in subparagraph (C), by striking “or”
9 at the end;

10 (C) in subparagraph (D), by striking the
11 period at the end and inserting “; or”; and

12 (D) by adding at the end the following:

13 “(E) participate in supervised job search
14 for at least 8 hours per week.”;

15 (2) in paragraph (4), by adding at the end the
16 following:

17 “(C) TERMINATION.—Subparagraph (A)
18 shall not apply with respect to any fiscal year
19 that begins after the effective date of the Agri-
20 culture Improvement Act of 2018.”;

21 (3) in paragraph (6)—

22 (A) in the paragraph heading, by striking
23 “15-PERCENT” and inserting “5-PERCENT”;

24 (B) in subparagraph (A)(ii)(IV), by strik-
25 ing “3 months” and inserting “1 month”; and

1 (C) in subparagraph (D), by striking “15
2 percent” and inserting “5 percent”; and
3 (4) by adding at the end the following:

4 “(8) PROMOTING WORK.—As a condition of re-
5 ceiving supplemental nutrition assistance program
6 funds under this Act, a State agency shall provide
7 each individual subject to the work requirement of
8 this subsection with the opportunity to participate in
9 an activity selected by the State from among the op-
10 tions described in subparagraphs (B), (C), and (E)
11 of paragraph (2).

12 “(9) PENALTIES FOR INADEQUATE STATE PER-
13 FORMANCE.—If a State agency fails to fully comply
14 with this section, including the requirement to termi-
15 nate the benefits of individuals who fail to fulfill the
16 work requirements described in paragraph (2) dur-
17 ing a fiscal quarter, the funding allotment of the
18 State for the supplemental nutrition assistance pro-
19 gram shall be reduced by 10 percent for the quarter
20 that begins 180 days after the first day of the quar-
21 ter in which the noncompliance occurred.”.

22 **SEC. 4104. IMPROVEMENTS TO ELECTRONIC BENEFIT**
23 **TRANSFER SYSTEM.**

24 (a) PROHIBITED FEES.—Section 7 of the Food and
25 Nutrition Act of 2008 (7 U.S.C. 2016) is amended—

1 (1) in subsection (f)(2)(C), in the subparagraph
2 heading, by striking “INTERCHANGE” and inserting
3 “PROHIBITED”; and

4 (2) in subsection (h), by striking paragraph
5 (13) and inserting the following:

6 “(13) PROHIBITED FEES.—

7 “(A) DEFINITION OF SWITCHING.—In this
8 paragraph, the term ‘switching’ means the rout-
9 ing of an intrastate or interstate transaction
10 that consists of transmitting the details of a
11 transaction electronically recorded through the
12 use of an EBT card in 1 State to the issuer of
13 the card in—

14 “(i) the same State; or

15 “(ii) another State.

16 “(B) PROHIBITION.—

17 “(i) INTERCHANGE FEES.—No inter-
18 change fee shall apply to an electronic ben-
19 efit transfer transaction under this sub-
20 section.

21 “(ii) OTHER FEES.—

22 “(I) IN GENERAL.—No fee
23 charged by a benefit issuer (including
24 any affiliate of a benefit issuer), or by
25 any agent or contractor when acting

1 on behalf of such benefit issuer, to a
2 third party relating to the switching
3 or routing of benefits to the same
4 benefit issuer (including any affiliate
5 of the benefit issuer) shall apply to an
6 electronic benefit transfer transaction
7 under this subsection.

8 “(II) EFFECTIVE DATE.—The
9 prohibition under subclause (I) shall
10 be effective through fiscal year
11 2022.”.

12 (b) EBT PORTABILITY.—Section 7(f)(5) of the Food
13 and Nutrition Act of 2008 (7 U.S.C. 2016(f)(5)) is
14 amended by adding at the end the following:

15 “(C) OPERATION OF INDIVIDUAL POINT OF
16 SALE DEVICE BY FARMERS’ MARKETS AND DI-
17 RECT MARKETING FARMERS.—A farmers’ mar-
18 ket or direct marketing farmer that is exempt
19 under paragraph (2)(B)(i) shall be allowed to
20 operate an individual electronic benefit transfer
21 point of sale device at more than 1 location
22 under the same supplemental nutrition assist-
23 ance program authorization, if—

24 “(i) the farmers’ market or direct
25 marketing farmer provides to the Secretary

1 information on location and hours of oper-
2 ation at each location; and

3 “(ii)(I) the point of sale device used
4 by the farmers’ market or direct marketing
5 farmer is capable of providing location in-
6 formation of the device through the elec-
7 tronic benefit transfer system; or

8 “(II) if the Secretary determines that
9 the technology is not available for a point
10 of sale device to meet the requirement
11 under subclause (I), the farmers’ market
12 or direct marketing farmer provides to the
13 Secretary any other information, as deter-
14 mined by the Secretary, necessary to en-
15 sure the integrity of transactions processed
16 using the point of sale device.”.

17 (c) EVALUATION OF STATE ELECTRONIC BENEFIT
18 TRANSFER SYSTEMS.—Section 7(h) of the Food and Nu-
19 trition Act of 2008 (7 U.S.C. 2016(h)) is amended by add-
20 ing at the end the following:

21 “(15) GAO EVALUATION AND STUDY OF STATE
22 ELECTRONIC BENEFIT TRANSFER SYSTEMS.—

23 “(A) EVALUATION.—

24 “(i) IN GENERAL.—Not later than 18
25 months after the date of enactment of this

1 paragraph, the Comptroller General of the
2 United States (referred to in this para-
3 graph as the ‘Comptroller General’) shall
4 evaluate for each electronic benefit transfer
5 system of a State agency selected in ac-
6 cordance with clause (ii)—

7 “(I) any type of fee charged—

8 “(aa) by the benefit issuer
9 (or an affiliate, agent, or con-
10 tractor of the benefit issuer) of
11 the State agency for electronic
12 benefit transfer-related services,
13 including electronic benefit trans-
14 fer-related services that did not
15 exist before February 7, 2014;
16 and

17 “(bb) to any retail food
18 stores, including retail food
19 stores that are exempt under
20 subsection (f)(2)(B)(i) for elec-
21 tronic benefit transfer-related
22 services;

23 “(II) in consultation with the
24 Secretary and the retail food stores
25 within the State, any electronic ben-

1 efit transfer system outages affecting
2 the EBT cards of the State agency;

3 “(III) in consultation with the
4 Secretary, any type of entity that—

5 “(aa) provides electronic
6 benefit transfer equipment and
7 related services to the State
8 agency, any benefit issuers of the
9 State agency, or any retail food
10 stores within the State;

11 “(bb) routes or switches
12 transactions through the elec-
13 tronic benefit transfer system of
14 the State agency; or

15 “(cc) has access to trans-
16 action information in the elec-
17 tronic benefit transfer system of
18 the State agency; and

19 “(IV) in consultation with the
20 Secretary, any emerging entities, serv-
21 ices, or technologies in use with re-
22 spect to the electronic benefit transfer
23 system of the State agency.

1 “(ii) SELECTION CRITERIA.—The
2 Comptroller General shall select for evalua-
3 tion under clause (i)—

4 “(I) with respect to each benefit
5 issuer that provides electronic benefit
6 transfer-related services to 1 or more
7 State agencies, not fewer than 1 elec-
8 tronic benefit transfer system pro-
9 vided by that benefit issuer; and

10 “(II) any electronic benefit trans-
11 fer system of a State agency that has
12 experienced significant or frequent
13 outages during the 2-year period pre-
14 ceding the date of enactment of this
15 paragraph.

16 “(B) STUDY.—Not later than 2 years after
17 the date of enactment of this paragraph, the
18 Comptroller General shall submit to the Com-
19 mittee on Agriculture of the House of Rep-
20 resentatives and the Committee on Agriculture,
21 Nutrition, and Forestry of the Senate a report
22 based on the evaluation carried out under sub-
23 paragraph (A) that includes—

24 “(i) a description of the types of enti-
25 ties that—

1 stores that are exempt under
2 subsection (f)(2)(B)(i) for elec-
3 tronic benefit transfer-related
4 services;

5 “(II)(aa) the causes of any elec-
6 tronic benefit transfer system outages
7 affecting EBT cards; and

8 “(bb) potential solutions to mini-
9 mize the disruption of outages to par-
10 ticipating households.

11 “(16) REVIEW OF EBT SYSTEMS REQUIRE-
12 MENTS.—

13 “(A) REVIEW.—

14 “(i) IN GENERAL.—Not later than 18
15 months after the date of enactment of this
16 paragraph, the Secretary shall review for
17 each electronic benefit transfer system of a
18 State agency selected under clause (ii)—

19 “(I) any contracts or other agree-
20 ments between the State agency and
21 the benefit issuer of the State agency
22 to determine—

23 “(aa) the customer service
24 requirements of the benefit

1 issuer, including call center re-
2 quirements; and

3 “(bb) the consistency and
4 compatibility of data provided by
5 the benefit issuer to the Sec-
6 retary for appropriate oversight
7 of possible fraudulent trans-
8 actions; and

9 “(II) the use of third-party appli-
10 cations that access the electronic ben-
11 efit transfer system to provide elec-
12 tronic benefit transfer account infor-
13 mation to participating households.

