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USDA Domestic Food Assistance Programs: FY2020 Appropriations

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SUMMARY

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USDA Domestic Food Assistance Programs: FY2020 Appropriations

The Further Consolidated Appropriations Act, 2020 (P.L. 116-94) was enacted on December 20, 2019. This omnibus bill included appropriations for the U.S. Department of Agriculture (USDA), of which USDA's domestic food assistance programs are a part. Prior to its enactment, the federal government had continued to operate for the first nearly three months of the fiscal year under continuing resolutions (CRs). This report focuses on the enacted appropriations for USDA's domestic food assistance programs and, in some instances, policy changes provided by the omnibus law. CRS Report R45974, *Agriculture and Related Agencies: FY2020 Appropriations*, provides an overview of the entire FY2020 Agriculture and Related Agencies portion of the law as well as a review of the reported bills and CRs preceding it. Subsequent Coronavirus Disease 2019 (COVID-19) response laws provided supplemental appropriations and new policies for the food assistance programs.

Domestic food assistance funding is primarily mandatory but also includes discretionary funding. Most of the programs' funding is for open-ended, appropriated mandatory spending—that is, terms of the authorizing law require full funding and funding may vary with program participation (and in some cases inflation). The largest mandatory programs include the Supplemental Nutrition Assistance Program (SNAP, formerly the Food Stamp Program) and the child nutrition programs (including the National School Lunch Program and School Breakfast Program). Though their funding levels are dictated by the authorizing law, in most cases, appropriations are needed to make funds available for obligation and expenditure. The three largest discretionary budget items are the Special Supplemental Nutrition Program for Women, Infants, and Children (WIC); the Commodity Supplemental Food Program (CSFP); and federal nutrition program administration.

The domestic food assistance funding is, for the most part, administered by USDA's Food and Nutrition Service (FNS). The enacted FY2020 appropriation provides over $98 billion for domestic food assistance (**Table 1**). This is a decrease of approximately $5.2 billion from FY2019. Declining participation in SNAP is responsible for most of the difference. Approximately 93% of the FY2019 appropriations for domestic food assistance are for mandatory spending. Some highlights of the associated appropriations accounts are summarized below.

For SNAP and other programs authorized by the Food and Nutrition Act, such as The Emergency Food Assistance Program (TEFAP) commodities, the FY2020 appropriations law provides approximately $67.9 billion. Certain provisions of the law affect SNAP policies. For example, it continues a policy in the FY2017 through FY2019 appropriations laws that limited USDA's implementation of December 2016 regulations regarding SNAP retailers' inventory requirements. USDA must amend its final rule to define "variety" more expansively and must "apply the requirements regarding acceptable varieties and breadth of stock."

For the child nutrition programs (the National School Lunch Program and others), the enacted law provides approximately $23.6 billion. This includes discretionary funding for school meals equipment grants ($30 million) and Summer Electronic Benefit Transfer (EBT) demonstration projects ($35 million), and a general provision that provides an additional $9 million for farm-to-school efforts, and a general provision that provides $5 million for school breakfast expansion grants. The law includes policy provisions related to processed poultry from China, requirements for schools' paid lunch pricing, and vegetables in school breakfasts.

For the WIC program, the law provides $6.0 billion while also rescinding $1 billion in prior-year carryover funding. The law includes new funding for telehealth grants.

For the Commodity Assistance Program account, which includes funding for the Commodity Supplemental Food Program (CSFP), TEFAP administrative and distribution costs, and other programs, the law provides just over $322 million. The law includes nearly $80 million in discretionary funding for TEFAP administrative and distribution costs.

For Nutrition Programs Administration, the law provides nearly $156 million.

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This report focuses on USDA's domestic food assistance programs; their funding; and, in some instances, policy changes provided by the enacted FY2018 appropriations law. USDA's domestic food assistance programs include the Supplemental Nutrition Assistance Program (SNAP, formerly the Food Stamp Program), Special Supplemental Nutrition Program for Women, Infants, and Children (WIC), and the child nutrition programs (such as the National School Lunch Program). The domestic food assistance funding is, for the most part, administered by USDA's Food and Nutrition Service (FNS).[1] CRS Report R45974, *Agriculture and Related Agencies: FY2020 Appropriations*, provides an overview of the entire FY2020 Agriculture and Related Agencies appropriations law as well as a review of the reported bills and CRs preceding its enactment.

With its focus on appropriations, this report discusses programs' eligibility requirements and operations minimally. See CRS Report R42353, *Domestic Food Assistance: Summary of Programs*, for more background.

Overview of FY2020 USDA-FNS Funding

This section focuses on the funding provided by the FY2020 annual appropriations law (P.L. 116-94). Coronavirus Disease 2019 (COVID-19) response supplemental appropriations are summarized in a subsequent section ("COVID-19 Supplemental Appropriations").

Domestic food assistance—SNAP and child nutrition programs in the mandatory spending accounts, and WIC and other programs in the discretionary spending accounts—represents nearly two-thirds of the FY2020 Agriculture appropriations act (**Figure 1**).

The federal budget process treats discretionary and mandatory spending differently.[2]

- **Discretionary spending** is controlled by annual appropriations acts and receives most of the attention during the appropriations process. The annual budget resolution[3] process sets spending limits for discretionary appropriations. Agency operations (salaries and expenses) and many grant programs are discretionary.
- **Mandatory spending**—though carried in the appropriation—is controlled by budget rules during the authorization process.[4] Appropriations acts then provide funding to match the parameters required by the mandatory programs' authorizing laws. For the domestic food assistance programs, these laws are typically reauthorized in farm bill[5] and child nutrition reauthorizations.[6]

[1] Nutrition Programs Administration funding funds USDA's Center for Nutrition Policy and Promotion (CNPP), and the bill also provides some funding initially to FNS that is routinely transferred to other federal agencies.

