Public Law 101-202
101st Congress

An Act

Dec. 6, 1989
[S. 1960]

To authorize the food stamp portion of the Minnesota Family Investment Plan.

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That the Food Stamp Act of 1977 (7 U.S.C. 2011 et seq.) is amended by adding the following new section:

7 USC 2031.

"SEC. 22. (a) IN GENERAL.—

"(1) Subject to paragraph (2), upon written application of the State of Minnesota that complies with this section and sections 6 to 11, 13, 130, and 132 of article 5 of 282 of the 1989 Laws of Minnesota, and after approval of such application by the Secretary in accordance with subsections (b) and (d), the State may implement a family investment demonstration project (hereinafter in this section referred to as the 'Project') in parts of the State to determine whether the Project more effectively helps families to become self-supporting and enhances their ability to care for their children than do the food stamp program and programs under parts A and F of title IV of the Social Security Act. The State may provide cash payments under the Project, subject to paragraph (2), that replace assistance otherwise available under the food stamp program and under part A of title IV of the Social Security Act.

"(2) The Project may be implemented only in accordance with this section and only if the Secretary of Health and Human Services approves an application submitted by the State permitting the State to include in the Project families who are eligible to receive benefits under part A of title IV of the Social Security Act.

"(b) REQUIRED TERMS AND CONDITIONS OF THE PROJECT.—The application submitted by the State under subsection (a) shall provide an assurance that the Project shall satisfy all of the following requirements:

"(1) Only families may be eligible to receive assistance and services through the Project.

"(2) Participating families, families eligible for or participating in the program authorized under part A of title IV of the Social Security Act or the food stamp program that are assigned to and found eligible for the Project, and families required to submit an application for the Project that are found eligible for the Project shall be ineligible to receive benefits under the food stamp program.

"(3)(A) Subject to the provisions of this paragraph and any reduction imposed under subsection (c)(3) of this section, the value of assistance provided to participating families shall not be less than the aggregate value of the assistance such families could receive under the food stamp program and part A of title IV of the Social Security Act if such families did not participate in the Project.

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"(B) For purposes of satisfying the requirement specified in subparagraph (A)—

Children and youth.

"(i) payments for child care expenses under the Project shall be considered part of the value of assistance provided to participating families with earnings;

"(ii) payments for child care expenses for families without earnings shall not be considered part of the value of assistance provided to participating families or the aggregate value of assistance that such families could have received under the food stamp program and part A of title IV of the Social Security Act; and

"(iii) any child support payments not assigned to the State under the provisions of part A of title IV of the Social Security Act, less $50 per month, shall be considered part of the aggregate value of assistance participating families would receive if such families did not participate in the Project;

"(C) For purposes of satisfying the requirement specified in subparagraph (A), the State shall—

"(i) identify the sets of characteristics indicative of families that might receive less assistance under the Project;

"(ii) establish a mechanism to determine, for each participating family that has a set of characteristics identified under clause (i) whether such family could receive more assistance, in the aggregate, under the food stamp program and part A of title IV of the Social Security Act if such family did not participate in the project;

"(iii) increase the amount of assistance provided under the Project to any family that could receive more assistance, in the aggregate, under the food stamp program and part A of title IV of the Social Security Act if such family did not participate in the Project, so that the assistance provided under the Project to such family is not less than the aggregate amount of assistance such family could receive under the food stamp program and part A of title IV of the Social Security Act if such family did not participate in the Project; and

"(iv) increase the amount of assistance paid to participating families, if the State or locality imposes a sales tax on food, by the amount needed to compensate for the tax.

This subparagraph shall not be construed to require the State to make the determination under clause (ii) for families that do not have a set of characteristics identified under clause (i).

"(D)(i) The State shall designate standardized amounts of assistance provided as food assistance under the Project and notify monthly each participating family of such designated amount.

"(ii) The amount of food assistance so designated shall be at least the value of coupons such family could have received under the food stamp program if the Project had not been implemented. The provisions of this subparagraph shall not require that the State make individual determinations as to the amount of assistance under the Project designated as food assistance.

"(iii) The State shall periodically allow participating families the option to receive such food assistance in the form of coupons.

"(E)(i) Individuals ineligible for the Project who are members of a household including a participating family shall have their eligibility for the food stamp program determined and have their benefits calculated and issued following the standards established under the food stamp program, except as provided differently in this subparagraph.

"(ii) The State agency shall determine such individuals' eligibility for benefits under the food stamp program and the amount of such benefits without regard to the participating family.

"(iii) In computing such individuals' income for purposes of determining eligibility (under section 5(c)(1)) and benefits, the State agency shall apply the maximum excess shelter expense deduction specified under section 5(e).