14 “(ii) SELECTION CRITERIA.—The Sec-
15 retary shall select for the review under
16 clause (i) not fewer than 5 electronic ben-
17 efit transfer systems of State agencies, of
18 which—

19 “(I) with respect to each benefit
20 issuer that provides electronic benefit
21 transfer-related services to 1 or more
22 State agencies, not fewer than 1 shall
23 be provided by that benefit issuer; and

24 “(II) not more than 4 shall have
25 experienced significant or frequent

1 outages during the 2-year period pre-
2 ceding the date of enactment of this
3 paragraph.

4 “(B) REGULATIONS AND GUIDANCE.—
5 Based on the study conducted by the Comp-
6 troller General of the United States under para-
7 graph (15)(B) and the review conducted by the
8 Secretary under subparagraph (A), the Sec-
9 retary shall promulgate such regulations or
10 issue such guidance as the Secretary determines
11 appropriate—

12 “(i) to prohibit the imposition of any
13 fee that is inconsistent with paragraph
14 (13);

15 “(ii) to minimize electronic benefit
16 system outages;

17 “(iii) to update procedures to handle
18 electronic benefit transfer system outages
19 that minimize disruption to participating
20 households and retail food stores while pro-
21 tecting against fraud and abuse;

22 “(iv) to develop cost-effective cus-
23 tomer service standards for benefit issuers,
24 including benefit issuer call centers or
25 other customer service options equivalent

1 to call centers, that would ensure adequate
2 customer service for participating house-
3 holds;

4 “(v) to address the use of third-party
5 applications that access electronic benefit
6 transfer systems to provide electronic ben-
7 efit transfer account information to partici-
8 pating households, including by estab-
9 lishing safeguards consistent with sections
10 9(c) and 11(e)(8) to protect the privacy of
11 data relating to participating households
12 and approved retail food stores; and

13 “(vi) to improve the reliability of elec-
14 tronic benefit transfer systems.

15 “(C) REPORT.—Not later than 2 years
16 after the date of enactment of this paragraph,
17 the Secretary shall submit to the Committee on
18 Agriculture of the House of Representatives
19 and the Committee on Agriculture, Nutrition,
20 and Forestry of the Senate a report that in-
21 cludes a description of the effects, if any, on an
22 electronic benefit transfer system of a State
23 agency from the use of third-party applications
24 that access the electronic benefit transfer sys-

1 tem to provide electronic benefit transfer ac-
2 count information to participating households.”.

3 (d) APPROVAL OF RETAIL FOOD STORES.—Section
4 9 of the Food and Nutrition Act (7 U.S.C. 2018) is
5 amended—

6 (1) in subsection (a)(1)—

7 (A) in the fourth sentence, by striking “No
8 retail food store” and inserting the following:

9 “(D) VISIT REQUIRED.—No retail food
10 store”;

11 (B) in the third sentence, by striking “Ap-
12 proval” and inserting the following:

13 “(C) CERTIFICATE.—Approval”;

14 (C) in the second sentence—

15 (i) by striking “food; and (D) the”
16 and inserting the following: “food;

17 “(iv) any information, if available,
18 about the ability of the anticipated or ex-
19 isting electronic benefit transfer equipment
20 and service provider of the applicant to
21 provide sufficient information through the
22 electronic benefit transfer system to mini-
23 mize the risk of fraudulent transactions;
24 and

25 “(v) the”;

1 (ii) by striking “concern; (C) wheth-
2 er” and inserting the following: “concern;
3 “(iii) whether”;
4 (iii) by striking “applicant; (B) the”
5 and inserting the following: “applicant;
6 “(ii) the”;
7 (iv) by striking “following: (A) the na-
8 ture” and inserting the following: “fol-
9 lowing:
10 “(i) the nature”; and
11 (v) in the matter preceding clause (i)
12 (as so designated), by striking “In deter-
13 mining” and inserting the following:
14 “(B) FACTORS FOR CONSIDERATION.—In
15 determining”; and
16 (D) in the first sentence, by striking
17 “(a)(1) Regulations” and inserting the fol-
18 lowing:
19 “(a) AUTHORIZATION TO ACCEPT AND REDEEM
20 BENEFITS.—
21 “(1) APPLICATIONS.—
22 “(A) IN GENERAL.—Regulations”;
23 (2) in subsection (a), by adding at the end the
24 following:

1 “(B) a fruit, a vegetable, low-fat dairy, or
2 a whole grain.

3 “(2) REGULATIONS.—

4 “(A) IN GENERAL.—The Secretary shall
5 promulgate regulations to clarify the process by
6 which an approved retail food store may seek a
7 waiver to offer an incentive that may be used
8 only for the purchase of eligible incentive food
9 at the point of purchase to a household pur-
10 chasing food with benefits issued under this
11 Act.

12 “(B) REGULATIONS.—The regulations
13 under subparagraph (A) shall establish a proc-
14 ess under which an approved retail food store,
15 prior to carrying out an incentive program
16 under this subsection, shall provide to the Sec-
17 retary information describing the incentive pro-
18 gram, including—

19 “(i) the types of incentives that will be
20 offered;

21 “(ii) the types of foods that will be
22 incentivized for purchase; and

23 “(iii) an explanation of how the incen-
24 tive program intends to support meeting
25 dietary intake goals.

1 “(3) NO LIMITATION ON BENEFITS.—A waiver
2 granted under this subsection shall not be used to
3 carry out any activity that limits the use of benefits
4 under this Act or any other Federal nutrition law.

5 “(4) EFFECT.—Regulations promulgated under
6 this subsection shall not affect any requirements
7 under section 4405 of the Food, Conservation, and
8 Energy Act of 2008 (7 U.S.C. 7517) or section
9 4304 of the Agriculture Improvement Act of 2018,
10 including the eligibility of a retail food store to par-
11 ticipate in a project funded under those sections.

12 “(5) REPORT.—The Secretary shall submit to
13 the Committee on Agriculture of the House of Rep-
14 resentatives and the Committee on Agriculture, Nu-
15 trition, and Forestry of the Senate an annual report
16 describing the types of incentives approved under
17 this subsection.”.

18 **SEC. 4106. REQUIRED ACTION ON DATA MATCH INFORMA-**
19 **TION.**

20 Section 11(e) of the Food and Nutrition Act of 2008
21 (7 U.S.C. 2020(e)) is amended—

22 (1) in paragraph (24), by striking “and” after
23 the semicolon;

24 (2) in paragraph (25), by striking the period at
25 the end and inserting a semicolon; and

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

2 “(26) that for a household participating in the
3 supplemental nutrition assistance program, the State
4 agency shall pursue clarification and verification, if
5 applicable, of information relating to the cir-
6 cumstances of the household received from data
7 matches for the purpose of ensuring an accurate eli-
8 gibility and benefit determination, only if the infor-
9 mation—

10 “(A) appears to present significantly con-
11 flicting information from the information that
12 was used by the State agency at the time of
13 certification of the household;

14 “(B) is obtained from data matches car-
15 ried out under subsection (q), (r), or (w); or

16 “(C)(i) is fewer than 60 days old relative
17 to the current month of participation of the
18 household; and

19 “(ii) if accurate, would have been required
20 to be reported by the household based on the
21 reporting requirements assigned to the house-
22 hold by the State agency under section 6(c).”.

1 **SEC. 4107. INCOME VERIFICATION.**

2 Section 17 of the Food and Nutrition Act of 2008
3 (7 U.S.C. 2026) is amended by adding at the end the fol-
4 lowing:

5 “(m) PILOT PROJECTS FOR IMPROVING EARNED IN-
6 COME VERIFICATION.—

7 “(1) IN GENERAL.—Under such terms and con-
8 ditions as the Secretary considers to be appropriate,
9 the Secretary shall establish a pilot program (re-
10 ferred to in this subsection as the ‘pilot program’)
11 under which not more than 8 States may carry out
12 pilot projects to test strategies to improve the accu-
13 racy or efficiency of the process for verification of
14 earned income at certification and recertification of
15 applicant households for the supplemental nutrition
16 assistance program.