[2] See CRS Report R44582, *Overview of Funding Mechanisms in the Federal Budget Process, and Selected Examples*.

[3] See CRS Report R42388, *The Congressional Appropriations Process: An Introduction*.

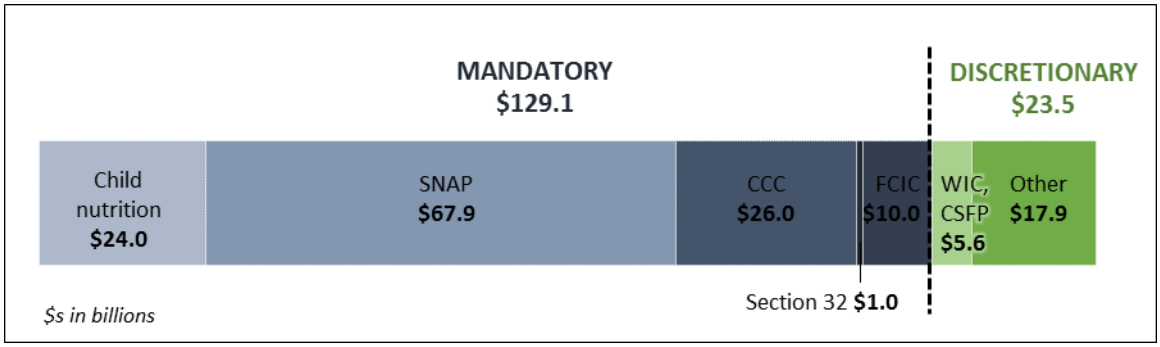
[4] See CRS Report 98-560, *Baselines and Scorekeeping in the Federal Budget Process*.

[5] P.L. 113-79. See CRS In Focus IF10783, *Farm Bill Primer: Budget Issues*.

[6] P.L. 111-296. See CRS Report R44373, *Tracking Child Nutrition Reauthorization in the 114th Congress: An Overview*.

Figure 1. Scope of Agriculture and Related Agencies Appropriations

FY2020 budget authority total: $152.6 billion



Source: The Congressional Research Service (CRS) (see CRS Report R45974, *Agriculture and Related Agencies: FY2020 Appropriations*).

Notes: SNAP = Supplemental Nutrition Assistance Program; CCC = Commodity Credit Corporation; FCIC = Federal Crop Insurance Corporation; Section 32 = Funds for Strengthening Markets, Income and Supply; WIC = Special Supplemental Nutrition Program for Women, Infants, and Children; CSFP = Commodity Supplemental Food Program.

Domestic food assistance funding (**Table 1**) largely consists of open-ended, appropriated mandatory programs—that is, it varies with program participation (and in some cases inflation) under the terms of the underlying authorization law. The largest mandatory programs include SNAP and the child nutrition programs (including the National School Lunch Program and School Breakfast Program). Though their funding levels are dictated by the authorizing law, in most cases appropriations are needed to make funds available.

The three largest discretionary budget items are WIC, the Commodity Supplemental Food Program (CSFP), and federal nutrition program administration.

The enacted FY2020 appropriation would provide over $98 billion for domestic food assistance (**Table 1**). This is a decrease of approximately $5.2 billion from FY2019. A forecast of declining participation in SNAP is responsible for most of the difference. (COVID-19 supplemental appropriations provided another $15.5 billion for the SNAP account.) Over 95% of the FY2019 appropriations are for mandatory spending.

Table 1 summarizes funding for the domestic food assistance programs, comparing FY2020 levels to those of prior years. In addition to the accounts' appropriations language, the enacted appropriation's general provisions include additional funding, rescissions, and/or policy changes. These are summarized in this report.

Table 1. Domestic Food Assistance Appropriations, P.L. 116-94

(Budget authority in millions of dollars)

Program	Mand. (M) or Disc. (D)	FY2017	FY2018	FY2019	FY2020				Change: FY2019 to FY2020 Enacted	
		P.L. 115-31	P.L. 115-141	P.L. 116-6	Admin. Request[a]	House-Passed H.R. 3055	Senate-Passed H.R. 3055	Enacted P.L. 116-94		
Child Nutrition Programs[b]										
Account Total[c] (including transfers)		**22,794.0**	**24,254.1**	**23,140.8**	**23,943.2**	**24,041.6**	**23,602.6**	**23,615.1**	**+474.3**	**2.0%**
National School Lunch Program	*M*	*12,339.8*	*13,133.2*	*12,091.8*	*12,726.2*	*12,726.2*	*12,507.5*	*12,507.5*	*+415.7*	*3.4%*
School Breakfast Program	*M*	*4,470.2*	*4,807.4*	*4,816.2*	*4,929.3*	*4,929.3*	*4,831.4*	*4,831.4*	*+15.2*	*0.3%*
Child and Adult Care Food Program	*M*	*3,490.9*	*3,832.7*	*3,815.3*	*3,839.7*	*3,839.7*	*3,835.7*	*3,835.7*	*+20.4*	*0.5%*
Special Milk Program	*M*	*9.2*	*8.8*	*8.1*	*7.2*	*7.2*	*7.1*	*7.1*	*-1.0*	*-12.3%*
Summer Food Service Program	*M*	*627.1*	*563.8*	*519.5*	*551.9*	*551.9*	*526.4*	*526.4*	*+6.9*	*1.3%*
State Administrative Expenses	*M*	*279.1*	*297.3*	*302.6*	*315.1*	*315.1*	*314.9*	*314.9*	*+12.3*	*4.1%*
Commodity Procurement for Child Nutrition	*M*	*1,428.1*	*1,461.8*	*1,436.5*	*1,472.6*	*1,472.6*	*1,420.0*	*1,420.0*	*-16.5*	*-1.1%*
School Meals Equipment, Breakfast Grants	*D*	*25.0*	*30.0*	*30.0*	*0.0*	*35.0*	*30.0*	*30.0*	*0.0*	*0.0%*
Summer Meal Demonstrations	*D*	*23.0*	*28.0*	*28.0*	*0.0*	*50.0*	*28.0*	*35.0*	*+7.0*	*+25.0%*
Special Supplemental Nutrition Program for Women, Infants, and Children (WIC)	**D**	**6,350.0[d]**	**6,175.0[e]**	**6,075.0[f]**	**5,750.0[g]**	**6,000.0[h]**	**6,000.0[h]**	**6,000.0[h]**	**-75.0**	**-1.2%**
Supplemental Nutrition Assistance Program (SNAP)[b]										
Account Total[c]		**78,480.7**	**74,013.5**	**73,476.9**	**69,069.9[i]**	**71,093.9**	**69,163.3**	**67,886.3[j]**	**-5,590.6**	**-7.6%**
SNAP Benefits	*M*	**67,754.4**	**63,039.0**	**62,299.4**	**57,496.4**	**57,496.4**	**n/a**	**56,164.4**	**-6,135.0**	**-9.8%**
Contingency Reserve Fund	*M*	**3,000.0**	**3,000.0**	**3,000.0**	**3,000.0**	**5,000.0**	**3,000.0**	**3,000.0[k]**	**0.0**	**0.0%**