"(iv) Such individuals' monthly allotment shall be the higher of $10 or 75 percent of the amount calculated following the standards of the food stamp program and the foregoing requirements of this subparagraph, rounded to the nearest lower whole dollar.

Education. Employment and unemployment.

"(4) The Project shall include education, employment, and training services equivalent to those offered under the employment and training program described in section 6(d)(4) to families similar to participating families elsewhere in the State.

"(5) The State may select families for participation in the Project through submission and approval of an application for participation in the Project or by assigning to the Project families that are determined eligible for or are participating in the program authorized by part A of title IV of the Social Security Act or the food stamp program.

"(6) Whenever selection for participation in the Project is accomplished through submission and approval of an application for the Project—

"(A) the State shall promptly determine eligibility for the Project, and issue assistance to eligible families, retroactive to the date of application, not later than thirty days following the family's filing of an application;

"(B) in the case of families determined ineligible for the Project upon application, the application for the Project shall be deemed an application for the food stamp program, and benefits under the food stamp program shall be issued to those found eligible following the standards established under the food stamp program;

"(C) expedited benefits shall be provided under terms no more restrictive than under paragraph (9) of section 11(e) and the laws of Minnesota and shall include expedited issuance of designated food assistance provided through the Project or expedited benefits through the food stamp program;

"(D) each individual who contacts the State in person during office hours to make what may reasonably be interpreted as an oral or written request to receive financial assistance shall receive and shall be permitted to file an application form on the same day such contact is first made;

Communications and telecommunications. Mail. Aged persons. Handicapped persons.

"(E) provision shall be made for telephone contact by, mail delivery of forms to and mail return of forms by, and subsequent home or telephone interview with, elderly individuals, physically or mentally handicapped individ-

uals, and individuals otherwise unable to appear in person solely because of transportation difficulties and similar hardships;

"(F) a family may be represented by another person if the other person has clearly been designated as the representative of such family for that purpose and the representative is an adult who is sufficiently aware of relevant circumstances, except that the State may—

"(i) restrict the number of families who may be represented by such person; and

"(ii) otherwise establish criteria and verification standards for representation under this subparagraph; and

"(G) the State shall provide a method for reviewing applications to participate in the Project submitted by, and distributing assistance under the Project to, families that do not reside in permanent dwellings or who have no fixed mailing address.

Homeless persons.

"(7) Whenever selection for participation in the Project is accomplished by assigning families that are determined eligible for or participating in the program authorized by part A of title IV of the Social Security Act or the food stamp program—

"(A) the State shall provide eligible families assistance under the Project no later than benefits would have been provided following the standards established under the food stamp program; and

"(B) the State shall ensure that assistance under the Project is provided so that there is no interruption in benefits for families participating in the program under part A of title IV of the Social Security Act or the food stamp program.

"(8) Paragraphs (1)(B) and (8) of section 11(e) shall apply with respect to applicants and participating families in the same manner as such paragraphs apply with respect to applicants and participants in the food stamp program.

"(9) Assistance provided under the Project shall be reduced to reflect the pro rata value of any coupons received under the food stamp program for the same period.

"(10)(A) The State shall provide each family or family member whose participation in the Project ends and each family whose participation is terminated with notice of the existence of the food stamp program and the person or agency to contact for more information.

"(B)(i) Following the standards specified in subparagraph (C), the State shall ensure that benefits under the food stamp program are provided to participating families in case the Project is terminated or to participating families or family members that are determined ineligible for the Project because of income, resources, or change in household composition, if such families or individuals are determined eligible for the food stamp program. Food coupons shall be issued to eligible families and individuals described in this clause retroactive to the date of termination from the Project; and

"(ii) If sections 256.031 through 256.036 of the Minnesota Statutes, 1989 Supplement, or Minnesota Laws 1989, chapter 282, article 5, section 130, are amended to reduce or eliminate benefits provided under those sections or restrict the rights of

Project applicants or participating families, the State shall exclude from the Project applicants or participating families or individuals affected by such amendments and follow the standards specified in subparagraph (C), except that the State shall continue to pay from State funds an amount equal to the food assistance portion to such families and individuals until the State determines eligibility or ineligibility for the food stamp program or the family or individual has failed to supply the needed additional information within ten days. Food coupons shall be provided to families and individuals excluded from the Project under this clause who are determined eligible for the food stamp program retroactive to the date of the determination of eligibility. The Secretary shall pay to the State the value of the food coupons for which such families and individuals would have been eligible in the absence of food assistance payments under this clause from the date of termination from the Project to the date food coupons are provided.

