

NLWJC - Kagan

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Welfare - Food Stamp Restoration

**PRESIDENT CLINTON SIGNS
THE AGRICULTURAL RESEARCH, EXTENSION,
AND EDUCATION REFORM ACT OF 1998**

June 23, 1998

Today the President will sign into law the Agricultural Research, Extension, and Education Reform Act of 1998. This law will (1) restore Food Stamp benefits for 250,000 legal immigrants, including children, the elderly, individuals with disabilities, and refugees and asylees; (2) provide full funding for the Federal crop insurance program; (3) authorize funding for the Initiative for Future Agriculture and Food Systems, which supports new and existing agricultural research, education and extension programs, and (4) extend and authorize additional funding for the Fund for Rural America. Under the President's leadership, a broad coalition of individual and groups, including legal immigrants, farmers, agricultural groups, and religious leaders, came together to help ensure that this Nation's farmers are secure when disaster strikes; that rural communities are strengthened economically; that American agricultural research is second to none; and that legal immigrants in need receive benefits to help feed their families. The main provisions of this legislation include:

Food Stamp Benefits for Legal Immigrants. The food stamp provisions will restore benefits to 250,000 elderly, disabled, and other needy legal immigrants, including 75,000 children, who lost assistance as a result of cuts in the 1996 welfare law that had nothing to do with welfare reform. This restoration builds on the President's success last year in restoring SSI and Medicaid to 420,000 legal immigrants whose benefits were also terminated in welfare reform. This bill and last year's Balanced Budget Act go a long way toward reversing the unfair cuts in benefits to legal immigrants that the President criticized when he signed the 1996 welfare reform law, and that he committed to work with Congress to overturn.

This law will restore Food Stamp benefits to legal immigrants who lawfully resided in the United States as of August 22, 1996, and are: (1) disabled or become disabled after that date; (2) elderly; or (3) children under 18 years of age. It also restores benefits to Hmong immigrants from Laos who aided our country during the Vietnam War and extends the period during which refugees and asylees may qualify for Food Stamps while they await citizenship. We will continue to work to ensure that, in this great country, those who honor our laws and contribute to our society can be free from hunger.

Federal Crop Insurance. This legislation will provide the authority to ensure adequate funding for the Federal crop insurance program to help strengthen the farm safety net. When the President signs this bill into law, our Nation's farmers will know that crop insurance will be fully funded for the next five years and will be there for them if disaster strikes. Without the funding provided in this legislation, it was possible that crop insurance policies would have had to be canceled, creating significant problems for many of our Nation's farmers, including preventing many of them from securing annual farm operating loans.

Fund for Rural America. \$300 million (of which \$100 million is new funding) will be provided over the next five years, for the Fund for Rural America which provides loans and grants for rural economic and community development to strengthen rural communities, and innovative applied research and extension programs to improve food safety, human nutrition, and agricultural productivity.

Agriculture Research, Extension, and Education Initiatives. This legislation would reauthorize through Fiscal Year 2002 the various USDA programs that support the Nation's land-grant colleges and universities. In addition, this legislation would fund additional research programs. Most notably, this legislation would channel \$120 million a year over the next five years, for a total of \$600 million, to the Initiative for Future Agriculture and Food Systems, a competitive grants program that would support activities in critical emerging areas including: agricultural genomes, food safety, food technology and human nutrition, new and alternative uses of agricultural commodities and products, agricultural biotechnology, natural resource management, and farm efficiency and profitability.

**QUESTIONS AND ANSWERS ON
THE AGRICULTURAL RESEARCH BILL SIGNING
June 23, 1998**

Q: What did the President do today?

A: Today the President signed into law the Agricultural Research, Extension, and Education Reform Act of 1998. This law will (1) restore Food Stamp benefits for certain legal immigrants; (2) provide a needed authorization for the Federal crop insurance program; (3) establish and authorize several new and existing agricultural research, extension, and education programs; and (4) extend and authorize additional funding for the Fund for Rural America. Under the President's leadership, a broad coalition of individual and groups, including legal immigrants, farmers, agricultural groups, land-grant universities and religious leaders, were brought together to help ensure that this Nation's farmers are secure when disaster strikes; that rural communities are strengthened economically; that American agricultural research is second to none and that legal immigrants in need receive benefits to help feed their families.

Q: What are the main provisions of the legislation?

A: There are four main provisions in the bill: (1) the restoration of Food Stamp benefits for certain legal immigrants; (2) funding for the Federal crop insurance program; (3) funding for agricultural research, extension, and education programs; and (4) the extension and funding of the Fund for Rural America. Below are some highlights of the provisions:

Food Stamp Benefits for Legal Immigrants. The food stamp provisions will restore benefits to 250,000 elderly, disabled, and other needy legal immigrants, including 75,000 children, who lost assistance as the result of harsh cuts contained in the 1996 welfare law that had nothing to do with welfare reform. This bill and last year's Balanced Budget Act go a long way toward fulfilling the President's commitment to reversing the unfair treatment of legal immigrants contained in the 1996 Welfare Reform bill. The Food Stamp provisions build on the Administration's success last year in restoring Supplemental Security Income (SSI) and Medicaid to 420,000 legal immigrants whose benefits were also terminated in welfare reform. This law will restore Food Stamp benefits to "qualified aliens" who lawfully resided in the United States as of August 22, 1996, and are: (1) disabled or become disabled after that date; (2) 65 years of age or older; or (3) children under 18 years of age. It also restores benefits to Hmong immigrants from Laos who aided our country during the Vietnam War and extends the period during which refugees and asylees may qualify for Food Stamps while they await citizenship.

Federal Crop Insurance. This legislation will provide the authority to ensure adequate funding for the Federal crop insurance program to help strengthen the farm safety net.

When the President signs this bill into law, our Nation's farmers will know that crop insurance, which is fully funded for the next five years, will be there for them if disaster strikes. Without the funding provided in this legislation, it was possible that crop insurance policies would have had to be canceled, creating significant problems for many of our Nation's farmers, including preventing many of them from securing annual farm operating loans.

Fund for Rural America. This legislation will provide \$300 million (of which \$100 million is new) over the next five years for the Fund for Rural America which funds innovative, applied research, and extension programs to strengthen rural communities, as well as providing funding for rural development programs to diversify the rural economy and finance needed rural community facilities.

Agriculture Research, Extension, and Education Initiatives. This legislation would reauthorize through Fiscal Year 2002 the various USDA programs that support the Nation's land-grant colleges and universities. In addition, this legislation would fund additional research programs. Most notably, this legislation would channel \$120 million a year over the next five years to the Initiative for Future Agriculture and Food Systems, a competitive grants program that would support activities in critical emerging areas including: agricultural genomes, food safety, food technology and human nutrition, new and alternative uses of agricultural commodities and products, agricultural biotechnology, natural resource management, and farm efficiency and profitability.

Q: What is the total spending contained in this legislation?

A: This legislation would provide new appropriations or spending totaling more than \$2 billion during FY1999-2003. This includes approximately \$600 million for agricultural research, extension, and education programs; a net total of nearly \$500 million for elements of the crop insurance program; \$830 million for food stamp benefits; and an additional \$100 million for the Fund for Rural America. This funding is fully offset, with the main savings from reduced payments to the States for administering the food stamp program.

Q: Where does the money to fund this bill come from?

A: The bill's savings come from a few sources: (1) food stamp administrative costs, which are projected to rise because of a problem in welfare reform, (2) work money for 18-50s in the food stamp program; and (3) computer spending for USDA.

Q: Aren't there problems with appropriations for some of the programs authorized in this legislation?

A: Appropriations actions in both the House and Senate would block any funds

from being used for the Fund for Rural America in FY 1999. In addition, the House bill would also block all research funding making up the Initiative for Future Agriculture and Food Systems. The President's food safety initiative has received very little funding in committees in both the House and Senate.

In addition, in another vital nutrition program, Women, Infants and Children would have its funding frozen at 1998 levels -- which could result in 100,00 fewer women and children receiving food under the program. (WIC is not in this legislation, but is like the other examples, is being steam rolled in the appropriations process.)

We must not allow Congress to undo the progress made by this legislation, which provides food to legal immigrants in need and improves farmers' ability to provide agricultural products to the nation and the world. The Administration looks forward to working with Congress to ensure that these food and economic programs receive the necessary funding to provide food for this Nation's citizens whether they live in cities or in rural areas.

More on Food Stamps:

Q: Are you trying to undo the 1996 welfare law by restoring food stamps to legal immigrants? Shouldn't those who come here be expected to support themselves?