Program	Mand. (M) or Disc. (D)	FY2017 P.L. 115-31	FY2018 P.L. 115-141	FY2019 P.L. 116-6	FY2020 Admin. Request[a]	FY2020 House-Passed H.R. 3055	FY2020 Senate-Passed H.R. 3055	FY2020 Enacted P.L. 116-94	Change: FY2019 to FY2020 Enacted	
State Administrative Costs	*M*	**4,230.5**	**4,483.4**	**4,617.9**	**4,965.7**	**4,965.7**	**n/a**	**4,965.7**	**+347.8**	**+7.5%**
Employment and Training (E&T)	*M*	**456.0**	**476.7**	**487.7**	**513.7**	**513.7**	**n/a**	**613.7**	**+126.0**	**+25.8%**
Nutrition Education and Obesity Prevention	*M*	**414.0**	**421.0**	**433.0**	**441.0**	**441.0**	**n/a**	**441.0**	**+8.0**	**+1.8%**
TEFAP Commodities	*M*	**316.0l**	**289.5**	**294.5**	**320.8**	**320.8**	**n/a**	**322.3**	**+27.8**	**+9.4%**
Food Distribution Program on Indian Reservations	*M[m]*	**151.0**	**153.0**	**153.0**	**153.0**	**153.0**	**n/a**	**160.2**	**+7.2**	**+4.7%**
Commonwealth of Northern Mariana Islands	*M*	**12.2**	**12.1**	**12.1**	**12.1**	**12.1**	**n/a**	**12.1**	**0.0**	**0.0%**
Puerto Rico and American Samoa	*M*	**1,956.9**	**1,937.4**	**1,973.7**	**1,967.0**	**1,967.0**	**n/a**	**1,977.6[n]**	**+3.9**	**+0.2%**
Commodity Assistance Program										
Account Total[c]		**315.1**	**322.1**	**322.1**	**55.5**	**344.2**	**344.2**	**344.2**	**22.1**	**6.9%**
Commodity Supplemental Food Program	*D*	*236.1*	*238.1*	*222.9o*	*0.0*	*245.0*	*245.0*	*245.0*	*+22.1*	*+9.9%*
WIC Farmers' Market Nutrition Program	*D*	*18.5*	*18.5*	*18.5*	*0.0*	*18.5*	*18.5*	*18.5*	*0.0*	*0.0%*
TEFAP Administrative Costs	*D*	*59.4*	*64.4*	*109.6o*	*54.4*	*79.6*	*79.6*	*79.6*	*-30.0*	*-27.4%*
Nutrition Program Administration	**D**	**170.7**	**153.8**	**164.7**	**152.0**	**154.0**	**160.9**	**155.9**	**-8.8**	**-5.3%**
Office of the Under Secretary	**D**	**0.8**	**0.8**	**0.8**	**0.8**	**0.8**	**0.8**	**0.8**	**0.0**	**0.0%**
Total, Domestic Food Assistance (Title IV)[p]		**108,111.3**	**104,919.4**	**103,180.3**	**96,971.4**	**101,634.3**	**99,271.1**	**98,002.3**	**-5,178.0**	**-5.0%**

Source: The Congressional Research Service (CRS), compiled from tables in the joint explanatory statements or committee reports for the referenced appropriations acts or bills. Excludes supplemental appropriations not included in annual appropriations acts.

a. The FY2020 Administration request reflected in this column is from the FNS budget request submitted to Congress in March 2019.

b. FNS programs that are open-ended mandatory programs (e.g., SNAP and the child nutrition programs), the programs do not necessarily have the authority to spend all of the appropriated funds. For such programs' historical spending, see also FNS expenditure data at http://www.fns.usda.gov/data-and-statistics.

c. "Account Total" includes amounts for the programs listed below as well as other programs not listed.

d. The FY2017 enacted law (§745) rescinded $850 million in WIC carryover funds.

e. The FY2018 enacted law rescinded $800 million in WIC carryover funding. Both reported bills would also have rescinded carryover funds: H.R. 3268 (§741) would have rescinded $600 million; S. 1603 (§741) would have rescinded $800 million.

f. The FY2019 enacted law (§723) rescinded $500 million in WIC carryover funding. The House-reported and Senate-passed bills also would have rescinded carryover funds: H.R. 5961 (§723) would have rescinded $300 million; H.R. 6147 (§724) would have rescinded $400 million.