"(C) Each family whose Project participation is terminated shall be screened for potential eligibility for the food stamp program and if the screening indicates potential eligibility, the family or family member shall be given a specific request to supply all additional information needed to determine such eligibility and assistance in completing a signed food stamp program application including provision of any relevant information obtained by the State for purpose of the Project. If the family or family member supplies such additional information within ten days after receiving the request, the State shall, within five days after the State receives such information, determine whether the family or family member is eligible for the food stamp program. Each family or family member who is determined through the screening or otherwise to be ineligible for the food stamp program shall be notified of that determination.

"(11) Section 11(e)(10) shall apply with respect to applicant and participating families in the same manner as such paragraph applies with respect to applicants and participants in the food stamp program, except that families shall be given notice of any action for which a hearing is available in a manner consistent with the notice requirements of the regulations implementing sections 402(a)(4) and 482(h) of the Social Security Act.

"(12) For each fiscal year, the Secretary shall not be liable for any costs related to carrying out the Project in excess of those that the Secretary would have been liable for had the Project not been implemented, except for costs for evaluating the Project, but shall adjust for the full amount of the federal share of increases or decreases in costs that result from changes in economic, demographic, and other conditions in the State based on data specific to the State, changes in eligibility or benefit levels authorized by the Food Stamp Act, as amended, or changes in amounts of Federal funds available to States and localities under the food stamp program.

"(13) The State shall carry out the food stamp program throughout the State while the State carries out the Project.

"(14)(A) Except as provided in subparagraph (B), the State will carry out the Project during a five-year period beginning on the date the first family receives assistance under the Project.

"(B) The Project may be terminated—

"(i) by the State one hundred and eighty days after the State gives notice to the Secretary that it intends to terminate the Project;

"(ii) by the Secretary one hundred and eighty days after the Secretary, after notice and an opportunity for a hearing, determines that the State materially failed to comply with this section; or

"(iii) whenever the State and the Secretary jointly agree to terminate the Project.

"(15) Not more than six thousand families may participate in the Project simultaneously.

"(c) ADDITIONAL TERMS AND CONDITIONS OF THE PROJECT.—The Project shall be subject to the following additional terms and conditions:

"(1) The State may require any parent in a participating family to participate in education, employment, or training requirements unless the individual is a parent in a family with one parent who—

"(A) is ill, incapacitated, or sixty years of age or older;

"(B) is needed in the home because of the illness or incapacity of another family member;

"(C) is the parent of a child under one year of age and is personally providing care for the child;

"(D) is the parent of a child under six years of age and is employed or participating in education or employment and training services for twenty or more hours a week;

"(E) works thirty or more hours a week or, if the number of hours worked cannot be verified, earns at least the Federal minimum hourly wage rate multiplied by thirty per week; or

"(F) is in the second or third trimester of pregnancy.

"(2) The State shall not require any parent of a child under six years of age in a participating family with only one parent to be employed or participate in education or employment and training services for more than twenty hours a week.

"(3) For any period during which an individual required to participate in education, employment, or training requirements fails to comply without good cause with a requirement imposed by the State under paragraph (1), the amount of assistance to the family under the Project may be reduced by an amount not more than 10 percent of the assistance the family would be eligible for with no income other than that from the Project.

"(d) FUNDING.—

"(1) If an application submitted under subsection (a) complies with the requirements specified in subsection (b), then the Secretary shall—

"(A) approve such application; and

"(B) subject to subsection (b)(12) from the funds appropriated under this Act provide grant awards and pay the State each calendar quarter for—

"(i) the cost of food assistance provided under the Project equal to the amount that would have otherwise been issued in the form of coupons under the food stamp program had the Project not been implemented, as estimated under a methodology satisfactory to the Secretary after negotiations with the State; and

"(ii) the administrative costs incurred by the State to provide food assistance under the Project that are authorized under subsections (a), (g), (h)(2), and (h)(3) of section 16 equal to the amount that otherwise would have been paid under such subsections had the Project not been implemented, as estimated under a methodology satisfactory to the Secretary after negotiations with the State: *Provided,* That payments made under subsection (g) of section 16 shall equal payments that would have been made if the Project had not been implemented.

"(2) The Secretary shall periodically adjust payments made to the State under paragraph (1) to reflect—

"(A) the cost of coupons issued to individuals ineligible for the Project specified in subsection (b)(3)(E) in excess of the amount that would have been issued to such individuals had the Project not been implemented, as estimated under a methodology satisfactory to the Secretary after negotiations with the State; and

"(B) the cost of coupons issued to families exercising the option specified in paragraph (b)(3)(D)(iii) in excess of the amount that would have been issued to such individuals had the Project not been implemented, as estimated under a methodology satisfactory to the Secretary after negotiations with the State.