A: The President believes that legal immigrants should have the same opportunity, and bear the same responsibility, as other members of society. Upon signing the 1996 welfare law, he pledged to work toward reversing the unfair cuts in benefits to legal immigrants that had nothing to do with moving people from welfare to work. As part of last year's Balanced Budget Act (BBA), the President worked with Congress to restore Medicaid and Supplemental Security Income (SSI) to hundreds of thousands of disabled and elderly legal immigrants. Now, with the upcoming signing of the Ag Research bill, the President and Congress will act to restore Food Stamp benefits to vulnerable groups of legal immigrants.

Q: Why does the Ag Research bill cut \$145 million from funds the Administration fought for in the Balanced Budget Act that would provide work opportunities to unemployed single adults subject to time limits on Food Stamps?

A: As you know, the Agriculture Research bill balances a number of different competing priorities for funding -- Food Stamps for legal immigrants, crop insurance, the Fund for Rural America, and agriculture research. In order to ensure that we

could provide an adequate amount of Food Stamps for legal immigrants, the conferees needed to identify additional savings to offset the costs of the benefit restorations.

In roughly the year since the work funds were enacted in the BBA, we have seen that programs to serve unemployed adults in the Food Stamp program have been slower to start up than we originally anticipated. As a result, a lot of the funds for work activities are currently going unused. While the "18-50s" population remains a very high priority for the Administration, we believed it would be better to redirect some of the work funds toward restoring benefits to legal immigrants who are experiencing dire need rather than watch the work money go unused. It was a difficult choice, but, on balance, we believe it was the correct one to make given current circumstances.

The 18-50s population remains a very high priority for the Administration. The Administration strongly believes that people who are unemployed should be given the opportunity to work rather than be subject to harsh Food Stamp cut-offs. States hold the key to running the work programs for 18-50s. While program start-up has been slow, USDA is working with States to identify issues and to improve their plans for serving 18-50s. We believe that coordinated efforts between the Department and the States will help fulfill our commitment to meet the goals of the work funds --ensuring that work is available for people who are willing to work.

Q: Has the President fulfilled his pledge to reverse these cuts, or are you seeking additional restorations of benefits to legal immigrants?

A: The bill provides benefits to individuals who were in the country as of the signing of the welfare bill in 1996, whereas the Administration also proposed to restore food stamps to legal immigrants who entered the country after the welfare law was enacted. The Administration will continue to press for enactment of its full proposal, so that legal immigrants who enter this country legally and honor this country's laws have access to a nutritional safety net in times of need.

(IF ASKED: This bill includes about one-third of the food stamp restorations to legal immigrants included in the Administration's budget proposal.)

Q: Governors complain that you are cutting their budgets to fund this bill. Is that true?

A: Because of an unintended consequence of welfare reform, States are now in a position to increase Federal costs by up to \$3 billion over the next five years simply by changing the way they do their accounting of State costs to administer welfare programs. That \$3 billion is a clear and simple windfall to the States at the expense of the Federal government. The agriculture research bill would prevent States from receiving part of this windfall through administrative expenditures in the Food Stamp

Program. States would be held to the level of funding they would otherwise receive through Food Stamps in the absence of the windfall. The Administration does not believe that funding level is unfair.

Before welfare reform, states were supposed to charge common administrative costs of AFDC and food stamps to their AFDC budget. Because the matching rate for these open-ended programs was the same, states would receive the same federal matching funds regardless of which program paid for these common costs. However, as an unintended consequence of welfare reform, states are now in a position to increase federal costs by shifting welfare administrative costs from the new capped welfare block grant (TANF) to the open-ended food stamp program. Such a cost-shift would give states a substantial windfall from the federal government because TANF grants already provide states with funding for welfare administrative costs. The National Governors' Association has recognized that States have the opportunity to "double-dip" on welfare administrative funds and believes that action is appropriate to prevent the cost increases --although they are not comfortable with the way the cut in the Ag Research bill was derived.

The Ag Research bill provision will prevent federal costs from rising as a result of the cost-shifting. It also addresses one of the Governors' main concerns by giving states the right to appeal the HHS Secretary's determination of the cost-shift amount.

WR - food stamp
rehabilitation

STATEMENT BY THE PRESIDENT

I am pleased today to sign into law S. 1150, the "Agricultural Research, Extension, and Education Reform Act of 1998." This bill is an example of the Federal Government at its best: Congress and the Administration working together on a bipartisan basis, bringing together a broad coalition of individuals and groups, to address important needs of our citizens in a fiscally responsible manner. I want to thank Senators Lugar and Harkin and Representatives Smith and Stenholm, whose efforts to forge this compromise were tireless, as well as all the other Members of the Senate and the House of Representatives who voted for S. 1150. Their support reflects the strong consensus in this country for the reforms and funding contained in this bill.

S. 1150 and last year's Balanced Budget Act go a long way toward fulfilling the commitment, which I made when I signed the 1996 Personal Responsibility and Work Opportunity Reconciliation Act, to reverse the unfair treatment of legal immigrants in that legislation. The Food Stamp provisions of S. 1150 restore benefits to 250,000 elderly, disabled, and other needy legal immigrants, including 75,000 children, who lost assistance through the 1996 Act as a result of its harsh cuts that had nothing to do with welfare reform. The Food Stamp provisions build on our success last year in restoring SSI and Medicaid to 420,000 legal immigrants whose benefits were terminated as a result of welfare reform. It also restores benefits to Hmong immigrants from Laos who aided our country during the Vietnam War, and extends the period during which refugees and asylees may qualify for Food Stamps while they await citizenship. We will continue to work to ensure that those who honor our laws and contribute to our society can be free from hunger.

Similarly, when I signed the Federal Agriculture Improvement and Reform Act of 1996 (1996 Farm Act) that radically changed the decades-old Federal programs to balance crop supply and demand, I made a commitment to work with Congress to strengthen the farm safety net. I was concerned that the Federal Government was walking too far away from doing its part to keep U.S. agriculture the most productive and efficient in the world, and from improving the quality of life in rural America. With the bill I am approving today, our Nation's farmers know that crop insurance will be there for them if disaster strikes, with the program fully funded for the next five years.

Another crucial fiber in strengthening the farm safety net is improving farming productivity and efficiency, and we must increase our investment in agricultural research to do so. In the 1996 Farm Act deliberations, Congress believed the agricultural research title to be so important that work on it was postponed so it could receive the time and consideration that it deserved. The research provisions in S. 1150 were worth waiting for, and I commend the Congress for its work.

The Initiative for Future Agriculture and Food Systems in S. 1150 will channel an additional \$120 million a year over the next five years to vital investments in food and agriculture genome research, food safety and technology, human nutrition, and agricultural biotechnology. These investments will lead to advances in new production systems for crops and livestock. This will enable farmers and agricultural processors to improve their ability to produce an abundant supply of safe food, with less impact on the environment, and meet the challenge of new, more virulent pest and disease outbreaks. In addition, the bill reforms the working arrangements between the Secretary of Agriculture and the universities that carry out important agricultural research. These changes will encourage and enable them to take on

larger-scale challenges and enhance their integration of research, education, and extension functions while improving the accountability and management of their programs.

Rural areas cannot rely on agriculture alone to sustain their economy and quality of life. That is why I have strongly supported increasing the investments in rural development throughout my Administration, and pushed to find innovative solutions to unique local needs. We worked hard with Congress in the 1996 Farm Act to create the Fund for Rural America, which provided funds for rural development and innovative agricultural research. I am pleased that S. 1150 provides \$300 million for the Fund and extends its funding through FY 2003.

As I have today approved S. 1150, I am concerned that some in Congress are already threatening to block significant portions of its funds from being spent in FY 1999. Appropriation actions in the House and Senate would deny any funds from being used for the Fund for Rural America, and the House bill would also block any research funding in this bill from going forward next year. I strongly object to these ill advised proposed cuts in such vital programs. I call on Congress to heed the many voices from across America that they listened to when they overwhelmingly approved S. 1150, to look past congressional jurisdictional squabbles to see the greater good, and to provide the needed funds for these important activities.



EXECUTIVE OFFICE OF THE PRESIDENT
OFFICE OF MANAGEMENT AND BUDGET
WASHINGTON, D.C. 20503

June 18, 1998

THE DIRECTOR

MEMORANDUM FOR THE PRESIDENT

SUBJECT: Enrolled Bill S. 1150 - Agricultural Research, Extension, and Education Reform Act of 1998
Sponsor - Sen. Lugar (R) IN

*Bill S
here.*

Last Day for Action

June 23, 1998 - Tuesday

Purpose

Restores Food Stamp benefits for certain legal immigrants; provides funding for the Federal crop insurance program; and establishes, reauthorizes, or modifies certain research, extension, and education programs within the Department of Agriculture.