g. The Administration also requested a rescission of $1 billion in WIC carryover funding.

h. The FY2020 enacted law (§723) also rescinds $1 billion in WIC carryover funding. The House- and Senate-passed bills also would have rescinded carryover funds: the House-passed bill (§723) would have rescinded $800 million; the Senate-passed bill (§722) would have rescinded $800 million.

i. This is the Administration's FY2020 SNAP request for current law at the time of the request. The Administration also proposed multiple SNAP legislative measures. If these proposals were enacted, the Administration estimated they would have reduced the SNAP request for FY2020 by approximately $17.4 billion.

j. The explanatory statement indicates that the bill provides $5 million for the nationwide implementation of the National Accuracy Clearinghouse (Section 4011 of P.L. 115-334).

k. The FY2020 contingency reserve is available through September 30, 2022, and the law extends the availability of prior-year contingency reserve funding. Section 786 extends the availability of prior-year contingency reserve funds. Reserve funds provided in P.L. 115-141 are available until September 30, 2020; reserve funds provided in P.L 116-6 are available until September 30, 2021.

l. The FY2017 enacted law provided $297 million required by the Food and Nutrition Act and an additional $19 million for TEFAP commodities provided in general provisions (§748).

m. A portion of FDPIR funding (nutrition education) is discretionary.

n. The FY2020 enacted law (§776) provides an additional $6 million for the study of Puerto Rico's nutrition assistance program included in H. Rept. 116-107.

o. The FY2019 enacted law transferred $30.0 million in CSFP prior-year funds to TEFAP for administrative expenses. This transfer is included in the TEFAP Administrative Costs total for FY2019 in this table but not in the Commodity Assistance Program account total.

p. Title IV totals do not include additions and rescissions provided in bills' general provisions.

President's FY2020 Budget Request

Table 1 compares the enacted funding to the House- and Senate-reported bills, prior years' enacted funding, and the President's FY2020 budget request. The President's budget request includes the Administration's forecast for programs with open-ended funding such as SNAP and the child nutrition programs; this assists the appropriations committees in providing funding levels expected to meet obligations. The budget also includes the Administration's requests for discretionary programs. Additionally, it is a place for the Administration to include legislative requests. The FY2020 request included SNAP and child nutrition legislative proposals.

The President's FY2020 budget request included legislative proposals as follows:

- It included 14 legislative proposals pertaining to SNAP, the majority of which had also been proposed in the President's FY2019 budget request.[7] The majority of these proposals would have restricted SNAP eligibility or made changes to the benefit calculation. This request also proposed to replace a portion of the SNAP benefit with a box of USDA-purchased foods, to limit federal funding for states' administrative costs, and to eliminate both nutrition education and interoperability grant funding, as well as several retailer and recipient integrity policies. Together, these proposals were estimated by both the Administration and Congressional Budget Office (CBO) to reduce program spending in FY2020 and over the 10-year budget window.[8] None of these policies were enacted as part of the FY2020 appropriation. In 2019, the Administration published several SNAP regulations that relate to (but are not necessarily identical to) legislative changes proposed in the budget: restricting categorical eligibility, changing utility cost calculations, and expanding work-related rules.[9]
- It included four legislative proposals pertaining to child nutrition programs, including changes that would increase verification of household applications for school meals, limit participation in the Community Eligibility Provision, and increase the maximum grant award in the Farm to School Grant program. It also proposed changing funding for child nutrition programs. Currently, a portion of funding for child nutrition programs comes from the Section 32 program; the proposal would provide all funding through the Treasury.
- It requested no funding for a number of discretionary spending programs, including the following:
  - school meals equipment grants, which have received discretionary funding since FY2009;
  - the summer EBT demonstration, which has received discretionary funding since FY2010;

[7] USDA-FNS FY2020 Congressional Budget Justification, pp. 32-100 through 32-114, http://www.obpa.usda.gov/32fns2020notes.pdf.

[8] Congressional Budget Office (CBO), Supplemental Nutrition Assistance Program—CBO's Estimate of the President's Fiscal Year 2020 Budget, May 9, 2019, https://www.cbo.gov/system/files/2020-03/56249-2019-05-09-snap.pdf.

[9] See USDA-FNS regulations: "Revision of Categorical Eligibility in the Supplemental Nutrition Assistance Program (SNAP)," (Proposed Rule) 84 *Federal Register* 35570, July 24, 2019; "Supplemental Nutrition Assistance Program: Standardization of State Heating and Cooling Standard Utility Allowances" (Proposed Rule), 84 *Federal Register* 52809, October 3, 2019; "Supplemental Nutrition Assistance Program: Requirements for Able-Bodied Adults Without Dependents," (Final Rule) 82 *Federal Register* 66782, December 5, 2019.

- the WIC Farmers' Market Nutrition Program (FMNP), which has received annual discretionary funding since 1992; and
- the Commodity Supplemental Food Program (CSFP), which has received annual discretionary funding since 1969.

For SNAP and WIC, the President's FY2020 budget request also incorporated certain "current law proposals." These activities do not require a change to authorizing law but do entail changes to appropriations amount or appropriations language.

Domestic Food Assistance Appropriations Accounts and Related General Provisions (P.L. 116-94)

Office of the Under Secretary for Food, Nutrition, and Consumer Services

For the Under Secretary's office, the enacted FY2020 appropriation provides $0.8 million. This office received approximately equal funding in FY2019.

SNAP and Other Programs under the Food and Nutrition Act

Appropriations under the Food and Nutrition Act (formerly the Food Stamp Act) support (1) SNAP (and related grants); (2) a nutrition assistance block grant for Puerto Rico and nutrition assistance block grants to American Samoa and the Commonwealth of the Northern Mariana Islands (all in lieu of SNAP); (3) the cost of food commodities as well as administrative and distribution expenses under the Food Distribution Program on Indian Reservations (FDPIR); (4) the cost of commodities for TEFAP, but not administrative/distribution expenses, which are covered under the Commodity Assistance Program budget account; and (5) Community Food Projects.