17 “(2) CONTRACT OPTIONS.—

18 “(A) IN GENERAL.—In carrying out the
19 pilot program, prior to soliciting applications
20 for pilot projects from State agencies, the Sec-
21 retary shall—

22 “(i) assess the availability of up-to-
23 date earned income information from dif-
24 ferent commercial data service providers;
25 and

1 “(ii) make a determination regarding
2 the overall cost-effectiveness to the Depart-
3 ment of Agriculture and the State agencies
4 administering the supplemental nutrition
5 assistance program of—

6 “(I) the Secretary entering into a
7 contract with a commercial data serv-
8 ice provider to provide to State agen-
9 cies carrying out pilot projects up-to-
10 date earned income information for
11 verification of the earned income at
12 certification and recertification of ap-
13 plicant households for the supple-
14 mental nutrition assistance program;

15 “(II) the Secretary entering into
16 an agreement with the Secretary of
17 Health and Human Services to allow
18 State agencies carrying out pilot
19 projects to verify earned income infor-
20 mation at certification and recertifi-
21 cation of applicant households for the
22 supplemental nutrition assistance pro-
23 gram in the State using up-to-date
24 earned income information from a
25 commercial data service provider

1 under the electronic interface devel-
2 oped by the State and used by the
3 State Medicaid agency to verify in-
4 come eligibility for the State Medicaid
5 program under title XIX of the Social
6 Security Act (42 U.S.C. 1396 et seq.);
7 or

8 “(III) a State agency carrying
9 out a pilot project entering into a con-
10 tract with a commercial data service
11 provider to obtain up-to-date earned
12 income information to verify the
13 earned income at certification and re-
14 certification of applicant households
15 for the supplemental nutrition assist-
16 ance program in the State.

17 “(B) AUTHORITY TO ENTER INTO CON-
18 TRACTS.—If determined appropriate by the Sec-
19 retary, the Secretary may, based on the cost-ef-
20 fectiveness determination described in subpara-
21 graph (A)(ii)—

22 “(i) enter into a contract described in
23 subclause (I) of that subparagraph;

1 “(ii) enter into an agreement de-
2 scribed in subclause (II) of that subpara-
3 graph; or

4 “(iii) allow each State agency carrying
5 out a pilot project to enter into a contract
6 described in subclause (III) of that sub-
7 paragraph, on the condition that the Fed-
8 eral share of the cost of the contract shall
9 not exceed 75 percent of the total cost of
10 the contract.

11 “(C) REPORT.—Not later than 1 year
12 after the date of enactment of this subsection,
13 the Secretary shall submit to the Committee on
14 Agriculture of the House of Representatives
15 and the Committee on Agriculture, Nutrition,
16 and Forestry of the Senate a report that de-
17 scribes the results of the assessment and deter-
18 mination under subparagraph (A).

19 “(3) PILOT PROJECTS.—

20 “(A) APPLICATION.—A State agency seek-
21 ing to carry out a pilot project under the pilot
22 program shall submit to the Secretary an appli-
23 cation at such time, in such manner, and con-
24 taining such information as the Secretary may
25 require, including—

1 “(i) an identification of the 1 or more
2 proposed changes to the process for
3 verifying earned income used by the State
4 agency;

5 “(ii) a description of how the pro-
6 posed changes under clause (i) would meet
7 the purpose described in paragraph (1);
8 and

9 “(iii) a plan to evaluate how the pro-
10 posed changes under clause (i) would im-
11 prove the accuracy or efficiency of the
12 verification of earned income at certifi-
13 cation and recertification of applicant
14 households for the supplemental nutrition
15 assistance program in the State.

16 “(B) SELECTION CRITERIA.—The Sec-
17 retary shall select to carry out pilot projects
18 State agencies that, as determined by the Sec-
19 retary—

20 “(i) do not have access to up-to-date
21 earned income information for the
22 verification of earned income at certifi-
23 cation and recertification of applicant
24 households for the supplemental nutrition
25 assistance program in the State;

1 “(ii) would be able to access and use,
2 for the verification of earned income at
3 certification and recertification of applicant
4 households for the supplemental nutrition
5 assistance program in the State, up-to-date
6 earned income information used to deter-
7 mine eligibility for another Federal assist-
8 ance program; or

9 “(iii) have cost-effective, innovative
10 approaches to verifying earned income that
11 would improve the accuracy or efficiency of
12 the verification of earned income at certifi-
13 cation and recertification of applicant
14 households for the supplemental nutrition
15 assistance program in the State.

16 “(4) GRANTS.—The Secretary may make
17 grants to a State agency to carry out a pilot project.

18 “(5) EFFECT ON OTHER REQUIREMENTS.—A
19 pilot project carried out under this subsection shall
20 not alter the eligibility requirements under section 5
21 or the reporting requirements under section 6(c).

22 “(6) REPORT.—Not later than 180 days after
23 the date on which the pilot program terminates
24 under paragraph (8), the Secretary shall submit to
25 the Committee on Agriculture of the House of Rep-

1 representatives and the Committee on Agriculture, Nu-
2 trition, and Forestry of the Senate a report that de-
3 scribes the results of the pilot projects carried out
4 under the pilot program.

5 “(7) FUNDING.—

6 “(A) IN GENERAL.—Out of funds made
7 available under section 18(a)(1), on October 1,
8 2018, the Secretary shall make available
9 \$10,000,000 to carry out this subsection, to re-
10 main available until expended.

11 “(B) COSTS.—The Secretary shall allocate
12 not more than 10 percent of the amounts made
13 available under subparagraph (A) to carry out
14 subparagraphs (A) and (C) of paragraph (2)
15 and paragraph (6).

16 “(8) TERMINATION.—The pilot program shall
17 terminate not later than September 30, 2022.”.

18 **SEC. 4108. PILOT PROJECTS TO IMPROVE HEALTHY DIE-**
19 **TARY PATTERNS RELATED TO FLUID MILK IN**
20 **THE SUPPLEMENTAL NUTRITION ASSIST-**
21 **ANCE PROGRAM.**

22 Section 17 of the Food and Nutrition Act of 2008
23 (7 U.S.C. 2026) (as amended by section 4107) is amended
24 by adding at the end the following:

1 “(n) PILOT PROJECTS TO IMPROVE HEALTHY DIE-
2 TARY PATTERNS RELATED TO FLUID MILK CONSUMP-
3 TION AMONG PARTICIPANTS OR HOUSEHOLDS IN THE
4 SUPPLEMENTAL NUTRITION ASSISTANCE PROGRAM THAT
5 UNDER-CONSUME FLUID MILK.—

6 “(1) DEFINITION OF FLUID MILK.—In this sub-
7 section, the term ‘fluid milk’ means cow milk, with-
8 out flavoring or sweeteners, consistent with the most
9 recent Dietary Guidelines for Americans published
10 under section 301 of the National Nutrition Moni-
11 toring and Related Research Act of 1990 (7 U.S.C.
12 5341), that is packaged in liquid form.

13 “(2) PILOT PROJECTS.—The Secretary shall
14 carry out, under such terms and conditions as the
15 Secretary considers to be appropriate, pilot projects
16 to develop and test methods that would increase the
17 purchase of fluid milk, in a manner consistent with
18 the most recent Dietary Guidelines for Americans
19 published under section 301 of the National Nutri-
20 tion Monitoring and Related Research Act of 1990
21 (7 U.S.C. 5341), by individuals or households par-
22 ticipating in the supplemental nutrition assistance
23 program that under-consume fluid milk by providing
24 an incentive for the purchase of fluid milk at the
25 point of purchase to a household purchasing food

1 with supplemental nutrition assistance program ben-
2 efits.

3 “(3) GRANTS OR COOPERATIVE AGREE-
4 MENTS.—

5 “(A) IN GENERAL.—In carrying out this
6 subsection, the Secretary may enter into com-
7 petitively awarded cooperative agreements with,
8 or provide grants to, a government agency or
9 nonprofit organization for use in accordance
10 with projects that meet the strategic goals of
11 this subsection, including allowing the govern-
12 ment agency or nonprofit organization to award
13 subgrants to retail food stores authorized under
14 this Act.

15 “(B) APPLICATION.—To be eligible to re-
16 ceive a cooperative agreement or grant under
17 this paragraph, a government agency or non-
18 profit organization shall submit to the Sec-
19 retary an application at such time, in such
20 manner, and containing such information as the
21 Secretary may require.

22 “(C) SELECTION CRITERIA.—Pilot projects
23 shall be evaluated against publicly disseminated
24 criteria that shall include—

1 “(i) incorporation of a scientifically
2 based strategy that is designed to improve
3 diet quality through the increased purchase
4 of fluid milk for participants or households
5 in the supplemental nutrition assistance
6 program that under-consume fluid milk;

7 “(ii) a commitment to a pilot project
8 that allows for a rigorous outcome evalua-
9 tion, including data collection; and

10 “(iii) other criteria, as determined by
11 the Secretary.

12 “(D) USE OF FUNDS.—Funds provided
13 under this paragraph shall not be used for any
14 project that limits the use of benefits under this
15 Act.

16 “(E) DURATION.—Each pilot project car-
17 ried out under this subsection shall be in effect
18 for not more than 24 months.