"(3) Payments under paragraph (1)(B) shall include adjustments, as estimated under a methodology satisfactory to the Secretary after negotiations with the State, for increases or decreases in the costs of providing food assistance and associated administrative costs that result from changes in economic, demographic, or other conditions in the State based on data specific to the State, changes in eligibility or benefit levels authorized by the Food Stamp Act, as amended, and changes in or additional amounts of Federal funds available to States and localities under the food stamp program.

"(e) WAIVER.—With respect to the Project, the Secretary shall waive compliance with any requirement contained in this Act (other than this section) that, if applied, would prevent the State from carrying out the Project or effectively achieving its purpose.

"(f) PROJECT AUDITS.—The Comptroller General of the United States shall—

"(1) conduct periodic audits of the operation of the Project to verify the amounts payable to the State from time to time under subsection (d); and

Reports.

"(2) submit to the Secretary, the Secretary of Health and Human Services, the Committee on Agriculture of the House of Representatives, and the Committee on Agriculture, Nutrition, and Forestry of the Senate a report describing the results of each such audit.

"(g) CONSTRUCTION.—(1) For purposes of any Federal, State, or local law other than part A of title IV of the Social Security Act or the Food Stamp Act of 1977 (7 U.S.C. 2011 et seq.)—

"(A) cash assistance provided under the Project that is designated as food assistance by the State shall be treated in the same manner as coupon allotments under the food stamp program are treated; and

"(B) participating families shall be treated in the same manner as participants in the food stamp program are treated.

"(2) Nothing in this section shall—

"(A) allow payments made to the State under the Project to be less than the amounts the State and eligible households within the State would have received if the Project had not been implemented; or

"(B) require the Secretary to incur costs as a result of the Project in excess of costs that would have been incurred if the Project had not been implemented, except for costs for evaluation.

"(h) QUALITY CONTROL.—Participating families shall be excluded from any sample taken for purposes of making any determination under section 16(c). For purposes of establishing the total value of allotments under section 16(c)(1)(C), food coupons and the amount of federal liability for food assistance provided under the Project as limited by subsection b(12) of this section shall be treated as allotments issued under the food stamp program. Payments for administrative costs incurred by the State shall be included for purposes of establishing the adjustment under section 16(c)(1)(A).

"(i) EVALUATION.—(1) The State shall develop and implement a plan for an independent evaluation designed to provide reliable information on Project impacts and implementation. The evaluation will include treatment and control groups and will include random assignment of families to treatment and control groups in an urban setting. The evaluation plan shall satisfy the evaluation concerns of the Secretary of Agriculture such as effects on benefits to participants, costs of the Project, payment accuracy, administrative consequences, any reduction in welfare dependency, any reduction in total assistance payments, and the consequences of cash payments on household expenditures, and food consumption. The evaluation plan shall take into consideration the evaluation requirements and administrative obligations of the State. The evaluation will measure the effects of the Project in regard to goals of increasing family income, prevention of long-term dependency, movement toward self-support, and simplification of the welfare system.

"(2) The State shall pay 50 percent of the cost of developing and implementing such plan and the Federal Government shall pay the remainder.

"(j) DEFINITIONS.—For purposes of this section, the following definitions apply:

"(1) The term 'family' means the following individuals who live together: a minor child or a group of minor children related to each other as siblings, half siblings, stepsiblings, or adopted siblings, together with their natural or adoptive parents, or their caregiver. Family also includes a pregnant woman in the third trimester of pregnancy with no children.

"(2) The term 'contract' means a plan to help a family pursue self-sufficiency, based on the State's assessment of the family's needs and abilities and developed with a parental caregiver.

"(3) The term 'caregiver' means a minor child's natural or adoptive parent or parents who live in the home with the minor child. For purposes of determining eligibility for the Project, 'caregiver' also means any of the following individuals who live with and provide care and support to a minor child when the minor child's natural or adoptive parent or parents do not reside in the same home: grandfather, grandmother, brother,

sister, stepfather, stepmother, stepbrother, stepsister, uncle, aunt, first cousin, nephew, niece, persons of preceding generations as denoted by prefixes of 'great' or 'great-great' or a spouse of any person named in the above groups even after the marriage ends by death or divorce.

"(4) The term 'State' means the State of Minnesota.".

Approved December 6, 1989.

LEGISLATIVE HISTORY—S. 1960:

CONGRESSIONAL RECORD, Vol. 135 (1989):
Nov. 21, considered and passed Senate and House.