The enacted appropriation provides approximately $67.9 billion for programs under the Food and Nutrition Act. This is approximately $5.6 billion less than FY2019 appropriations. The difference is largely due to a forecasted reduction in SNAP participation at the time of the FY2020 appropriations' enactment.[10] The enacted appropriation provides $3 billion for the SNAP contingency reserve fund.[11] Since enactment, the COVID-19 pandemic and related unemployment has changed forecasts for FY2020 SNAP participation and spending.

[10] See also USDA-FNS Congressional Budget Justification, p. 32-77, http://www.obpa.usda.gov/32fns2019notes.pdf. As an appropriated, open-ended mandatory program, SNAP funding is not the same as SNAP spending. SNAP regularly receives annual appropriations that are greater than the amount the program spends. Better measures for SNAP program spending can be found in USDA-FNS's costs data, available at http://www.fns.usda.gov/pd/SNAPmain.htm.

[11] These funds, held in reserve, are available for a two year period, whereas the majority of SNAP funds are available for one-year. These reserve funds are available for spending if the other SNAP appropriations are exhausted. A general provision (§786) of the law extends the availability of contingency reserve funding provided in FY2018 and FY2019 appropriations laws (P.L. 115-141, P.L. 116-6, respectively). Each source of funding is extended an additional year, with the FY2018 appropriations available through FY2020, and the FY2019 appropriations available through FY2021.

Supplemental SNAP authorities and appropriations have been included in COVID-19 response legislation.[12]

The SNAP account also includes mandatory funding for TEFAP commodities. The enacted appropriation provides just over $322 million, according to the terms of the Food and Nutrition Act. This is an increase ($27.8 million, 9.4%) over the $294.5 million provided in FY2019.

SNAP Account: Other General Provisions and Committee Report Language

SNAP-Authorized Retailers. The FY2017, FY2018, and FY2019 appropriations laws limited USDA's implementation of December 2016 regulations regarding SNAP retailers' inventory requirements, and the enacted FY2020 appropriation (§727) continues those limits.

Only SNAP-authorized retailers may accept SNAP benefits. On December 15, 2016, FNS published a final rule to change retailer requirements for SNAP authorization.[13] The final rule would have implemented the 2014 farm bill's changes to inventory requirements for SNAP-authorized retailers (P.L. 113-79, §4002). Namely, the 2014 farm bill increased both the varieties of *staple foods* and the perishable items within those varieties that SNAP retailers must stock. In addition to codifying the farm bill's changes, the final rule would have changed how staple foods are defined, clarified limitations on retailers' sale of hot foods, and increased the minimum number of stocking units.[14]

Section 727 in the FY2020 enacted appropriation continues to require that USDA amend its final rule to define *variety* more expansively and that USDA "apply the requirements regarding acceptable varieties and breadth of stock" that were in place prior to P.L. 113-79 until such regulatory amendments are made. In the meantime, USDA-FNS implemented other aspects of the 2016 final rule, such as increased stocking units.[15] On April 5, 2019, USDA did publish a proposed rule, proposing amendments to the definition of variety.[16]

Implementation of 2018 Farm Bill Nutrition Policies. The FY2020 enacted appropriation provides funds for or amends several new programs or policies added by the nutrition title of the 2018 farm bill (P.L. 115-334).

Section 770 of the enacted appropriation provides $1 million for the Healthy Fluid Milk Incentive Projects. This program was established in the 2018 farm bill (§4208). These bonus incentive projects incentivize SNAP recipients' purchase of fluid milk. This FY2020 funding is the first appropriation the program has received since the provision was enacted.

Amending a SNAP provision added by the 2018 farm bill, Section 784 of the enacted appropriation lengthens the time that facilities are protected from being excluded from the program. The 2018 farm bill (§4007) required USDA to review the program operations of certain

[12] See CRS Insight IN11250, *USDA Domestic Food Assistance Programs' Response to COVID-19: P.L. 116-127, P.L. 116-136, and Related Efforts*.

[13] USDA-FNS, "Enhancing Retailer Standards in the Supplemental Nutrition Assistance Program (SNAP)," 81 *Federal Register* 90675-90699, December 15, 2016. For further information on this rulemaking and implementation following the FY2017 appropriations law, see CRS Report R44650, *Updated Standards for SNAP-Authorized Retailers*.

[14] The proposed rule's preamble states that, aside from the farm bill change, FNS is "using existing authority in [SNAP's authorizing statute] and feedback from a Request for Information that included five listening sessions in urban and rural locations across the nation and generated 233 public comments."

[15] See USDA-FNS website, "Is My Store Eligible?" https://www.fns.usda.gov/snap/my-store-eligible.

[16] USDA-FNS, "Providing Regulatory Flexibility for Retailers in the Supplemental Nutrition Assistance Program (SNAP)," 84 *Federal Register* 13555-13562, April 5, 2019.

facility types, but facilities were to be protected from losing authorization through 18 months after enactment. The appropriation provision extends that protection through December 31, 2020.

After a long-running five-state pilot, the 2018 farm bill (§4011) required USDA to implement nationwide the National Accuracy Clearinghouse (NAC), a data system to detect concurrent SNAP participation in multiple states. The explanatory statement accompanying the enacted appropriation states that the conference agreement provides $5 million for the nationwide implementation of the NAC. (The NAC is not mentioned in the legislative text.)