19 “(4) PROJECTS.—Pilot projects carried out
20 under paragraph (2) shall include projects to deter-
21 mine whether incentives for the purchase of fluid
22 milk by individuals or households participating in
23 the supplemental nutrition assistance program that
24 under-consume fluid milk result in—

1 “(A) improved nutritional outcomes for
2 participating individuals or households;

3 “(B) changes in purchasing and consump-
4 tion of fluid milk among participating individ-
5 uals or households; or

6 “(C) diets more closely aligned with
7 healthy eating patterns consistent with the most
8 recent Dietary Guidelines for Americans pub-
9 lished under section 301 of the National Nutri-
10 tion Monitoring and Related Research Act of
11 1990 (7 U.S.C. 5341).

12 “(5) EVALUATION AND REPORTING.—

13 “(A) EVALUATION.—

14 “(i) INDEPENDENT EVALUATION.—

15 “(I) IN GENERAL.—The Sec-
16 retary shall provide for an inde-
17 pendent evaluation of projects selected
18 under this subsection that measures
19 the impact of the pilot program on
20 health and nutrition as described in
21 paragraphs (2) through (4).

22 “(II) REQUIREMENT.—The inde-
23 pendent evaluation under subclause
24 (I) shall use rigorous methodologies,
25 particularly random assignment or

1 other methods that are capable of pro-
2 ducing scientifically valid information
3 regarding which activities are effec-
4 tive.

5 “(ii) COSTS.—The Secretary may use
6 funds provided to carry out this subsection
7 to pay costs associated with monitoring
8 and evaluating each pilot project.

9 “(B) REPORTING.—Not later than 90 days
10 after the last day of fiscal year 2019 and each
11 fiscal year thereafter until the completion of the
12 last evaluation under subparagraph (A), the
13 Secretary shall submit to the Committee on Ag-
14 riculture of the House of Representatives and
15 the Committee on Agriculture, Nutrition, and
16 Forestry of the Senate a report that includes a
17 description of—

18 “(i) the status of each pilot project;

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

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

23 “(I) the impact of the pilot
24 project on appropriate health, nutri-
25 tion, and associated behavioral out-

1 comes among households participating
2 in the pilot project;

3 “(II) baseline information rel-
4 evant to the stated goals and desired
5 outcomes of the pilot project; and

6 “(III) equivalent information
7 about similar or identical measures
8 among control or comparison groups
9 that did not participate in the pilot
10 project.

11 “(C) PUBLIC DISSEMINATION.—In addi-
12 tion to the reporting requirements under sub-
13 paragraph (B), evaluation results shall be
14 shared broadly to inform policy makers, service
15 providers, other partners, and the public to pro-
16 mote wide use of successful strategies.

17 “(6) FUNDING.—

18 “(A) AUTHORIZATION OF APPROPRIA-
19 TIONS.—There is authorized to be appropriated
20 to carry out this subsection \$20,000,000, to re-
21 main available until expended.

22 “(B) APPROPRIATIONS IN ADVANCE.—
23 Only funds appropriated under subparagraph
24 (A) in advance specifically to carry out this sub-

1 section shall be available to carry out this sub-
2 section.”.

3 **SEC. 4109. INTERSTATE DATA MATCHING TO PREVENT**
4 **MULTIPLE ISSUANCES.**

5 Section 11 of the Food and Nutrition Act of 2008
6 (7 U.S.C. 2020) is amended by adding at the end the fol-
7 lowing:

8 “(w) NATIONAL ACCURACY CLEARINGHOUSE.—

9 “(1) DEFINITION OF INDICATION OF MULTIPLE
10 ISSUANCE.—In this subsection, the term ‘indication
11 of multiple issuance’ means an indication, based on
12 a computer match, that benefits are being issued to
13 an individual under the supplemental nutrition as-
14 sistance program from more than 1 State simulta-
15 neously.

16 “(2) ESTABLISHMENT.—

17 “(A) IN GENERAL.—The Secretary shall
18 establish an interstate data system, to be
19 known as the ‘National Accuracy Clearing-
20 house’, to prevent the simultaneous issuance of
21 benefits to an individual by more than 1 State
22 under the supplemental nutrition assistance
23 program.

24 “(B) DATA MATCHING.—The Secretary
25 shall require that States make available to the

1 National Accuracy Clearinghouse only such in-
2 formation as is necessary for the purpose de-
3 scribed in subparagraph (A).

4 “(C) DATA PROTECTION.—The informa-
5 tion made available by States under subpara-
6 graph (B)—

7 “(i) shall be used only for the purpose
8 described in subparagraph (A); and

9 “(ii) shall not be retained for longer
10 than is necessary to accomplish that pur-
11 pose.

12 “(3) ISSUANCE OF INTERIM FINAL REGULA-
13 TIONS.—Not later than 18 months after the date of
14 enactment of this subsection, the Secretary shall
15 promulgate regulations (which shall include interim
16 final regulations) to carry out this subsection that—

17 “(A) incorporate best practices and lessons
18 learned from the pilot program under section
19 4032(c) of the Agricultural Act of 2014 (7
20 U.S.C. 2036c(e));

21 “(B) require a State to take appropriate
22 action, as determined by the Secretary, with re-
23 spect to each indication of multiple issuance or
24 indication that an individual receiving benefits
25 in 1 State has applied to receive benefits in an-

1 other State, while ensuring timely and fair serv-
2 ice to applicants for, and participants in, the
3 supplemental nutrition assistance program;

4 “(C) limit the information submitted
5 through or retained by the National Accuracy
6 Clearinghouse to information necessary to ac-
7 complish the purpose described in paragraph
8 (2)(A);

9 “(D) establish safeguards to protect—

10 “(i) the information submitted
11 through or retained by the National Accu-
12 racy Clearinghouse, including by limiting
13 the period of time that information is re-
14 tained to the period necessary to accom-
15 plish the purpose described in paragraph
16 (2)(A); and

17 “(ii) the privacy of information that is
18 submitted through or retained by the Na-
19 tional Accuracy Clearinghouse, which shall
20 include—

21 “(I) prohibiting any contractor
22 who has access to information that is
23 submitted through or retained by the
24 National Accuracy Clearinghouse from
25 using that information for purposes

1 not directly related to the purpose de-
2 scribed in paragraph (2)(A); and

3 “(II) other safeguards, consistent
4 with subsection (e)(8);

5 “(E) establish a process by which a State
6 shall—

7 “(i) not later than 3 years after the
8 date of enactment of this subsection, con-
9 duct a computer match using the National
10 Accuracy Clearinghouse;

11 “(ii) after the first computer match
12 under clause (i), conduct computer
13 matches on an ongoing basis, as deter-
14 mined by the Secretary;

15 “(iii) identify and take appropriate ac-
16 tion, as determined by the Secretary, with
17 respect to each indication of multiple
18 issuance or indication that an individual
19 receiving benefits in 1 State has applied to
20 receive benefits in another State; and

21 “(iv) protect the identity and location
22 of a vulnerable individual (including a vic-
23 tim of domestic violence) that is an appli-
24 cant to or participant of the supplemental
25 nutrition assistance program; and

1 “(F) include other rules and standards, as
2 determined by the Secretary.”.

3 **SEC. 4110. QUALITY CONTROL.**

4 (a) RECORDS.—

5 (1) IN GENERAL.—Section 11(a)(3)(B) of the
6 Food and Nutrition Act of 2008 (7 U.S.C.
7 2020(a)(3)(B)) is amended in the matter preceding
8 clause (i) by inserting “and systems containing those
9 records” after “subparagraph (A)”.

10 (2) COST SHARING FOR COMPUTERIZATION.—
11 Section 16(g)(1) of the Food and Nutrition Act of
12 2008 (7 U.S.C. 2025(g)(1)) is amended—

13 (A) in subparagraph (E), by striking
14 “and” at the end;

15 (B) in subparagraph (F)(ii), by striking
16 the period at the end and inserting “; and”;
17 and

18 (C) by adding at the end the following:

19 “(G) would be accessible by the Secretary
20 for inspection and audit under section
21 11(a)(3)(B); and”.

22 (b) QUALITY CONTROL SYSTEM.—Section 16(c)(1) of
23 the Food and Nutrition Act of 2008 (7 U.S.C. 2025(c)(1))
24 is amended by striking subparagraph (B) and inserting
25 the following:

1 “(B) QUALITY CONTROL SYSTEM INTEG-
2 RITY.—

3 “(i) IN GENERAL.—Not later than
4 180 days after the date of enactment of
5 the Agriculture Improvement Act of 2018,
6 the Secretary shall issue interim final reg-
7 ulations that—

8 “(I) ensure that the quality con-
9 trol system established under this sub-
10 section produces valid statistical re-
11 sults;

12 “(II) provide for oversight of con-
13 tracts entered into by a State agency
14 for the purpose of improving payment
15 accuracy;

16 “(III) ensure the accuracy of
17 data collected under the quality con-
18 trol system established under this sub-
19 section; and

20 “(IV) to the maximum extent
21 practicable, for each fiscal year, evalu-
22 ate the integrity of the quality control
23 process of not fewer than 2 State
24 agencies, selected in accordance with
25 criteria determined by the Secretary.