Agency Recommendations

Office of Management and Budget	Approval (Signing Statement attached)
Department of Agriculture (USDA)	Approval (Signing Statement attached)
Social Security Administration	Approval
Office of Science and Technology Policy (OSTP)	Approval
Department of Commerce	No objection (Signing Statement attached)
General Services Administration	No objection
Environmental Protection Agency	No objection (Informally)
Office of the United States Trade Representative	No objection (Informally)
Small Business Administration	No objection (Informally)
Department of Health and Human Services	Defers to USDA
Department of Education	Defers to USDA (Informally)
Department of the Interior	Defers to USDA (Informally)
Department of Energy	No comment (Informally)
Department of Justice	No comment (Informally)

Department of State
Small Business Administration

No comment (Informally)
No comment (Informally)

Discussion

S. 1150 is a multi-title bill that would: (1) restore Food Stamp benefits for certain legal immigrants; (2) provide a needed authorization for the Federal crop insurance program; and (3) extend and authorize additional funding for the Fund for Rural America. The enrolled bill would also establish several new agricultural research initiatives and modify or reauthorize through FY 2002 certain existing Federal agricultural research, extension, and education programs that expired in September 1997. The enrolled bill contains numerous miscellaneous provisions, including requirements for reports to Congress.

S. 1150 would authorize appropriations or spending totaling more than \$2 billion during FYs 1999-2003. This includes approximately \$600 million for agricultural research, extension, and education programs; a net total of nearly \$500 million for elements of the crop insurance program; \$830 million for Food Stamp benefits; and \$100 million for the Fund for Rural America. This funding is fully offset, with the main savings derived from reduced payments to the States for administering the Food Stamp program.

The more significant provisions of the enrolled bill, which passed the Senate and House by votes of 92-8 and 364-50, respectively, are discussed below. A section-by-section description of the enrolled bill's provisions is included with the USDA views letter.

Major Provisions of S. 1150

Food Stamp Benefits for Immigrants. In signing the welfare reform law (P.L. 104-193) in 1996, you pledged to reverse the law's cuts in benefits to legal immigrants that had "nothing to do with welfare reform." This pledge was partially fulfilled with the enactment of the Balanced Budget Act of 1997 (P.L. 105-033) under which Medicaid and Supplemental Security Income benefits were restored to legal immigrants who were receiving them as of August 22, 1996. In addition, P.L. 105-033 allowed legal immigrants who had entered the United States as of that date, but who become disabled in the future, to receive such benefits.

S. 1150 would restore Food Stamp benefits to "qualified aliens" who lawfully resided in the United States as of August 22, 1996, and were: (1) disabled or become disabled after that date; (2) 65 years of age or older; or (3) children under 18 years of age. S. 1150 also would extend, from five to seven years, the period during which refugees and asylees are eligible to receive Food Stamps. In addition, it would make the following eligible for Food Stamps: (1) Hmong and Laotian immigrants who aided U.S. personnel during the Vietnam conflict; and (2) certain Native Americans living along the Canadian and Mexican borders.

Payments to States for Administration of the Food Stamp Program. Prior to the enactment of the welfare reform law, States charged to the Aid to Families with Dependent Children (AFDC) program certain administrative costs that could have been attributed to Food Stamps and Medicaid. P.L. 104-193 changed AFDC into a block grant (the TANF program) and provided funds to States based on historical levels that included all of the administrative costs in AFDC, including those that could have been attributed to Food Stamps and Medicaid.

Because Food Stamps and Medicaid have retained open-ended matching funds for State administrative costs, many States have sought to change the way they allocate costs among TANF, Food Stamps, and Medicaid by charging more administrative costs to Food Stamps and Medicaid and fewer costs to TANF. As the costs that would be reallocated to Food Stamps and Medicaid have already been included in the TANF block grant, States would receive a windfall as a result of the cost shift to Food Stamps and Medicaid.

S. 1150 would require HHS to determine the specific amount of costs included in TANF that could have been attributed to Food Stamps prior to welfare reform, and then direct the Secretary of Agriculture to reduce administrative payments to States for Food Stamps by the amount determined by HHS. This provision would reduce Federal Food Stamp spending by \$1.8 billion during FYs 1999-2003. Pursuant to the enrolled bill, a portion of these savings would be used to offset the bill's restoration of Food Stamp benefits for legal immigrants.

Employment and Training Funds. Under current law, States receive Federal funding for employment and training programs for Food Stamp recipients aged 18 to 50 years. This funding was provided in P.L. 105-033 to offer work slots to individuals subject to the current-law "3-in-36 month" time limit on the receipt of Food Stamp benefits by unemployed single adults. The employment and training program for Food Stamp recipients has been spending below last year's projection, and balances are available at this time to offset the new Food Stamp spending in the bill. To capture these savings, S. 1150 reduces Federal funding for this purpose from \$131 million in FY 1999 and FY 2000 to \$31 million in FY 1999 and \$86 million in FY 2000.

Federal Crop Insurance. S. 1150 would provide the authority to ensure adequate funding for the Federal crop insurance program. Without the funding provided in the bill, it is possible that crop insurance policies would have to be canceled. Cancellation of crop insurance would have created a significant problem for many farmers by preventing them from securing annual farm operating loans.

The 1994 reform of the crop insurance program left the funding of private insurance agents, who sell and service crop insurance policies, subject to discretionary appropriations. In order to ensure adequate funding of these costs, the FY 1999 Budget proposed to fund them through mandatory spending with approximately half of the offsets derived from other reforms to the crop insurance program. S. 1150 is consistent with the Administration's proposal, although the specific changes in the crop insurance program differ from those proposed.

Reforms in the enrolled bill that will reduce the cost of the crop insurance program include:

- Reducing delivery expense payments to private insurance companies from 27 percent to 24.5 percent of premiums.
- Reducing the loss adjustment payments on catastrophic policies from 14 percent to 11 percent of premiums.
- Changing the fees charged for "catastrophic" loss policies from \$50 per policy to either \$50 per policy or 10 percent of premiums, whichever is greater. The increased fees would be remitted to the Federal Government rather than the insurance companies.
- Raising the current administrative fee paid by farmers for additional insurance coverage from \$10 to \$20 per crop policy.
- Reducing the amount of mandatory funds that USDA's Risk Management Agency can spend for research and development purposes from \$7.5 million to \$3.5 million per year.

Agricultural Research, Extension, and Education (REE) Initiatives. S. 1150 would reauthorize through FY 2002 the various USDA programs that support the Nation's land-grant colleges and universities and USDA's intramural research program. The 1996 Farm Bill had reauthorized these programs for only two years, through FY 1997. S. 1150 would complete the Farm Bill reauthorization process, modify many existing programs, and authorize new REE programs.

The most significant new research program authorized by S. 1150 is the Initiative for Future Agriculture and Food Systems, a competitive grants program that would support REE activities in critical emerging areas. These areas include: agricultural genomes, food safety, food technology and human nutrition, new and alternative uses of agricultural commodities and products, agricultural biotechnology, natural resource management, and farm efficiency and profitability. S. 1150 would provide annual budget authority of \$120 million in mandatory funding for these projects for five years. High priority would be given to projects that are multi-state, multi-institutional, or multi-disciplinary.

S. 1150 would also authorize a new Agricultural Genome Initiative. The Secretary would make grants or enter into cooperative agreements to fund research on plant, animal, and microbial genomes to locate important genes that would allow future genetic improvement of agriculturally important species. This Initiative, which was proposed in the FY 1999 Budget, would also fund research on the preservation of diverse germplasm and support the efforts of the National Science and Technology Council's Interagency Working Group on Plant Genome research.

The enrolled bill would also reauthorize the National Research Initiative, which is a discretionary program that supports important fundamental science on agriculture, food, and environmental issues. S. 1150 would reauthorize numerous other programs including: an organic agriculture research program, an agricultural telecommunications program, a nutrient (animal feed and waste) management initiative, and a program to assist farmers with disabilities. S. 1150 would also reauthorize and amend the Forest and Rangeland Renewable Resources Research Program. Pursuant to the bill, the Secretary would be required to publish, at five-year intervals, a State-by-State inventory of forests and an analysis of forest health conditions over the previous two decades.

Other provisions in S. 1150 would improve the management and accountability of agricultural research programs. These provisions include: (1) a requirement that all agricultural research and extension projects be subject to peer and merit review; (2) an increase in the non-federal matching requirements for the historically-black land-grant colleges to make them consistent with the requirements of the other land-grants; and (3) a requirement that at least 25 percent of funding available to land-grant universities through dedicated formulas be awarded for multi-state, multi-institution, and multi-disciplinary grants. In addition, S. 1150 would eliminate certain duplicative grants.