Child Nutrition Programs[17]

Appropriations under the child nutrition account fund a number of programs and activities authorized by the Richard B. Russell National School Lunch Act and the Child Nutrition Act. These include the National School Lunch Program (NSLP), School Breakfast Program (SBP), Child and Adult Care Food Program (CACFP), Summer Food Service Program (SFSP), Special Milk Program (SMP), assistance for state administrative expenses, federal procurement of commodities, state reviews of the integrity of school meal operations ("Administrative Reviews"), Team Nutrition and education initiatives to improve meal quality and food safety, and support activities such as technical assistance and studies/evaluations. (Child nutrition efforts are also supported by a smaller amount of permanent mandatory appropriations and other funding sources discussed in the section "Other Nutrition Funding Support".)

The enacted FY2020 appropriation provides approximately $23.6 billion for the child nutrition account. This is $474 million more (2%) than the amount provided in FY2019, and includes a transfer of approximately $13.5 billion from the Section 32 account.

In addition to appropriated mandatory funding, the enacted appropriation includes discretionary funding for certain child nutrition activities. This includes the following:

- **School Meals Equipment Grants.**[18] The enacted appropriation provides $30 million, the same amount as FY2019. The grants provide funding for equipment purchases that help schools serve healthier meals, improve food safety, and establish, maintain, or expand the SBP. FNS distributes funds to state agencies, which provide equipment grants to school food authorities on a competitive basis. States prioritize schools in which at least half of the students are eligible for free or reduced-price meals. Funding for school meal equipment assistance grants has been included in annual appropriations acts since FY2013.[19]
- **Summer Meals Demonstration Projects.** The enacted appropriation provides $35 million, up from $28 million in FY2019. This funding primarily supports Summer Electronic Benefit Transfer (EBT) projects, which provide electronic food benefits on a SNAP or WIC EBT card over the summer months to households with children who are eligible for free or reduced-price school meals. Summer EBT offers an alternative to the SFSP, which requires physical

[17] Further background on these programs and related funding is provided in CRS Report R43783, *School Meals Programs and Other USDA Child Nutrition Programs: A Primer*.

[18] For more information about these grants, see USDA-FNS's resources for the FY2019 grants, https://www.fns.usda.gov/nslp/fy-2019-nslp-equipment-assistance-grants-school-food-authorities.

[19] The American Recovery and Reinvestment Act (P.L. 111-5) provided $100 million for school meals equipment assistance grants. Appropriations acts in FY2010 and FY2013 through FY2019 have provided subsequent funding for these grants.

attendance at a meal site. In FY2019, USDA awarded grants to four grantees (Chickasaw Nation, Inter Tribal Council of Arizona, Michigan, and Wisconsin) to implement projects through summer 2022.[20] Funding for summer meal demonstrations was originally appropriated in FY2010 and has been included in annual appropriations acts since FY2015.[21]

Attempts were made in Congress to reauthorize the child nutrition programs and WIC in 2016, but reauthorization was not completed.[22] Some provisions of the operating law nominally expired at the end of FY2015, but nearly all operations continued via funding provided in appropriations laws since that time, including the FY2020 enacted appropriation. The enacted appropriation also continues to extend two expiring provisions: mandatory funding for an Information Clearinghouse (through FY2021) and food safety audits (through FY2020).

Child Nutrition Programs: General Provisions

Two general provisions in the FY2020 enacted appropriation include *additional funding* for child nutrition activities:

- **Farm to School Grants.** Section 742 of the enacted appropriation provides $9 million for farm-to-school efforts. This funding primarily supports competitive grants to assist schools and other local entities in implementing farm-to-school initiatives. This is in addition to $5 million in permanent mandatory funding, for a total of $14 million available in FY2020. This compares to a total of $10 million available for farm-to-school activities in FY2019.
- **School Breakfast Expansion Grants.** Section 763 of the enacted appropriation provides $5 million for grants to support the expansion of school breakfast programs, $1 million of which is for grants to Puerto Rico, the Northern Mariana Islands, the U.S. Virgin Islands, Guam, and American Samoa. This is the first dedicated funding for the grants, which were authorized by the Healthy, Hunger-Free Kids Act of 2010 (P.L. 111-296) (however, breakfast expansion is included in the purposes of school meal equipment grants, discussed above). According to statute, USDA is to allocate the grants on a competitive basis to state agencies, which are to distribute grants to local educational agencies that include schools in which at least 75% of children are eligible for free or reduced-price lunches.[23]

FY2020 general provisions also included *policy provisions*:

- **Processed Poultry from China.** The enacted appropriation includes a policy provision (§738) to prevent any raw or processed poultry imported from China from being included in the National School Lunch Program, School Breakfast Program, Child and Adult Care Food Program, and Summer Food Service

[20] USDA-FNS, "2021 USDA Explanatory Notes for Committee on Appropriations: Food and Nutrition Service," pp. 34-41, available at https://www.usda.gov/sites/default/files/documents/32fns2021notes.pdf.

[21] Summer meal demonstrations were originally funded by the FY2010 appropriations law (P.L. 111-80).

[22] Committees of jurisdiction marked up bills in the 114th Congress, but Congress did not complete reauthorization. There was no significant reauthorization activity in the 115th Congress. As of the date of this report, leadership on both committees of jurisdiction (the Senate Agriculture, Nutrition, and Forestry Committee and the House Committee on Education and Labor) have announced plans to work on reauthorization in the 116th Congress. The child nutrition reauthorization process is discussed in CRS In Focus IF10266, *Child Nutrition Reauthorization (CNR): An Overview*.

[23] Section 23 of the Child Nutrition Act of 1966, codified at 42 U.S.C. 1793.