1 “(ii) DEBARMENT.—In accordance
2 with the nonprocurement debarment proce-
3 dures under part 417 of title 2, Code of
4 Federal Regulations (or successor regula-
5 tions), the Secretary shall bar any person
6 that, in carrying out the quality control
7 system established under this subsection,
8 knowingly submits, or causes to be sub-
9 mitted, false information to the Sec-
10 retary.”.

11 (c) ELIMINATION OF STATE BONUSES FOR ERROR
12 RATES.—

13 (1) IN GENERAL.—Section 16(d) of the Food
14 and Nutrition Act of 2008 (7 U.S.C. 2025(d)) is
15 amended—

16 (A) by striking the subsection heading and
17 inserting “STATE PERFORMANCE INDICATORS
18 AND BONUSES.—”; and

19 (B) in paragraph (2)—

20 (i) in subparagraph (A)(ii), by strik-
21 ing “subparagraph (B)(ii)” and inserting
22 “clauses (ii) and (iii) of subparagraph
23 (B)”; and

24 (ii) in subparagraph (B)—

1 (I) in the matter preceding clause
2 (i), by striking “With respect” and all
3 that follows through the end of clause
4 (i) and inserting the following:

5 “(i) PERFORMANCE MEASUREMENT.—
6 With respect to fiscal year 2005 and each
7 fiscal year thereafter, the Secretary shall
8 measure the performance of each State
9 agency with respect to the criteria estab-
10 lished under subparagraph (A)(i).”;

11 (II) in clause (ii), by striking
12 “(ii) subject to paragraph (3),” and
13 inserting the following:

14 “(ii) PERFORMANCE BONUSES FOR
15 FISCAL YEARS 2005 THROUGH 2017.—With
16 respect to each of fiscal years 2005
17 through 2017, subject to paragraph (3),
18 the Secretary shall”; and

19 (III) by adding at the end the
20 following:

21 “(iii) PERFORMANCE BONUSES FOR
22 FISCAL YEARS 2018 AND THEREAFTER.—

23 “(I) IN GENERAL.—With respect
24 to fiscal year 2018 and each fiscal
25 year thereafter, subject to subclause

1 (II) and paragraph (3), the Secretary
2 shall award performance bonus pay-
3 ments in the following fiscal year, in
4 a total amount of \$6,000,000 for each
5 fiscal year, to State agencies that
6 meet standards for high or most im-
7 proved performance established by the
8 Secretary under subparagraph (A)(ii)
9 for the measure of application proc-
10 essing timeliness.

11 “(II) PERFORMANCE BONUS PAY-
12 MENTS FOR FISCAL YEAR 2018 PER-
13 FORMANCE.—The Secretary shall
14 award performance bonus payments in
15 a total amount of \$6,000,000 to State
16 agencies in fiscal year 2019 for fiscal
17 year 2018 performance, in accordance
18 with subclause (I).”.

19 (2) CONFORMING AMENDMENT.—Section
20 16(i)(1) of the Food and Nutrition Act of 2008 (7
21 U.S.C. 2025(i)(1)) is amended by striking “(as de-
22 fined in subsection (d)(1))”.

1 **SEC. 4111. REQUIREMENT OF LIVE-PRODUCTION ENVIRON-**
2 **MENTS FOR CERTAIN PILOT PROJECTS RE-**
3 **LATING TO COST SHARING FOR COMPUT-**
4 **ERIZATION.**

5 Section 16(g)(1) of the Food and Nutrition Act of
6 2008 (7 U.S.C. 2025(g)(1)) (as amended by section
7 4110(a)(2)) is amended—

8 (1) in subparagraph (F), by redesignating
9 clauses (i) and (ii) as subclauses (I) and (II), respec-
10 tively, and indenting appropriately;

11 (2) by redesignating subparagraphs (A) through
12 (G) as clauses (i) through (vii), respectively, and in-
13 denting appropriately;

14 (3) in the matter preceding clause (i) (as so re-
15 designated)—

16 (A) by striking “paragraphs (2) and (3)”
17 and inserting “paragraph (2)”; and

18 (B) by striking “in the planning” and in-
19 serting the following: “in the—

20 “(A) planning”;

21 (4) in clause (v) (as so redesignated) of sub-
22 paragraph (A) (as so designated), by striking “im-
23 plementation, including through pilot projects in lim-
24 ited areas for major systems changes as determined
25 under rules promulgated by the Secretary, data from

1 which” and inserting the following: “implementation,
2 including a requirement that—

3 “(I) such testing shall be accom-
4 plished through pilot projects in lim-
5 ited areas for major systems changes
6 (as determined under rules promul-
7 gated by the Secretary);

8 “(II) each pilot project described
9 in subclause (I) that is carried out be-
10 fore the implementation of a system
11 shall be conducted in a live-production
12 environment; and

13 “(III) the data resulting from
14 each pilot project carried out under
15 this clause”; and

16 (5) by adding at the end the following:

17 “(B) operation of 1 or more automatic
18 data processing and information retrieval sys-
19 tems that the Secretary determines may con-
20 tinue to be operated in accordance with clauses
21 (i) through (vii) of subparagraph (A).”.

22 **SEC. 4112. AUTHORIZATION OF APPROPRIATIONS.**

23 Section 18(a)(1) of the Food and Nutrition Act of
24 2008 (7 U.S.C. 2027(a)(1)) is amended in the first sen-
25 tence by striking “2018” and inserting “2023”.

1 **SEC. 4113. ASSISTANCE FOR COMMUNITY FOOD PROJECTS.**

2 Section 25(b)(2) of the Food and Nutrition Act of
3 2008 (7 U.S.C. 2034(b)(2)) is amended—

4 (1) in subparagraph (B) by striking “and” at
5 the end;

6 (2) in subparagraph (C) by striking “fiscal year
7 2015 and each fiscal year thereafter.” and inserting
8 “each of fiscal years 2015 through 2018; and”; and

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

10 “(D) \$5,000,000 for fiscal year 2019 and
11 each fiscal year thereafter.”.

12 **SEC. 4114. NUTRITION EDUCATION STATE PLANS.**

13 Section 28(c) of the Food and Nutrition Act of 2008
14 (7 U.S.C. 2036a(c)) is amended—

15 (1) in paragraph (2)—

16 (A) in subparagraph (B)—

17 (i) in the matter preceding clause (i),
18 by striking “Except as provided in sub-
19 paragraph (C), a” and inserting “A”;

20 (ii) in clause (ii), by striking “and”
21 after the semicolon;

22 (iii) by redesignating clause (iii) as
23 clause (iv); and

24 (iv) by inserting after clause (ii) the
25 following:

1 “(iii) describe how the State agency
2 shall use an electronic reporting system
3 that measures and evaluates the projects;
4 and”;

5 (B) by striking subparagraph (C);

6 (2) in paragraph (3)(B), in the matter pre-
7 ceding clause (i), by inserting “, the Director of the
8 National Institute of Food and Agriculture,” before
9 “and outside stakeholders”;

10 (3) in paragraph (5), by inserting “the ex-
11 panded food and nutrition education program or”
12 before “other health promotion”; and

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

14 “(6) REPORT.—The State agency shall submit
15 to the Secretary an annual evaluation report in ac-
16 cordance with regulations issued by the Secretary.”.

17 **SEC. 4115. WORK ACTIVATION PROGRAM FOR ADULTS WITH**
18 **DEPENDENT CHILDREN.**

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

21 **“SEC. 30. WORK ACTIVATION PROGRAM FOR ADULTS WITH**
22 **DEPENDENT CHILDREN.**

23 “(a) DEFINITIONS.—In this section:

1 “(1) ELIGIBLE PARTICIPANT.—The term ‘eligi-
2 ble participant’ means an individual who, during a
3 particular month, is—

4 “(A) a parent in a household with depend-
5 ent children;

6 “(B) at least 19, and not more than 55,
7 years of age;

8 “(C) not disabled;

9 “(D) a member of a household in which 1
10 or more parents or children receive supple-
11 mental nutrition assistance program benefits in
12 the month;

13 “(E) a member of a household that re-
14 ceived supplemental nutrition assistance pro-
15 gram benefits for more than 3 months in the
16 year; and

17 “(F) employed less than 100 hours in the
18 month.

19 “(2) MARRIED COUPLE HOUSEHOLD.—The
20 term ‘married couple household’ means a household
21 that includes 2 eligible participants who are married
22 to each other and have dependent children.

23 “(3) SUCCESSFUL ENGAGEMENT IN WORK ACTI-
24 VATION.—The term ‘successful engagement in work
25 activation’ means—

1 “(A) in the case of an individual who is eli-
2 gible and required to participate in interim
3 work activation, performance during the month
4 that fulfills the activity and hour requirements
5 of subsection (e);

6 “(B) in the case of an individual who is re-
7 quired to participate in full work activation,
8 performance during the month that fulfills the
9 activity and hour requirements of subsection
10 (d); and

11 “(C) in the case of an individual who
12 meets the eligibility criteria described in sub-
13 section (e)(1), performance that fulfills the ac-
14 tivity and hour requirements of that subsection.