Fund for Rural America. S. 1150 would authorize mandatory annual appropriations of \$60 million during FYs 1999-2003 for the existing Fund for Rural America. The Fund provides financial assistance to rural Americans and funds innovative, applied research, and extension programs to strengthen rural communities.

Miscellaneous Provisions. Among its numerous miscellaneous provisions, the enrolled bill includes a Sense of Congress statement that the Secretary of Agriculture should use a substantial portion of specified research funds to develop alternatives to the methyl bromide pesticide. This pesticide is used as a soil fumigant in strawberry, tomato, cucumber, pepper, melon, and eggplant fields and as a post-harvest fumigant for imported and exported vegetables. A second Sense of Congress statement concerns the Secretaries of Agriculture and Education cooperating to provide instructional and technical support for school-based agricultural education.

S. 1150 would direct the Secretary of Agriculture to report to Congress on a number of topics. For example, the Secretary would be required to report on research, marketing, and commercialization activities related to biobased products, as well as specified crop insurance issues, including privatization. The Secretary would also be required to request the National Academy of Sciences to conduct a study of the role and mission of federally-funded REE programs. Finally, the Secretary would be directed to send Congress a strategic plan to implement the expanded Forest and Rangeland Research Initiative.

Pay-As-You-Go Scoring

S. 1150 would affect direct spending and, therefore, is subject to the pay-as-you-go requirement of the Omnibus Budget Reconciliation Act of 1990. OMB's preliminary scoring estimates of this bill are presented in the table below.

PAY-AS-YOU-GO ESTIMATES (dollars in millions)

<u>Outlays</u>	<u>1999</u>	<u>2000</u>	<u>2001</u>	<u>2002</u>	<u>2003</u>	<u>Total</u>
Research and Rural Development	-10	20	105	128	117	360
Food Stamp Administration and Employment and Training	-385	-415	-405	-405	-405	-2015
Food Stamp Benefits	195	185	155	145	150	830
Crop Insurance (Net)	93	101	109	115	122	540
Other	0	-27	-27	-28	0	-82
Total	-107	-136	-63	-45	-16	-367

Agency Views

USDA recommends "in the strongest terms" the approval of S. 1150. USDA advises that the enrolled bill "makes important changes in the eligibility of food stamps supporting work and responsibility for those who play by the rules [and] provides a needed infusion of funding for agricultural research, extension, and education to address critical issues in food production, environmental quality, and farm income."

Commerce has no objection to S. 1150, but requests that section 613 be addressed in a signing statement. This section would designate the Secretary of Agriculture as the principal official responsible for coordinating all Federal research and extension activities related to food and agriculture science. Commerce advises that this section does not take into consideration the existing authorities of other Federal agencies (e.g., aquaculture authorities). Commerce has provided language for a signing statement that would narrowly construe the authority in section 613 as applying to only Agriculture and not to other agencies. USDA advises informally that it will send this Office a letter confirming such a narrow interpretation of the section. Accordingly, Commerce no longer requests that the matter be addressed in a signing statement.

Conclusion and Recommendations

We join USDA, the Social Security Administration, and OSTP in recommending approval of S. 1150. A signing statement is attached for your consideration. The statement comments favorably on the the bill's changes in agriculture and welfare policies. It also urges Congress to provide adequate appropriations for important agricultural programs in FY 1999. The statement has been reviewed and approved by USDA, the Department of Justice, and White House Legislative Affairs.

A handwritten signature in black ink, appearing to read 'Jacob J. Lew', written in a cursive style.

Jacob J. Lew
Acting Director

Enclosures

Wp - food stamp
reimburse

PRESIDENT CLINTON: FEEDING AMERICA'S FAMILIES

June 23, 1998

"America has come a long way from the days when Thomas Jefferson believed that every American should be a farmer, but what he said then is still true today: 'The cultivators of the earth are the most valuable citizens. They are the most vigorous, the most independent, the most virtuous, and they are tied to their country and wedded to its liberty and interest by the most lasting bonds.' Today, we have an opportunity to strengthen those bonds, and I am very happy to do so."

President Bill Clinton
June 23, 1998

Today, at a Rose Garden event, President Clinton is joined by Secretary of Agriculture Dan Glickman and a bipartisan group of Congressional members, as he signs the Agricultural Research, Extension, and Education Reform Act of 1998, a law that restores food stamp benefits for certain legal immigrants, including the elderly and children, and supports our farmers and agricultural community.

A PRESIDENTIAL PLAN TO HELP AMERICAN FARMERS AS WE MOVE INTO THE 21ST CENTURY. Agriculture is an integral part of our nation and its economy. With the signing of the Agricultural Research bill, President Clinton and those in Congress who supported this legislation, are ensuring that the agricultural community and the hard working Americans who farm the land are given the tools they need to move ahead into the 21st Century. This bill also remedies a shortcoming in the 1996 welfare reform law by restoring benefits to certain legal immigrants, mostly children and the elderly.

RESTORING BENEFITS FOR THOSE IN NEED. This law will restore food stamp benefits to 250,000 elderly, disabled, and other legal immigrants, including 75,000 children, who lost assistance as a result of cuts in the 1996 welfare law that had nothing to do with welfare reform. This restoration builds on the President's success last year in restoring Supplemental Security Income (SSI) and Medicaid to 420,000 legal immigrants whose benefits were also terminated under the welfare reform law.

STRENGTHENING PROTECTION FOR FARMERS. Crop insurance is an important protection for farmers when disaster strikes. This legislation provides the authority to ensure that crop insurance is fully funded for the next five years.

EXTENDING THE FUND FOR RURAL AMERICA. The Fund for Rural America provides loans and grants for rural economic and community development and innovative agricultural research. Today's bill signing extends this program for five years and increases funding to strengthen rural communities, and continue innovative applied research and extension programs to improve food safety, human nutrition, and agricultural productivity.

SUPPORT FOR AGRICULTURAL RESEARCH AND EDUCATION. This legislation reauthorizes various programs that support our nation's land-grant colleges and universities. In addition, grant programs will be extended on a competitive basis for research into emerging areas of agriculture, including: agricultural genomes, food safety, food technology and human nutrition, new and alternative uses of agricultural commodities and products, agricultural biotechnology, natural resource management, and farm efficiency and profitability.



Laura K. Capps
06/22/98 04:08:37 PM

Record Type: Record

To: See the distribution list at the bottom of this message
cc:
Subject: 4:00 draft... Please review, asap. thanks, Laura 6-2554

**PRESIDENT WILLIAM J. CLINTON
AT SIGNING OF AGRICULTURAL RESEARCH, EXTENSION AND
EDUCATION RESEARCH
JUNE 23, 1998**

Acknowledgments: Sec. Glickman; Senators Lugar, Harkin and Daschle, and Representatives Smith and Stenholm, whose efforts to forge this compromise were tireless, as well as all the other Members of the Senate and the House of Representatives who gave their support to S.1150. LA County Supervisor Gloria Molina; Robert Carlson

I am proud to stand here in this beautiful garden with America's farmers and ranchers, religious leaders, and our nation's immigrant and anti-hunger advocates. As Sec. Glickman said, we are carrying on a long and proud tradition, a coalition first forged by Hubert Humphrey, Bob Dole and George McGovern a generation ago. By standing together in that tradition, we have ensured that America keeps its solemn compact with our farmers and ranchers and with people in need.

In so many ways, our nation's most important values have put down their deepest roots in rural America: community and mutual responsibility, strong families and individual initiative. Those of us who come from small towns know that direct, trusting interaction among neighbors, so hard to find in so many big cities, still have strong roots in our rural towns and villages. Every American has a stake in making sure that rural America stays strong into the 21st Century.

This bill does many important things for our country. First, it rights a wrong. When I signed the Welfare Reform Act in 1996, I said that the cuts in nutritional programs were far too deep. This bill that I will sign today maintains our bipartisan commitment to work and responsibility, while reaffirming America's compassion and humanity. Last year we restored Medicaid and SSI benefits to 420,000 legal immigrants. Today we are reinstating food stamp benefits to 250,000 legal immigrants, including seniors, persons with disabilities, as well as 75,000 children. In addition, the Hmong immigrants from Laos who heroically fought for our country during the Vietnam War, will again receive their full food benefits. All these benefit cuts had nothing to do with welfare reform. And reinstating them is the right thing to do.