Program. This policy has been included in enacted appropriations laws since FY2015.[24]

- **Paid Lunch Pricing.** For school year 2020-2021, Section 747 of the enacted appropriation changes federal policy related to the pricing of paid (full-price) school meals. Included in the Healthy, Hunger-Free Kids Act of 2010 (P.L. 111-296), and first implemented in the 2011-2012 school year, this policy required schools annually to review their revenue from paid lunches and to determine, using a calculation specified in law and regulations, whether paid lunch prices had to be increased.[25] The purpose of the calculation was to ensure that federal funding intended for free and reduced-price meals was not subsidizing full-price meals. For school year 2020-2021, the enacted appropriation requires a smaller subset of schools—only those with a negative balance in their nonprofit school food service account as of December 31, 2019—to be subject to this calculation and potentially required to raise prices. The same provision was included in the FY2018 and FY2019 enacted appropriation acts (pertaining to school years 2018-2019 and 2019-2020).
- **Vegetables in School Breakfasts.** Section 749 of the enacted appropriation increases the frequency with which starchy vegetables can be substituted for fruits in the School Breakfast Program. Under current regulations, schools are allowed to substitute vegetables for the required servings of fruits (at least one cup daily, and at least five cups weekly) in school breakfasts. The regulations also specify that, "the first two cups per week of any such substitution must be from the dark green, red/orange, beans and peas (legumes) or 'Other vegetables'[26] subgroups."[27] This excludes the starchy vegetable subgroup, which includes items such as corn, plantains, and white potatoes. The enacted appropriation specifies that appropriated FY2020 funds cannot be used to enforce this requirement in school year 2019-2020 or school year 2020-2021, thereby allowing schools to substitute any type of vegetables for any or all of the required daily and weekly servings of fruits. The same change was made by the FY2019 appropriations act.

[24] In 2017, China exported nearly 500 pounds of processed chicken that was sourced from other countries. China did not export any poultry to the United States in 2018 or 2019. USDA's Food Safety and Inspection Service recognized the equivalency of China's poultry slaughter system in November 2019. China is now eligible to export domestically raised, processed chicken to the United States. Raw chicken exports are prohibited because of animal disease risks. For more information, see CRS In Focus IF10148, *Chicken Imports from China*.

[25] Section 205 of the Healthy, Hunger-free Kids Act of 2010 (P.L. 111-296) (an amendment to the Richard B. Russell National School Lunch Act codified at 42 U.S.C. 1760(p)). For more information on paid lunch pricing requirements, see CRS Report R45486, *Child Nutrition Programs: Current Issues*.

[26] The "Other vegetables" subgroup includes "all other fresh, frozen, and canned vegetables, cooked or raw, such as artichokes, asparagus, avocado, bean sprouts, beets, Brussels sprouts, cabbage, cauliflower, celery, cucumbers, eggplant, green beans, green peppers, iceberg lettuce, mushrooms, okra, onions, parsnips, turnips, wax beans, and zucchini." (7 C.F.R. §210.10(c)(2)(iii)(E)).

[27] 7 C.F.R. §220.8(c), footnote c.

WIC Program[28]

Although WIC is a discretionary funded program, since the late 1990s the practice of the appropriations committees has been to provide enough funds for WIC to serve all projected participants.[29]

The FY2020 enacted appropriation provides $6.0 billion for WIC; however, the law also rescinds available carryover funds from past years. This funding level is $75 million less than the FY2019 appropriation. The enacted appropriation also includes set-asides for WIC breastfeeding peer counselors and related activities ("not less than $90 million") and infrastructure ($14.0 million). The peer counselor set-aside is equal to FY2018 levels. The breastfeeding peer counselor set-aside is $30 million more than in FY2019. The infrastructure set-aside is a decrease of $5 million from FY2019.

The enacted appropriation (§723) rescinds $1 billion in prior-year (or carryover) WIC funds.

Commodity Assistance Program

The Commodity Assistance Program budget account supports several discretionary programs and activities: (1) Commodity Supplemental Food Program (CSFP), (2) funding for TEFAP administrative and distribution costs, (3) the WIC Farmers' Market Nutrition Program (FMNP), and (4) special Pacific Island assistance for nuclear-test-affected zones in the Pacific (the Marshall Islands) and areas affected by natural disasters.

The FY2020 enacted appropriation provides over $344 million for this account, a $22 million (7%) increase from FY2019. Within the account

- CSFP receives $245 million (an increase of approximately $22 million or about 10%);
- TEFAP Administrative Costs receives nearly $80 million, down from $110 million in FY2019 (however, the FY2019 law included a transfer of $30 million in prior-year CSFP funds). In addition to this discretionary TEFAP funding, the law allows the conversion of up to 20% of TEFAP entitlement commodity funds (included in the SNAP account discussed above) to funds for administrative and distribution costs; and
- WIC FMNP receives $18.5 million, the same level as FY2019.

Nutrition Programs Administration

This budget account funds federal administration of all the USDA domestic food assistance program areas noted previously; special projects for improving the integrity and quality of these programs; and the Center for Nutrition Policy and Promotion, which provides nutrition education and information to consumers (including various dietary guides).

[28] Further background on this program and related funding is provided in CRS Report R44115, *A Primer on WIC: The Special Supplemental Nutrition Program for Women, Infants, and Children*.

[29] Economic Research Service (ERS), *The WIC Program: Background, Trends, and Economic Issues, 2015 Edition*, EIB-134, January 2015, p. 19.

The enacted appropriation provides nearly $156 million for this account, a decrease of approximately $9 million from FY2019.[30] As in FY2019 and prior years, the law sets aside $2 million for the fellowship programs administered by the Congressional Hunger Center.

COVID-19 Supplemental Appropriations for FY2020

As of the date of this report, two FY2020 supplemental appropriations acts to respond to the COVID-19 pandemic included funding and/or policies for USDA-FNS domestic food assistance programs.[31]

The Families First Coronavirus Response Act (FFCRA; P.L. 116-127) provided a $400 million supplemental appropriation for TEFAP, $100 million for nutrition assistance block grants to territories in lieu of SNAP, and $500 million for WIC.