15 “(4) WORK AND WORK PREPARATION ACTIVI-
16 TIES.—The term ‘work and work preparation activi-
17 ties’ means—

18 “(A) unsubsidized employment;

19 “(B) subsidized private sector employment;

20 “(C) subsidized public sector employment;

21 “(D) work experience (including work as-
22 sociated with the refurbishing of publicly as-
23 sisted housing) if sufficient private sector em-
24 ployment is not available;

25 “(E) on-the-job training;

1 “(F) job readiness assistance;

2 “(G) a community service program;

3 “(H) vocational educational training (not
4 to exceed 1 year with respect to any individual);

5 “(I) job skills training directly related to
6 employment;

7 “(J) education directly related to employ-
8 ment, in the case of a recipient who has not re-
9 ceived a high school diploma or a certificate of
10 high school equivalency;

11 “(K) satisfactory attendance at secondary
12 school or in a course of study leading to a cer-
13 tificate of general equivalence, in the case of a
14 recipient who has not completed secondary
15 school or received such a certificate;

16 “(L) the provision of child care services to
17 an individual who is participating in a commu-
18 nity service program;

19 “(M) workfare under section 20; and

20 “(N) supervised job search.

21 “(b) WORK ACTIVATION PROGRAM.—

22 “(1) IN GENERAL.—As a condition of receiving
23 supplemental nutrition assistance program funds
24 under this Act, a State agency shall be required to

1 operate a work activation program for eligible par-
2 ticipants.

3 “(2) SPECIAL RULES FOR MARRIED COUPLE
4 HOUSEHOLDS.—

5 “(A) IN GENERAL.—In the case of eligible
6 participants who are spouses in a married cou-
7 ple household—

8 “(i) the work activation requirement
9 of this section shall apply only if the sum
10 of the combined current employment of
11 both spouses is less than 100 hours per
12 month; and

13 “(ii) both spouses shall be considered
14 to have achieved successful engagement in
15 the work activation program if either
16 spouse fulfills the work activation require-
17 ments described in subsection (c), (d), or
18 (e)(1).

19 “(B) TOTAL REQUIRED HOURS.—The total
20 combined number of hours of required work
21 and work preparation activities for both spouses
22 in a married couple household shall not be
23 greater than the total number of hours required
24 for a single head of household.

1 “(C) REQUIREMENT.—In carrying out this
2 section, a State agency shall ensure that, for
3 any month—

4 “(i) the proportion that—

5 “(I) the number of married cou-
6 ple households that are required to
7 participate in work activation under
8 this section in a month; bears to

9 “(II) the number of all house-
10 holds that are required to participate
11 in work activation under this section
12 in the same month; is not greater
13 than—

14 “(ii) the proportion that—

15 “(I) the number of all married
16 couple households with eligible partici-
17 pants in the month; bears to

18 “(II) the number of all house-
19 holds with eligible participants in the
20 same month.

21 “(c) SHORT-TERM INTERIM WORK ACTIVATION.—

22 “(1) IN GENERAL.—A State agency may re-
23 quire eligible participants who meet the criteria in
24 paragraph (2) to engage in—

1 “(A) interim work activation as described
2 in this subsection; or

3 “(B) full work activation as described in
4 subsection (d).

5 “(2) ELIGIBILITY.—A State agency may re-
6 quire an eligible participant to participate in interim
7 work activation instead of full work activation if the
8 eligible participant has not engaged in work activa-
9 tion under this section in the preceding 3 years.

10 “(3) REQUIRED JOB SEARCH.—A participant in
11 interim work activation shall be required—

12 “(A) to participate in supervised job search
13 for at least 6 hours per week; and

14 “(B) to engage in such additional activities
15 as the State agency may require.

16 “(4) TIME LIMIT ON INTERIM WORK ACTIVA-
17 TION.—

18 “(A) IN GENERAL.—An eligible participant
19 shall not participate in interim work activation
20 for more than 3 months.

21 “(B) ADDITIONAL TIME.—After an eligible
22 participant has participated in interim work ac-
23 tivation for 3 months, the State agency shall re-
24 quire the eligible participant—

1 “(i) to maintain at least 100 hours of
2 employment per month; or

3 “(ii) to participate in full work activa-
4 tion.

5 “(d) FULL WORK ACTIVATION.—

6 “(1) IN GENERAL.—As a condition of receiving
7 supplemental nutrition assistance program funds
8 under this Act, a State agency shall require all or
9 part of the eligible participants in the State to en-
10 gage in full work activation under this section.

11 “(2) REQUIREMENTS.—An eligible participant
12 who is required to participate in full work activation
13 in a month shall be required to engage in 1 or more
14 work and work preparation activities for an average
15 of 100 hours per month.

16 “(3) LIMITATION.—Of the total number of re-
17 quired hours described in paragraph (2), not fewer
18 than 20 hours per week shall be attributable to an
19 activity described in subparagraph (A), (B), (C),
20 (D), (E), (F), (G), (H), (L), (M), or (N) of sub-
21 section (a)(4).

22 “(4) PARTICIPATION IN COMMUNITY SERVICE
23 OR WORKFARE.—At least 10 percent of the eligible
24 participants that a State requires to participate in
25 full work activation under this section shall be re-

1 quired to participate in activities described in sub-
2 paragraph (D), (G), or (M) of subsection (a)(4).

3 “(5) WORK ACTIVATION NOT EMPLOYMENT.—

4 Other than unsubsidized employment described in
5 subsection (a)(4)(A), participation in work and work
6 preparation activities under this section shall not
7 be—

8 “(A) considered to be employment; or

9 “(B) subject to any law pertaining to
10 wages, compensation, hours, or conditions of
11 employment under any law administered by the
12 Secretary of Labor.

13 “(6) ADDITIONAL REQUIRED ACTIVITY.—Ex-
14 cept as provided in subsection (g), nothing in this
15 section prevents a State from requiring more than
16 100 hours per month of participation in work and
17 work preparation activities.

18 “(e) LIMITATIONS AND SPECIAL RULES.—

19 “(1) SINGLE TEEN HEAD OF HOUSEHOLD OR
20 MARRIED TEEN WHO MAINTAINS SATISFACTORY
21 SCHOOL ATTENDANCE.—For purposes of deter-
22 mining monthly participation rates under this sec-
23 tion, an eligible participant who is married or a head
24 of household and who has not attained 20 years of
25 age shall be considered to have completed successful

1 engagement in work activation for a month if the eli-
2 gible participant—

3 “(A) maintains satisfactory attendance at
4 secondary school or the equivalent during the
5 month; or

6 “(B) participates in education directly re-
7 lated to employment for an average of at least
8 20 hours per week during the month.

9 “(2) LIMITATION ON NUMBER OF PERSONS
10 WHO MAY BE TREATED AS ENGAGED IN WORK ACTI-
11 VATION BY REASON OF PARTICIPATION IN EDU-
12 CATIONAL ACTIVITIES.—For purposes of deter-
13 mining monthly participation rates under this sec-
14 tion, not more than 30 percent of the number of in-
15 dividuals in a State who are treated as having com-
16 pleted successful engagement in work activation for
17 a month may be individuals who are determined to
18 be engaged in work activation for the month by rea-
19 son of participation in vocational educational train-
20 ing.

21 “(f) STATE OPTION FOR PARTICIPATION REQUIRE-
22 MENT EXEMPTIONS.—

23 “(1) IN GENERAL.—For any fiscal year, a State
24 agency, at the option of the State agency, may—

1 “(A) exempt a household that includes a
2 child who has not attained 12 months of age
3 from engaging in work activation; and

4 “(B) disregard that household in deter-
5 mining the monthly participation rates under
6 this section until the child has attained 12
7 months of age.

8 “(2) EXCLUSION.—For purposes of determining
9 monthly participation rates under this section, a
10 household that includes a child who has not attained
11 6 years of age shall be considered to be successfully
12 engaged in work activation for a month if a member
13 of the household receiving supplemental nutrition as-
14 sistance program benefits is engaged in work activa-
15 tion for an average of at least 20 hours per week
16 during the month.

17 “(g) PENALTIES AGAINST INDIVIDUALS.—

18 “(1) IN GENERAL.—Except as provided in para-
19 graph (3), if an eligible participant in a household
20 receiving assistance under the State program funded
21 under this section fails to complete successful en-
22 gagement in work activation in accordance with this
23 section, the State agency shall—

24 “(A) in accordance with paragraph (2), re-
25 duce the amount of assistance otherwise pay-

1 able to the entire household pro rata (or more,
2 at the option of the State agency) with respect
3 to the month immediately after any month in
4 which the eligible participant fails to perform;
5 or

6 “(B) terminate the assistance entirely.