Most fundamentally, this bill expands opportunity for all Americans -- and especially for America's farmers. Today, American agriculture is one of our most powerful export engines. Products from one of every three acres planted in America are sold abroad. As this strong growth continues, in the new century, our farmers and ranchers will need to feed millions more people. They will need to do their work in a more sustainable way that protects our water and fragile soil. They will need to continue improving food safety.

By investing in cutting-edge agricultural research, funding rural development and bolstering crop insurance, this bill will help American farmers meet the needs of tomorrow's world. We are channeling an additional \$120 million a year over the next five years to vital investments in food and agriculture genome research, food safety and technology, human nutrition, and agricultural biotechnology. We are allocating \$60 million dollars to the Fund for Rural America, which gives grants and loans to underserved rural communities, so that their economies, too, can share in our national economic expansion. And we are providing our farmers with peace of mind that crop insurance will be there for them should disaster strike. Farmers, in certain parts of the country, are hurting now, and it is clear that we need to strengthen the farm safety net for the future.

This legislation is a good start, but there is more to do for agriculture. First, we need to act quickly in a bi-partisan way to do more to rebuild the safety net. Second, we must protect our exports by passing Sen. Murray and Rep. Pomeroy's legislation that allows our farmers to continue to export wheat to Pakistan and India. Third, Congress must give the IMF the resources it needs to help stabilize the economies of Asia, which are such big markets for American farm products. And fourth, we must protect the many advances made in the bill I am about to sign.

There are some in Congress who are working to undo this progress. The appropriations committees have taken steps to cut the funding next year for the agricultural research and rural development programs I just described, limit our food safety efforts and cut as many as 100,000 women and children from the WIC program. We must work together to ensure that the provisions of this bill are kept intact.

As it stands, this bill is an example of how America should meet its challenges: Congress and the Administration working together, bringing together a broad bipartisan coalition, to address our national goals while balancing the budget.

This is the same kind of approach I have tried to take with the tobacco legislation. And as I have said time and time again, I will only support a comprehensive bill that will significantly reduce youth smoking and protect tobacco farmers and their communities. I will not accept watered-down legislation that is designed to provide cover to politicians, rather than to bring about a dramatic reduction in youth smoking.

America has come a long way from the days when Thomas Jefferson

believed that every American should be a farmer. But what he said then is still true today: in so many ways, "the cultivators of the earth are the most valuable citizens. They are the most vigorous, the most independent, the most virtuous, and they are tied to their country and wedded to its liberty and interest by the most lasting bonds." Today, we have an opportunity to strengthen those bonds, and I am very happy to do so. I invite the members of Congress to join me as I sign S. 1150, the Agricultural Research, Extension, and Education Research Act.

Message Sent To:

Clifford J. Gabriel/OSTP/EOP
Laura Emmett/WHO/EOP
Cathy R. Mays/OPD/EOP
Cynthia A. Rice/OPD/EOP
Diana Fortuna/OPD/EOP
Eleanor S. Parker/WHO/EOP
Michelle Crisci/WHO/EOP
Ann F. Lewis/WHO/EOP
Ruby Shamir/WHO/EOP
Linda Ricci/OMB/EOP
Janet Murguia/WHO/EOP
Charles M. Brain/WHO/EOP
Lisa M. Kountoupes/WHO/EOP
Sally Katzen/OPD/EOP
Jake Siewert/OPD/EOP

Wp-food stamp restoration

Diana Fortuna

04/01/98 05:47:01
PM

Record Type: Record

To: Elena Kagan/OPD/EOP, Cynthia A. Rice/OPD/EOP

cc: Andrea Kane/OPD/EOP

Subject: Conference agreement to restore food stamps to legal immigrants in some trouble in the Senate

Lott has put a hold on the bill in the Senate. He wants the money for transportation. Apparently Lugar didn't adequately clear it with Lott before proceeding. People here are actively pushing on a number of fronts to shake it loose, but it could be in real trouble.

Diana Fortuna

03/26/98 05:09:04
PM

Record Type: Record

To: Elena Kagan/OPD/EOP, Cynthia A. Rice/OPD/EOP, Julie A. Fernandes/OPD/EOP

cc: Andrea Kane/OPD/EOP

Subject: FYI, final deal on legal immigrant food stamps

The final deal with the conference on agric. research on food stamps is as follows:

\$818m total to go to legal immigrant restorations (vs. our \$2.5b request)

For refugees, asylees, the Hmong, and the disabled, we got essentially what was in the President's budget.

For the elderly, we will cover those who were 65 or older and in the country when the law was signed. (The President's budget was somewhat more generous -- if you were in the country when the law was signed but not yet 65, you would get benefits when you turned 65.)

For families with children, we will cover children who were here when the law was signed, but not their parents. (The President's budget would cover both children and their parents, and both those here when the law was signed and those who arrived after. Congress wouldn't consider this.)

This is expected to be approved by both houses without any problem.

So it's a pretty good deal given the money that was available. The next question is whether we will have a chance to do more later this year through other vehicles.

WR - Update on food stamp
restoration

Diana Fortuna

03/25/98 01:31:12
PM

Record Type: Record

To: Elena Kagan/OPD/EOP, Cynthia A. Rice/OPD/EOP, Andrea Kane/OPD/EOP

cc: Laura Emmett/WHO/EOP, Julie A. Fernandes/OPD/EOP

Subject: Update on food stamps for legal immigrants

OMB is up on the Hill trying to negotiate as much of our \$2.5 billion food stamp restoration for legal immigrants as possible as part of the Ag research bill. There is agreement to spend \$642 million on this, and OMB is searching for additional offsets to get the number up to around \$820 million. OMB is trying to figure what part of our restoration package (families with children, disabled, elderly) can get shoe-horned in to equal that amount. Congress is refusing to consider the feature of our proposal that would help families with children who arrived after the law was signed.]

They are considering funding a bit of this by cutting back a bit in the first year only on the food stamp employment/ training slots we got added last year to help the 18-50 year olds. Apparently Greenstein is pushing this and OMB is a bit reluctant to do it, but this money isn't getting spent very fast by the states.

Wtz - food stamp restoration

Honorable Newt Gingrich
Speaker
United States House of Representatives
Washington, D.C. 20515

Dear Mr. Speaker:

I am enclosing for the consideration of the Congress, a draft bill to amend the Personal Responsibility and Work Opportunity Reconciliation Act of 1996 (PRWORA). A section-by-section analysis explaining the provisions of the bill is also enclosed. I respectfully request that the legislation be referred to the appropriate committees for consideration, and I urge its prompt enactment into public law.

The draft bill is being submitted in accordance with the President's Fiscal Year 1999 Budget submission. Restoring Food Stamp eligibility to otherwise eligible legal immigrant families with either children, elderly or disabled persons, and to Hmong veterans and cross-border Native Americans, as this bill proposes, costs \$2.43 billion over 5 years.

Enacting this legislation would be consistent with 1997 Congressional action restoring Supplemental Security Income (SSI) and Medicaid benefits to many legal immigrants made ineligible by PRWORA. Furthermore, its enactment would support the President's goal of and commitment to providing a nutritional safety net for some of the most vulnerable groups of legal immigrants.

The Office of Management and Budget advises that the enactment of this proposed legislation would be in accord with the program of the President.

A similar letter is being sent to the President of the United States Senate.

Sincerely,

DAN GLICKMAN
Secretary

Enclosure

USDA:FCS:PDD:PDB:MLONG:mcl:2/18/98:703-305-2519

Filename: i:/data/shared/pdb/legislation/1999 Budget Legislation Transmittal letter

OGC REWRITE 2/20/98: 12:33 PM

A BILL

To amend the Personal Responsibility and Work Opportunity Reconciliation Act of 1996 ^e
~~to improve the administration and integrity of the Food Stamp Program and for other~~
~~purposes.~~ ^e

1 *Be it enacted by the Senate and House of Representatives of the United States of*
2 *America in Congress assembled.*

3 **SECTION 1. EXCEPTIONS FOR THOSE WITH LIMITED ELIGIBILITY OR**
4 **OTHERWISE EXCLUDED FROM ELIGIBILITY FOR FOOD STAMP BENEFITS**
5 **UNDER THE PERSONAL RESPONSIBILITY AND WORK OPPORTUNITY**
6 **RECONCILIATION ACT OF 1996 (P.L. 104-193).**

7 (a) **REFUGEES AND ASYLEES.**- Section 402(a)(2)(A)(ii) of the Personal
8 Responsibilities and Work Opportunity Reconciliation Act of 1996 (8 U.S.C.
9 1612(a)(2)(A)(ii)) is amended by striking "5 years" and inserting "7 years".