FFCRA also included policy provisions related to USDA-FNS programs. The act gave USDA the authority to issue waivers of certain WIC and child nutrition program requirements.[32] The act also authorized P-SNAP (Pandemic Supplemental Nutrition Assistance Program), a new program allowing USDA to approve state plans to provide electronic benefit cards to households with children who would normally receive free or reduced-price school meals, but whose schools are closed due to the pandemic. (This program is also known as P-EBT [Pandemic Electronic Benefit Transfer].) The P-EBT provision also provides open-ended, mandatory funding. In addition, FFCRA allowed for temporary increases to SNAP benefits, partially suspended the SNAP time limit for nondisabled adults without dependents (ABAWDs) who work less than 80 hours per month,[33] and allowed USDA to adjust certain administrative requirements during the COVID-19 public health emergency designation.

Subsequently, the CARES Act (P.L. 116-136) appropriated over $25 billion in additional funding for certain USDA-FNS programs "to prevent, prepare, and respond to coronavirus" (amounts shown in **Table 2**). Some of these funds may be used to fund the policies included in FFCRA. The additional $8.8 billion for child nutrition programs might be used to implement waivers that increase federal costs that were authorized by FFCRA. Also, while the additional $15.5 billion for SNAP might be used to fund increases in participation and spending during the pandemic generally, some of that increase is due to the emergency allotments authorized by FFCRA.

Table 2. Supplemental Appropriations for USDA-FNS Programs Due to COVID-19

(Dollars in millions)

USDA-FNS Program	P.L. 116-127 (March 18, 2020)	P.L. 116-136 (March 27, 2020)
Supplemental Nutrition Assistance Program (SNAP)	[a]	
SNAP contingency reserve		15,510
Northern Mariana Islands, Puerto Rico, American Samoa	100	200

[30] In FY2017, the appropriations law provided a $17.7 million set-aside for FNS's relocation and related expenses. These funds are available until expended.

[31] For more information, see CRS Insight IN11250, *USDA Domestic Food Assistance Programs' Response to COVID-19: P.L. 116-127, P.L. 116-136, and Related Efforts*.

[32] For a list of waivers USDA has issued during the COVID-19 pandemic for domestic food assistance programs, see USDA-FNS, "FNS Response to COVID-19," https://www.fns.usda.gov/disaster/pandemic/covid-19.

[33] Jessica Shahin, Supplemental Nutrition Assistance Program (SNAP) – Families First Coronavirus Response Act and Impact on Time Limit for Able-Bodied Adults Without Dependents (ABAWDs), USDA-FNS, March 20, 2020, https://www.fns.usda.gov/sites/default/files/resource-files/FFCRA-Impact-on-ABAWD-TimeLimit.pdf.

USDA-FNS Program	P.L. 116-127 (March 18, 2020)	P.L. 116-136 (March 27, 2020)
Food Distribution Program on Indian Reservations		100
Child Nutrition Programs		8,800
The Emergency Food Assistance Program[b]	400	450
Special Supplemental Nutrition Program for Women, Infants, and Children (WIC)	500	
Total	**1,000**	**25,060**

Source: Compiled by the Congressional Research Service (CRS) based on the specified laws. This table only includes supplemental appropriations, not new policies that may have an impact on direct spending. All funding in this table is designated as emergency and does not count against budget caps.

a. In addition to the specified supplemental amounts for the SNAP account in the CARES Act (P.L. 116-136), the Families First Coronavirus Response Act (P.L. 116-127, §1101) authorized and appropriated open-ended funding for the Pandemic Electronic Benefit Transfer (P-EBT) program. The amount displayed does not include the P-EBT funding.

b. The supplemental TEFAP appropriations are contained in the Commodity Assistance Program account. States may use up to $100 million of the $400 million provided by P.L. 116-127 and $150 million of the $450 million provided by P.L. 116-136 for food storage and distribution costs.

Other Nutrition Funding Support

Domestic food assistance programs also receive funds from sources other than appropriations:

- In addition to appropriated funds from the child nutrition account for commodity foods (which provides over $1.4 billion), USDA purchases entitlement and bonus commodity foods for the child nutrition programs using Section 32 funds—a permanent appropriation.[34] For FY2020, the enacted appropriation (§714) specifies that up to $485 million from Section 32 is to be available for child nutrition entitlement commodities, the same amount as FY2019. The amount of bonus commodities is not predetermined but rather based on USDA's assessment of agricultural needs throughout the year.
- The Fresh Fruit and Vegetable Program (FFVP) for selected elementary schools nationwide is financed with permanent, mandatory funding from Section 32. The underlying law (Section 19 of the Richard B. Russell National School Lunch Act) provides $150 million, adjusted annually for inflation, at the beginning of every school year. For FY2020, the inflation-adjusted amount is $175.5 million.[35]
- The Food Service Management Institute (technical assistance to child nutrition providers, also known as the Institute of Child Nutrition) is funded through a permanent annual appropriation of $5 million.
- The Senior Farmers' Market Nutrition program receives nearly $21 million of mandatory funding per year (FY2002-FY2023) outside of the regular appropriations process.[36]

[34] For further background, see CRS Report RL34081, *Farm and Food Support Under USDA's Section 32 Program*.

[35] USDA-FNS, "Fresh Fruit and Vegetable Program: Allocation of Funds for Fiscal Year 2020," SP 29-2019, May 30, 2019, available at https://www.fns.usda.gov/ffvp/fresh-fruit-and-vegetable-program-allocation-funds-fiscal-year-2020.

[36] Authorizing language at Section 4402 of the 2002 farm bill (P.L. 107-171), most recently amended by Section 4201 of the 2018 farm bill (P.L. 115-334), codified at 7 U.S.C. §3007.

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