7 “(2) PRO RATA REDUCTION.—For purposes of
8 paragraph (1)(A), the amount of the pro rata reduc-
9 tion shall equal the product obtained by multi-
10 plying—

11 “(A) the normal monthly amount of assist-
12 ance to the entire household that would have
13 been received if not for the reduction under
14 paragraph (1)(A); by

15 “(B) the proportion that—

16 “(i) the hours of required work and
17 work preparation activities performed by
18 the eligible participant during the month;
19 bears to

20 “(ii) the number or hours of work and
21 work preparation activities the State agen-
22 cy required the eligible participant to per-
23 form in accordance with this section.

24 “(3) EXCEPTION.—A State may not reduce or
25 terminate assistance under the State program fund-

1 ed under this section or any other State program
2 funded with qualified State expenditures (as defined
3 in section 409(a)(7)(B) of the Social Security Act
4 (42 U.S.C. 609(a)(7)(B))) based on a refusal of an
5 eligible participant to engage in work and work
6 preparation activities required under this section
7 if—

8 “(A) the eligible participant is a single cus-
9 todial parent caring for a child who has not at-
10 tained 6 years of age; and

11 “(B) the eligible participant proves that
12 the eligible participant has a demonstrated in-
13 ability (as determined by the State agency) to
14 obtain needed child care, due to—

15 “(i) unavailability of appropriate child
16 care within a reasonable distance from the
17 home or work site of the eligible partici-
18 pant; or

19 “(ii) unavailability of all affordable
20 child care arrangements, including formal
21 child care and all informal child care by a
22 relative or under other arrangements.

23 “(h) LIMITATION ON HOURS OF REQUIRED PARTICI-
24 PATION IN COMMUNITY SERVICE OR WORKFARE.—

1 “(1) IN GENERAL.—The maximum number of
2 hours during a month that an eligible participant
3 shall be required under this section to work in a
4 community service program or a workfare program
5 under section 20 shall not exceed the quotient ob-
6 tained by dividing—

7 “(A) the total dollar cost of all means-test-
8 ed benefits received by the household for that
9 month, as determined under paragraph (2); by

10 “(B) the Federal minimum wage.

11 “(2) TOTAL DOLLAR COST OF ALL MEANS-
12 TESTED BENEFITS DEFINED.—

13 “(A) IN GENERAL.—Except as provided in
14 subparagraph (B), the total dollar cost of all
15 means-tested benefits shall equal the sum of the
16 dollar cost of all benefits received by the house-
17 hold from—

18 “(i) the supplemental nutrition assist-
19 ance program;

20 “(ii) the State program funded under
21 part A of title IV of the Social Security
22 Act (42 U.S.C. 601 et seq.) or any other
23 State program funded with qualified State
24 expenditures (as defined in section

1 409(a)(7)(B)(i) of that Act (42 U.S.C.
2 609(a)(7)(B)(i)); and

3 “(iii) any assistance provided to a
4 household, landlord, or public housing
5 agency (as defined in section 3(b)(6) of the
6 United States Housing Act of 1937 (42
7 U.S.C. 1437a(b)(6))) to subsidize the rent-
8 al payment for a dwelling unit, including
9 assistance provided for public housing
10 dwelling units under section 3 of the
11 United States Housing Act of 1937 (42
12 U.S.C. 1437a) and assistance provided
13 under section 8 of that Act (42 U.S.C.
14 1437f).

15 “(B) VALUE OF BENEFITS DURING SANC-
16 TION.—For purposes of subparagraph (A), if
17 the dollar value of 1 or more benefits received
18 by a household in a month has been reduced
19 under subsection (g) or another sanction re-
20 quirement, the calculated dollar value of the
21 sanctioned benefits shall equal the dollar value
22 of the benefit that would have been received if
23 the benefit had not been reduced by the sanc-
24 tion.

1 “(3) ADDITIONAL ACTIVITIES.—Nothing in this
 2 subsection prevents a State agency from requiring
 3 an eligible participant to engage in activities not de-
 4 scribed in paragraph (1) for additional hours during
 5 the month.

6 “(i) WORK ACTIVATION PARTICIPATION GOALS.—

7 “(1) IN GENERAL.—As a condition of receiving
 8 supplemental nutrition assistance program funds
 9 under this Act, except as provided in paragraph (2),
 10 a State agency shall achieve for each quarter of the
 11 fiscal year with respect to all eligible participants re-
 12 ceiving assistance under the State program funded
 13 under this section for that fiscal year at least the
 14 participation rate specified in the following table:

“If the fiscal year is:	The quarterly participation rate shall be at least:
2019	20 percent
2020	35 percent
2021	50 percent
2022	65 percent
2023	80 percent.

15 “(2) ADJUSTMENT IF RECESSIONARY PE-
 16 RIOD.—If the average national unemployment rate
 17 during a quarter of a fiscal year, as determined by
 18 the Bureau of Labor Statistics of the Department of
 19 Labor, is more than 8 percent, the participation goal

1 for the immediately succeeding quarter shall equal
2 the product obtained by multiplying—

3 “(A) the applicable quarterly participation
4 rate under paragraph (1); by

5 “(B) 0.8.

6 “(j) CALCULATION OF WORK ACTIVATION PARTICI-
7 PATION RATES.—

8 “(1) DEFINITION OF SANCTIONED RECIPI-
9 ENT.—In this subsection, the term ‘sanctioned re-
10 cipient’ means any eligible participant who—

11 “(A) was required to participate in work
12 activation in a month;

13 “(B) failed to perform the assigned work
14 and work preparation activities so as to meet
15 the relevant hourly requirements in subsection
16 (c), (d), or (e)(2); and

17 “(C) was sanctioned by a reduced benefit
18 payment in the subsequent month under sub-
19 section (g).

20 “(2) REQUIREMENTS.—The work activation
21 participation rate for a State for any quarter of a
22 fiscal year shall equal the average of the monthly
23 participation rates for the State during the 3
24 months of that quarter.

1 “(3) MONTHLY PARTICIPATION RATE.—For
2 purposes of paragraph (2), the monthly participation
3 rate shall equal the ratio of all countable partici-
4 pants to all eligible participants in the month, as de-
5 termined under paragraph (4).

6 “(4) RATIO OF ALL COUNTABLE PARTICIPANTS
7 TO ALL ELIGIBLE PARTICIPANTS.—Subject to para-
8 graph (5), the ratio of all countable participants to
9 all eligible participants in a month equals the pro-
10 portion that—

11 “(A) the sum obtained by adding—

12 “(i) all eligible participants who—

13 “(I) were required by the State
14 to engage in interim work activation,
15 full work activation, or education
16 under subsection (e)(1) during the
17 month; and

18 “(II) fulfilled the criteria for suc-
19 cessful engagement in work activation
20 for that activity during the month;
21 and

22 “(ii) all sanctioned recipients for that
23 month; bears to

24 “(B) the average number of eligible par-
25 ticipants in the State in that month.

1 “(5) MULTIPLE ELIGIBLE PARTICIPANTS.—A
2 married couple household consisting of more than 1
3 eligible participant shall be counted as a single eligi-
4 ble participant for purposes of calculating the par-
5 ticipation rate under this subsection.

6 “(k) PENALTIES FOR INADEQUATE STATE PERFORM-
7 ANCE.—

8 “(1) IN GENERAL.—Beginning in the first
9 quarter of fiscal year 2020 and for each subsequent
10 quarter of fiscal year 2020 and of each subsequent
11 fiscal year, each State shall count the monthly aver-
12 age number of countable participants under this sec-
13 tion.

14 “(2) REDUCTION IN FUNDING.—If the monthly
15 average number of countable participants in a State
16 of a fiscal year is not sufficient to fulfill the relevant
17 work activation participation goal under subsection
18 (i) during that quarter, the supplemental nutrition
19 assistance program funding for the State under this
20 Act shall be reduced for the fiscal quarter that be-
21 gins 180 days after the first day of the quarter in
22 which the inadequate performance occurred in ac-
23 cordance with paragraph (3).

24 “(3) FUNDING IN PENALIZED QUARTER.—The
25 total amount of funding a State shall receive for all

1 households with eligible participants for a quarter
2 for which funding is reduced under paragraph (2)
3 shall equal the product obtained by multiplying—

4 “(A) the total amount of funding that the
5 State would have received in the preceding
6 quarter for all households with eligible partici-
7 pants if no reduction had been in place; by

8 “(B) the ratio of all countable participants
9 to all eligible participants (as determined under
10 subsection (j)(4)) for the quarter that began
11 180 days before the first day of the quarter for
12 which funding is reduced.

13 “(l) FUNDING TO ADMINISTER WORK ACTIVA-
14 TION.—

15 “(1) TANF FUNDING.—

16 “(A) IN GENERAL.—Notwithstanding any
17 other provision of law, for fiscal year 2019 and
18 each subsequent fiscal year, a State that re-
19 ceives supplemental nutrition assistance pro-
20 gram funds under this Act may use during that
21 fiscal year to carry out the work activation pro-
22 gram of the State under this section—

23 “(i) any of the Federal funds available
24 to the State through the State program
25 funded under part A of title IV of the So-

1 “(3) SUPPLEMENTAL NUTRITION ASSISTANCE
2 PROGRAM EMPLOYMENT AND TRAINING PROGRAM.—
3 Notwithstanding any other provision of law, for fis-
4 cal year 2019 and each subsequent fiscal year, a
5 State that receives Federal funds under this Act for
6 an employment and training program under section
7 6(d) may use those funds during that fiscal year to
8 carry out the work activation program of the State
9 under this section.”.