10 (b) **HMONG AND HIGHLAND LAO VETERANS.**- Section 402(a)(2)(C) of the
11 Personal Responsibility and Work Opportunity Reconciliation Act of 1996 (8 U.S.C.
12 1612(a)(2)(C)) is amended by--

- 13 (1) striking the "or" at the end of clause (i);
- 14 (2) striking the period at the end of clause (iii) and adding ";or"; and
- 15 (3) adding at the end the following new clause:

16 " (iv) currently, or has been a member of a Hmong tribe or Highland
17 Lao tribe who took part in military or rescue operations on behalf of the United
18 States during the Vietnam conflict era (as well as the spouse or unmarried
19 dependent child of such an individual or the unremarried surviving spouse of

OGC REWRITE 2/20/98: 12:33 PM

1 such an individual who is deceased), with respect to eligibility for benefits for
2 the program described in paragraph (3)(B) (relating to the food stamp
3 program).”.

4 (c) **QUALIFIED ALIENS WITH CHILDREN, ELDERLY ALIENS, DISABLED**
5 **ALIENS, AND CERTAIN NATIVE AMERICANS.**- Section 402 (a)(2) of the Personal
6 Responsibility and Work Opportunity Reconciliation Act of 1996 (8 U.S.C. 1612 (a)(2)) is
7 amended by adding after subparagraph (H) the following new subparagraphs:

8 “(I) **QUALIFIED ALIENS WITH CHILDREN.** - With respect to eligibility for
9 benefits for the program described in paragraph (3)(B) (relating to the food stamp
10 program), paragraph (1) shall not apply to a qualified alien (as defined in section 431)
11 who is a member of a household (as defined in section 3(i) of the Food Stamp Act of
12 1977) which includes any child under the age of 18.

13 “(J) **QUALIFIED ELDERLY ALIENS.** - With respect to eligibility for the
14 program described in paragraph (3)(B) (relating to the food stamp program), paragraph
15 (1) shall not apply to a qualified alien (as defined in section 431) who is 65 years of
16 age or older and who was lawfully admitted for permanent residence under the
17 Immigration and Nationality Act (8 U.S.C. 1101 *et seq.*) on or before August 22,
18 1996.

19 “(K) **QUALIFIED DISABLED ALIENS.**- With respect to eligibility for
20 benefits for the program described in paragraph (3)(B) (relating to the food stamp
21 program), paragraph (1) shall not apply to a qualified alien (as defined in section 431)

OGC REWRITE 2/20/98: 12:33 PM

1 who is disabled (as defined in section 1614(a)(3) of the Social Security Act (42 U.S.C.
2 1382c (a)(3))) and who was lawfully admitted for permanent residence under the
3 Immigration and Nationality Act (8 U.S.C. 1101 *et seq.*) on or before August 22,
4 1996.

5 “(L) CERTAIN NATIVE AMERICANS.- With respect to eligibility for
6 benefits for the program described in paragraph (3)(B) (relating to the food stamp
7 program), paragraph (1) shall not apply to any individual described in subparagraph
8 (G) or to any individual who is a member of the Micmac or the Abanaki tribe.”.

9 **SEC. 2. EXEMPTION FROM REIMBURSEMENT REQUIREMENT FOR CERTAIN**
10 **SPONSORS OF FOOD STAMP PROGRAM RECIPIENTS.**

11 Section 423(d) of the Personal Responsibilities and Work Opportunity Reconciliation
12 Act of 1996 (8 U.S.C. 1183a note) is amended by adding at the end:

13 “(12) Benefits under the Food Stamp Act of 1977 when a sponsor experiences
14 unforeseen financial hardship, as determined by the Secretary of Agriculture.”.

**SECTION-BY-SECTION SUMMARY
FOOD STAMP PROGRAM PROPOSALS
FISCAL YEAR 1999 PRESIDENT'S BUDGET**

Section 1 - Exceptions For Those With Limited Eligibility Or Otherwise Excluded From Eligibility For Food Stamp Benefits Under The Personal Responsibility And Work Opportunity Reconciliation Act Of 1996

Refugees and Asylees

Subsection (a) would amend section 402(a)(2)(A)(ii) of the Personal Responsibility and Work Opportunity Reconciliation Act of 1996. The eligibility for food stamp benefits of refugees, asylees, aliens whose deportation is withheld under the Immigration and Nationality Act, certain Cuban and Haitian entrants, and certain Amerasians would be extended from 5 years to 7 years after the alien achieved the described immigration status.

Hmong and Highland Lao Veterans

Subsection (b) would amend section 402(a)(2)(C) of the Personal Responsibility and Work Opportunity Reconciliation Act of 1996. The Act includes an exception on the restriction on eligibility for food stamp benefits for noncitizen veterans of the Armed Forces of the United States. This subsection would extend food stamp benefit eligibility, as is provided to other noncitizen veterans, to Hmong or Highland Lao who took part in military or rescue operations on behalf of the United States and to their spouses, unmarried dependent children, or unremarried surviving spouses.

Qualified Aliens With Children

Subsection (c) would amend section 402(a)(2) of the Personal Responsibility and Work Opportunity Reconciliation Act of 1996 (PRWORA) by adding four new subparagraphs. This subsection would add a new paragraph (I) to section 402(a)(2), restoring eligibility for food stamp benefits for all persons meeting the PRWORA definition of qualified alien in a household containing any child under the age of 18.

Qualified Elderly Aliens

Subsection (c) would also amend section 402(a)(2) of the Personal Responsibility and Work Opportunity Reconciliation Act of 1996. This subsection would add a second new subparagraph (J) to section 402(a)(2). Subparagraph (J) would restore eligibility for food stamp benefits to an individual who is 65 years of age or older, and who had permanent resident status on or before August 22, 1996 (date of enactment of the

Personal Responsibility and Work Opportunity Reconciliation Act of 1996).**Qualified Disabled Aliens**

Subsection (c) would add a third new subparagraph (K) restoring eligibility for food stamp benefits to an individual who is disabled (as defined by the Social Security Act - 42 U.S.C. 1382c(a)(3)) and who had lawful permanent resident status on or before August 22, 1996.

Certain Native Americans

Finally, subsection (c) would amend section 402(a)(2) of the Personal Responsibility and Work Opportunity Reconciliation Act of 1996. This subsection would add a fourth new subparagraph (L) to section 402(a)(2), restoring eligibility for food stamp benefits to members of Native American tribes on reservations that span the United States - Canada and United States - Mexico borders. This change parallels a change to eligibility for the Supplemental Security Income program made by the Balanced Budget Act of 1997.

Summary of Effects of Section 1

This proposal is expected to restore food stamp eligibility to 730,000 legal immigrants in fiscal year 1999, providing them with an average monthly benefit of \$61. The cost for 1999 is \$535 million and the 5-year cost for 1999-2003 is \$2.43 billion.

Upon signing the 1996 welfare reform law, the President pledged to work toward reversing the unnecessary cuts in benefits to legal immigrants - cuts that had nothing to do with moving individuals from welfare-to-work. To that end, the Balanced Budget Act of 1997 restored Supplemental Security Income and Medicaid benefits to many disabled and elderly legal immigrants. Building on that action, this proposal restores food stamp eligibility to the most vulnerable groups of immigrants: children and their families; the elderly; and the disabled. In recognition of the fact that refugees oftentimes need more than 5 years to become established in this country, the legislation lengthens the eligibility period for refugees and those granted some form of political asylum from 5 years to 7 years. Finally, the proposal provides eligibility as veterans to Hmong who took part in military or rescue operations on behalf of the United States during the Vietnam conflict and who entered the country after the Vietnam conflict. It also restores eligibility to members of certain Native American tribes whose reservations span our country's borders. Enacting this legislation into public law would renew the national commitment to providing a nutritional safety net and recognizes that legal immigrants are part of our communities and our future.

Section 2 - Exemption From Reimbursement Requirement For Certain Sponsors Of Food Stamp Program Recipients

Section 2 would amend section 423(d) of the Personal Responsibility and Work Opportunity Reconciliation Act of 1996. Section 2 affects the sponsors of new legal

immigrants that arrive under current law after December 19, 1997. Most new arrivals must have a sponsor swear an affidavit of support. The intent of the law is that this affidavit be legally binding, and that the sponsor reimburse the Government for any welfare payments the sponsored person might receive until the sponsored person becomes a naturalized citizen. Section 2 provides authority for the Secretary of Agriculture to promulgate rules that would waive the reimbursement requirements for sponsors who experience unforeseen financial hardship and could not fulfill their reimbursement responsibilities.