10 **SEC. 4116. EMERGENCY FOOD ASSISTANCE PROGRAM.**

11 (a) STATE PLAN.—Section 202A(b) of the Emer-
12 gency Food Assistance Act of 1983 (7 U.S.C. 7503(b))
13 is amended—

14 (1) in paragraph (3), by striking “and” after
15 the semicolon;

16 (2) in paragraph (4), by striking the period at
17 the end and inserting a semicolon; and

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

19 “(5) at the option of the State agency, describe
20 a plan of operation for 1 or more projects in part-
21 nership with 1 or more emergency feeding organiza-
22 tions located in the State to harvest, process, and
23 package donated commodities received under section
24 203D(d); and

1 “(6) describe a plan, which may include the use
2 of a State advisory board established under sub-
3 section (c), that provides emergency feeding organi-
4 zations or eligible recipient agencies within the State
5 an opportunity to provide input on the commodity
6 preferences and needs of the emergency feeding or-
7 ganization or eligible recipient agency.”.

8 (b) STATE AND LOCAL SUPPLEMENTATION OF COM-
9 MODITIES.—Section 203D of the Emergency Food Assist-
10 ance Act of 1983 (7 U.S.C. 7507) is amended by adding
11 at the end the following:

12 “(d) PROJECTS TO HARVEST, PROCESS, AND PACK-
13 AGE DONATED COMMODITIES.—

14 “(1) DEFINITION OF PROJECT.—In this sub-
15 section, the term ‘project’ means the harvesting,
16 processing, or packaging of unharvested, unproc-
17 essed, or unpackaged commodities donated by agri-
18 cultural producers, processors, or distributors for
19 use by emergency feeding organizations under sub-
20 section (a).

21 “(2) FEDERAL FUNDING FOR PROJECTS.—

22 “(A) IN GENERAL.—Subject to subpara-
23 graphs (B) and (C) and paragraph (3), using
24 funds made available under paragraph (5), the

1 Secretary may provide funding to States to pay
2 for the costs of carrying out a project.

3 “(B) FEDERAL SHARE.—The Federal
4 share of the cost of a project under subpara-
5 graph (A) shall not exceed 50 percent of the
6 total cost of the project.

7 “(C) ALLOCATION.—

8 “(i) IN GENERAL.—Each fiscal year,
9 the Secretary shall allocate to States that
10 have submitted under section 202A(b)(5) a
11 State plan describing a plan of operation
12 for a project the funds made available
13 under subparagraph (A) based on a for-
14 mula determined by the Secretary.

15 “(ii) REALLOCATION.—If the Sec-
16 retary determines that a State will not ex-
17 pend all of the funds allocated to the State
18 for a fiscal year under clause (i), the Sec-
19 retary shall reallocate the unexpended
20 funds to other States that have submitted
21 under section 202A(b)(5) a State plan de-
22 scribing a plan of operation for a project
23 during that fiscal year or the subsequent
24 fiscal year, as the Secretary determines ap-
25 propriate.

1 “(iii) REPORTS.—Each State to which
2 funds are allocated for a fiscal year under
3 this subparagraph shall, on a regular basis,
4 submit to the Secretary financial reports
5 describing the use of the funds.

6 “(3) PROJECT PURPOSES.—A State may only
7 use Federal funds received under paragraph (2) for
8 a project the purposes of which are—

9 “(A) to reduce food waste at the agricul-
10 tural production, processing, or distribution
11 level through the donation of food;

12 “(B) to provide food to individuals in need;
13 and

14 “(C) to build relationships between agricul-
15 tural producers, processors, and distributors
16 and emergency feeding organizations through
17 the donation of food.

18 “(4) COOPERATIVE AGREEMENTS.—The Sec-
19 retary may encourage a State agency that carries
20 out a project using Federal funds received under
21 paragraph (2) to enter into cooperative agreements
22 with State agencies of other States under section
23 203B(d) to maximize the use of commodities do-
24 nated under the project.

1 “(5) FUNDING.—Out of funds not otherwise
2 appropriated, the Secretary of the Treasury shall
3 transfer to the Secretary to carry out this subsection
4 \$4,000,000 for each of fiscal years 2019 through
5 2023, to remain available until the end of the subse-
6 quent fiscal year.”.

7 (c) FOOD WASTE.—Section 203D of the Emergency
8 Food Assistance Act of 1983 (7 U.S.C. 7507) (as amend-
9 ed by subsection (b)) is amended by adding at the end
10 the following:

11 “(e) FOOD WASTE.—The Secretary shall issue guid-
12 ance outlining best practices to minimize the food waste
13 of the commodities donated under subsection (a).”.

14 (d) EMERGENCY FOOD PROGRAM INFRASTRUCTURE
15 GRANTS.—Section 209(d) of the Emergency Food Assist-
16 ance Act of 1983 (7 U.S.C. 7511a(d)) is amended by
17 striking “2018” and inserting “2023”.

18 (e) AVAILABILITY OF COMMODITIES FOR THE EMER-
19 GENCY FOOD ASSISTANCE PROGRAM.—Section 27(a) of
20 the Food and Nutrition Act of 2008 (7 U.S.C. 2036(a))
21 is amended—

22 (1) in paragraph (1), by striking “2018” and
23 inserting “2023”; and

24 (2) in paragraph (2)—

1 (A) in subparagraph (C), by striking
2 “2018” and inserting “2023”;

3 (B) in subparagraph (D)—

4 (i) in the matter preceding clause (i),
5 by striking “2018” and inserting “2023”;

6 (ii) in clause (iii), by striking “and”
7 after the semicolon;

8 (iii) in clause (iv), by striking “and”
9 after the semicolon;

10 (iv) by adding at the end the fol-
11 lowing:

12 “(v) for fiscal year 2019,
13 \$23,000,000;

14 “(vi) for fiscal year 2020,
15 \$35,000,000;

16 “(vii) for fiscal year 2021,
17 \$35,000,000;

18 “(viii) for fiscal year 2022,
19 \$35,000,000; and

20 “(ix) for fiscal year 2023,
21 \$35,000,000; and”; and

22 (C) in subparagraph (E)—

23 (i) by striking “2019” and inserting
24 “2024”;

- 1 (ii) by striking “(D)(iv)” and insert-
2 ing “(D)(ix)”; and
3 (iii) by striking “June 30, 2017” and
4 inserting “June 30, 2023”.

5 **SEC. 4117. 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 (d), by striking “7(i)” and in-
9 serting “7(h)”;

10 (2) in subsection (i), by striking “7(i)” and in-
11 serting “7(h)”;

12 (3) in subsection (o)(1)(A), by striking “(r)(1)”
13 and inserting “(q)(1)”.

14 (b) Section 5(a) of the Food and Nutrition Act of
15 2008 (7 U.S.C. 2014(a)) is amended by striking “3(n)(4)”
16 each place it appears and inserting “3(m)(4)”.

17 (c) Section 8 of the Food and Nutrition Act of 2008
18 (7 U.S.C. 2017) is amended—

19 (1) in subsection (e)(1), by striking “3(n)(5)”
20 and inserting “3(m)(5)”;

21 (2) in subsection (f)(1)(A), by striking
22 “3(n)(5)” and inserting “3(m)(5)”.

23 (d) Section 9(c) of the Food and Nutrition Act of
24 2008 (7 U.S.C. 2018(c)) is amended in the third sentence

1 by striking “to any used by” and inserting “to, and used
2 by,”.

3 (e) Section 10 of the Food and Nutrition Act of 2008
4 (7 U.S.C. 2019) is amended in the first sentence—

5 (1) by striking “or the Federal Savings and
6 Loan Insurance Corporation” each place it appears;
7 and

8 (2) by striking “3(p)(4)” and inserting
9 “3(o)(4)”.

10 (f) Section 11 of the Food and Nutrition Act of 2008
11 (7 U.S.C. 2020) is amended—

12 (1) by striking “3(t)(1)” each place it appears
13 and inserting “3(s)(1)”; and

14 (2) by striking “3(t)(2)” each place it appears
15 and inserting “3(s)(2)”.

16 (g) Section 18(e) of the Food and Nutrition Act of
17 2008 (7 U.S.C. 2027(e)) is amended in the first sentence
18 by striking “7(f)” and inserting “7(e)”.

19 (h) Section 25(a)(1)(B)(i)(I) of the Food and Nutri-
20 tion Act of 2008 (7 U.S.C. 2034(a)(1)(B)(i)(I)) is amend-
21 ed by striking “service;” and inserting “service;”.