Summary of Effects of Section 2

The enforceable sponsor affidavit requirement went into effect December 19, 1997, so most legal, permanent resident immigrants were already in the United States before enforceable affidavits were required. As a result, the number of persons subject to section 2 of this bill is expected to be small in 1999, although it will grow each year.

For a person to be affected by section 2, the combined household income and resources of both the sponsor and the sponsored immigrant, taken all together, must qualify the applicant household for food stamps. Since minimum sponsor income is 125 percent of poverty, and food stamp QC data suggest that about 80 percent of sponsored individuals come into the sponsor's household, it appears likely that many new immigrant households could be affected by section 2. An individual with income of up to 175 percent of poverty, for example, could sponsor a spouse, become a household of 2, and qualify immediately for food stamps with less than 130 percent of poverty if the spouse does not get a job.

Current estimates suggest that about 900,000 new immigrants are likely to come into the United States in coming years. About 10 percent of arrivals are expected to fall into income eligibility, about the same proportion as is observed in the general U.S. population. The preponderance of those income eligibles are expected to be sponsored, so half are expected to not gain eligibility due to deemed income and resources from their sponsors. The sponsors of the 5 percent, or about 50,000 new arrivals each year could benefit from section 2. In 5 years there would be a total of 250,000 such immigrants on food stamps.

The 1999 year cost would be about \$37 million, the 2003 cost would be about \$200 million and the 5-year cost would be about \$600 million. These amounts are included in the figures offered in explanation for section 1. However, if section 2 is not enacted, that portion of these costs which could have been collected from sponsors would not be incurred. Section 2 is needed because trying to hold sponsors, who themselves have fallen on sufficiently hard times that they qualify for food stamps, financially responsible for the value of food stamps provided to immigrants they have sponsored is untenable.

Wp - food stamp restriction
and

BENEFITS FOR IMMIGRANTS: OVERVIEW *wp - legal alien provisions*

Question:

- Why does the budget increase welfare spending for immigrants? Doesn't this run counter to the welfare reform bill that the President signed less than two years ago?

Answer:

- When the President signed the welfare reform bill, he criticized the cuts to benefits for legal immigrants and said they had nothing to do with moving people from welfare to work. Last year, the President's budget addressed benefit restrictions in the SSI and Medicaid programs. The President and Congress ultimately restored SSI and Medicaid benefits for hundreds of thousands of legal immigrants. This year, the President's FY 1999 budget proposes to restore Food Stamps to vulnerable groups of immigrants and provide States the option to provide health assistance to immigrant children at a cost of \$2.7 billion over five years.
- The budget would expand access to Food Stamps for families with children, people with disabilities, the elderly, refugees and asylees. Any immigrant who has a legally binding affidavit of support from their sponsor would be ineligible for Food Stamps unless the sponsor became destitute. When support is unavailable from an immigrant's sponsor, the nation should provide a safety net for vulnerable groups of immigrants who are legal, permanent residents of our country.
- The budget also proposes to give States the option to provide Medicaid and CHIP to immigrant children, without regard to when they entered the country. This policy will give low-income, vulnerable children access to medical services.

Additional:

- The Administration's proposal costs \$2.7 billion over five years (\$2.43 billion in Food Stamps and \$0.23 billion in Medicaid). It would restore Food Stamps to 730,000 immigrants in FY 1999. The budget restores benefits to four groups: 1) Families with children without regard to date of entry. For immigrants with a legally binding affidavit of support from their sponsor, the sponsor's income would be deemed until citizenship; 2) Elderly (age 65 and older) and persons with disabilities who entered before welfare reform was enacted; 3) Refugees and asylees have their current law exemption extended from 5 to 7 years; and 4) Hmong refugees from Laos. The provisions for the

elderly, disabled, refugees and asylees parallel those for SSI and Medicaid in the BBA (see below).

- The Administration's health care proposal would give States the option to provide Medicaid and CHIP to immigrant children. The Budget provides \$0.23 billion in Medicaid for this purpose and would allow states to cover immigrant children under their current CHIP allotment.
- The BBA restored \$11.5 billion (CBO estimate) in SSI and Medicaid benefits to immigrants currently receiving SSI and those who entered the country before enactment of welfare reform and become disabled in the future. The BBA also extended the exemption for refugees and asylees from 5 to 7 years for purposes of SSI and Medicaid.

BENEFITS FOR IMMIGRANTS REFUGEE ELIGIBILITY EXTENSION

Question:

What accounts for the high welfare utilization rates among refugees?

Answer:

- ▶ By definition, refugees and asylees are individuals who come to our country to escape persecution in their country of origin. These individuals have generally experienced war or other violent trauma requiring medical and income assistance. They often need more time to put their lives together and become self-supporting than other legal immigrants do.
- ▶ About one-half of refugees speak little or no English at arrival; only about one-tenth speak English fluently.
- ▶ Therefore, we believe refugees and asylees need a longer eligibility period for assistance than other qualified aliens because of the unique circumstances that bring refugees and asylees to the U.S.
- ▶ Under the President's proposal, refugees and asylees would get an additional two years of eligibility, to provide additional time to enable them to naturalize or to achieve stable self-support. The President's budget proposal would extend refugees' eligibility for Food Stamps benefits from 5 to 7 years.
- ▶ The longer time period is particularly important because more recent refugee populations have included larger numbers of older and elderly individuals who require a longer time to adjust.

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- ▶ Under the President's proposal, refugees and asylees would get an additional two years of eligibility, to provide additional time to enable them to naturalize or to achieve stable self-support. The President's budget proposal would extend refugees' eligibility for Food Stamps benefits from 5 to 7 years.
- ▶ The longer time period is particularly important because more recent refugee populations have included larger numbers of older and elderly individuals who require a longer time to adjust.
- This is the same exclusion that was provided to refugees, asylees and those whose deportation has been withheld for the SSI and Medicaid programs in last year's Balanced Budget Act.
- ▶ Finally, refugees are not even eligible to apply for naturalization until they are near the end of their 5 years residence. Since the processing time for naturalization applications is now about 1 year, this extension from 5 to 7 years is necessary to physically permit refugees to comply with INS procedures without being denied crucial services during the interim.

BENEFITS FOR IMMIGRANTS HOLDING SPONSORS RESPONSIBLE

Question:

Why shouldn't immigrants be taken care of by the sponsors who agreed to take care of them?

Answer:

- We agree that sponsors need to be held responsible and accountable. The Administration supported the new law requiring all family-based and some employment-based immigrants to have legally binding affidavits of support, and we implemented the provision in the fall of 1997.
- The Administration's proposal requires that all immigrants who have a legally binding affidavit of support from their sponsor will have the income of their sponsor assigned to them for purposes of determining eligibility for Food Stamps.
- However, nearly all legal immigrants now in the U.S. either have sponsors who are not legally obliged to support them or have no sponsors at all. Sponsors of immigrants who arrived in the past signed affidavits of support that are not legally binding and therefore do not obligate them to provide support or to reimburse for public assistance. An INS estimates of all FY 1994 non-refugee immigrants found that nearly half--or 44 percent--did not have sponsors.
- Additional support is therefore needed for immigrants who have no legally-binding affidavit of support or no sponsor in the first place.

BENEFITS FOR IMMIGRANTS FEDERAL VERSUS STATE ACTION

Question:

- GAO reports that 20 States provided or plan to provide legal immigrants with state-funded food stamps assistance or other food assistance. GAO estimates that these State efforts will reach one quarter of the immigrants who were denied Food Stamps by the welfare reform restrictions. Given these State efforts, why should the Federal government change its policy?

Answer:

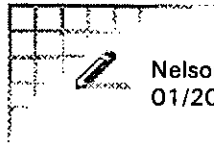
- The budget would expand access to Food Stamps for families with children,

people with disabilities, the elderly, refugees and asylees. All of these groups deserve access to food assistance regardless of where they reside in our country. The strong State response to this problem is evidence that the public does not support denying Food Stamps to vulnerable groups of legal immigrants. However, it does not substitute for a permanent national policy. In addition, States are serving only one-quarter of the individuals who lost benefits. There are many more individuals who are not receiving assistance from States.

- Many states have chosen to provide benefits to only certain limited groups (i.e., elderly or disabled). The duration of the state efforts is unclear. Some states described the measures as only interim actions until Congress addresses the issue. It is not clear that States would continue to provide these benefits if an economic recession created a shortfall in State budgets.

Additional:

- The FY 1997 Supplemental Appropriation Act included a provision to allow States to purchase Food Stamps from the Federal government to provide benefits to individuals who lost food assistance due to the 1996 welfare reform law.
- States generally use the Food Stamp Program's infrastructure to provide benefits to immigrants and reimburse the Federal government for the costs. States providing or planning to provide assistance through purchasing Food Stamps or through other programs include California, Florida, New York, Texas, New Jersey, Massachusetts, Maryland, Nebraska, Rhode Island, Washington, Colorado, Connecticut, Maine, Minnesota, Oregon, Pennsylvania, Rhode Island, South Dakota, Vermont, and West Virginia.



Nelson Reyneri
01/20/98 02:39:27 PM

Record Type: Record

To: Diana Fortuna/OPD/EOP
cc: Elena Kagan/OPD/EOP
Subject: Hmung

Hi Diana, hope you had a nice weekend. I need your advice on the Hmong issue.


As I understand it the benefits (food stamps) will be restored by way of the 99 Budget. Problem is that even if Congress supports this, this won't take effect until October, 1999. Thus, the only option is to find some supplemental money or reprogram money within an agency.

Is this what we want to do? From my conversations with Ag and VA, there still seems to be confusion as what to do and how to do it. Can you please advise?

Wre - food stamp restoration



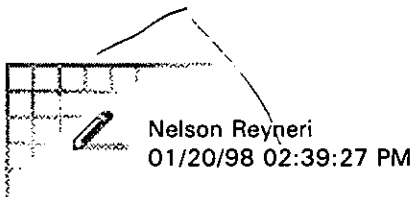
Record Type: Record

To: Nelson Reyneri/WHO/EOP
cc: Elena Kagan/OPD/EOP
bcc:
Subject: Re: Hmung 

It's impossible for us to reprogram money for this purpose. The problem is that the law prohibits the Hmong from getting food stamps, so all the money in the world doesn't solve the problem.

But there is no reason we have to wait until Oct 99. The fiscal year of our new budget starts Oct 98. Plus, Congress is free to restore the benefits as of whatever date they want. So if they vote to do this in July, they could make it effective immediately and not wait until the start of the fiscal year. We should urge Congress to act expeditiously on this -- the sooner, the better.

Nelson Reyneri



Record Type: Record

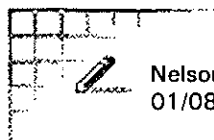
To: Diana Fortuna/OPD/EOP
cc: Elena Kagan/OPD/EOP
Subject: Hmung

Hi Diana, hope you had a nice weekend. I need your advice on the Hmong issue.

As I understand it the benefits (food stamps) will be restored by way of the 99 Budget. Problem is that even if Congress supports this, this won't take effect until October, 1999. Thus, the only option is to find some supplemental money or reprogram money within an agency.

Is this what we want to do? From my conversations with Ag and VA, there still seems to be confusion as what to do and how to do it. Can you please advise?

WR - food stamp
restoration



Nelson Reyneri
01/08/98 09:46:04 AM

Record Type: Record

To: Diana Fortuna/OPD/EOP
cc: Elena Kagan/OPD/EOP, Sylvia M. Mathews/WHO/EOP
Subject: Hmong and food stamps

Hi Diana, hope you had a good holiday.


When you have a chance, can you give me a call to discuss this issue. I've talked with Bob Jones (VA) and July Paradis (Ag) and it seems that things are at a logjam. Both have indicated that they sense that they need WH direction to go forward to try to resolve this.

From what they've told me and from the background material July sent me, it seems like something we want to resolve soon. She mentioned that there had been a meeting on this here sometime in December and that possibly Elena was overseeing this.

Can you let me know your thoughts on this? Thanks



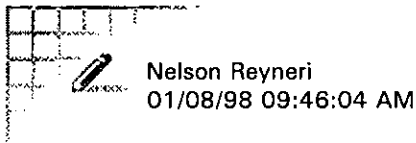
Record Type: Record

To: Nelson Reyneri/WHO/EOP
cc: Elena Kagan/OPD/EOP, Cynthia A. Rice/OPD/EOP, Robert N. Weiner/WHO/EOP, Jack A. Smalligan/OMB/EOP
bcc:
Subject: Re: Hmong and food stamps 

Here's the story: the Hmong are a very sympathetic group that, like other legal immigrants, do not qualify for food stamps. Congress included in the BBA a "sense of the Congress" resolution that the Hmong ought to be considered veterans, since they fought on our side in Vietnam -- and being a veteran makes you eligible for food stamps. But USDA lawyers feel strongly that the resolution is not binding, and WH counsel so far concurs with their judgment.

But the good news is that the President's budget explicitly restores food stamps for the Hmong, so the problem may be solved in that way.

Nelson Reyneri



Record Type: Record

To: Diana Fortuna/OPD/EOP
cc: Elena Kagan/OPD/EOP, Sylvia M. Mathews/WHO/EOP
Subject: Hmong and food stamps

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Can you let me know your thoughts on this? Thanks



08:08:02 PM

Record Type: Record

To: Bruce N. Reed/OPD/EOP, Elena Kagan/OPD/EOP, Cynthia A. Rice/OPD/EOP
cc: Laura Emmett/WHO/EOP
Subject: Legal immigrant budget options

FYI, here's what OMB is carrying in legal immigrant benefit restorations.

1. Food Stamps -- \$2.7 billion over 5 years

Restore benefits to:

- all families with children
- disabled/elderly population who got SSI/Medicaid benefits restored (i.e., here when law was signed)
- Let refugees/asylees get benefits for 7 years after arrival. (Current law is 5 years; we extended it to 7 years for SSI/Medicaid, so this would conform to that for food stamps.)

Possible ways to scale this back are to:

- drop the disabled/elderly (saves about \$600 million)
- drop non-working parents -- i.e., cover working parents only (also saves about \$600 million)

OMB is pushing to include non-working parents on the theory that they're the poorest. Also, if we cover kids but not parents, advocates will argue that we're still hurting the kids, since the household eats together.

These restorations would cover both people here when the law was signed and new entrants. The strategy is that we should let Congress propose scaling it back.

There will probably be some action on this issue early on, when the "Ag research" bill comes up. This is the vehicle to spend the \$1 billion+ in cost allocation savings. The expectation is that this money will be divided among crop/agriculture and legal immigrants, with perhaps \$400 million in restorations potentially happening at that time.

2. State Option to Cover Legal Immigrant Children under Medicaid and CHIP -- \$200 million

This is small and politically popular. It only applies to children entering after the law was signed, since those who were here in 8/96 are already covered.



Record Type: Record

To: Bruce N. Reed/OPD/EOP, Elena Kagan/OPD/EOP
cc: Cynthia A. Rice/OPD/EOP, Andrea Kane/OPD/EOP, Jeanne Lambrew/OPD/EOP, Laura Emmett/WHO/EOP
Subject: Budget options on restoring more benefits to legal immigrants

We're meeting tomorrow morning with Barbara Chow, who will unveil OMB's preferred options to restore additional restorations to legal immigrants. They have been tight-lipped on this, but the staff just walked me through their recommended options orally. I still have no paper. The invite list includes Mickey Ibarra, Maria Echaveste, Doris Matsui, and others who will approach this more from a constituency perspective and less from a policy perspective.

The proposed restorations total \$3 billion over 5 years:

- 1. Food Stamp State Option \$1.2 billion over 5 years**
They want to give states the option of offering food stamps to legal immigrants, both those who were here before the law was signed and new entrants. We would pay 50% of the cost. They think this is more saleable politically than a simple restoration. A few states are already doing this with 100% state money.
- 2. Medicaid/Child Health State Option \$0.2 billion over 5 years**
This was our proposal from last year, with CHIP added in. CHIP doesn't cost anything since it's a block grant. It says that states can choose to offer Medicaid or CHIP to children who entered after the law was signed, and we'll pay our regular share of each program.
- 3. Refugees and food stamps \$0.2 billion over 5 years**
Refugees are eligible for benefits for the first 5 years in this country. We lengthened that to 7 years for SSI in the BBA. This would offer refugees the same 7 year exemption for food stamps.
- 4. SSI and Medicaid \$1.4 billion over 5 years**
This is what we did NOT get in our package last year: SSI and Medicaid for new entrants who become disabled after entry. This is a slightly tougher policy than last year because it requires deeming of sponsors' income.

I am assuming your guidance is that you are not particularly anxious to spend \$3 billion dollars this way, particularly given competing needs like child care. I think it would be nice to do something on food stamps, and the state option is clever. On the other hand, as Cynthia notes, it seems unlikely Congress will do these. While the same could have been said of last year's proposals, we had the impetus of the balanced budget and the impending SSI cutoffs to pressure them. Next year we have little or no leverage legislatively, and all the cutoffs have happened. Anyway, if you have any guidance, let me know.