



September 16, 2013

Honorable Frank D. Lucas  
Chairman  
Committee on Agriculture  
U.S. House of Representatives  
Washington, DC 20515

Dear Mr. Chairman:

CBO has prepared an estimate of the effects on direct spending of H.R. 3102, the Nutrition Reform and Work Opportunity Act of 2013, as introduced in the House of Representatives on September 16, 2013.

H.R. 3102 would make several changes to the Supplemental Nutrition Assistance Program (SNAP) and extend its authorization for three years. In its May 2013 baseline, CBO projected that spending for SNAP would total \$764 billion over the 2014-2023 period. Relative to that baseline, we estimate that enacting H.R. 3102 would reduce direct spending by \$39 billion over the 2014-2023 period. Details of that estimate are displayed in the attached table. The estimate is based on the assumption that the legislation will be enacted near the start of fiscal year 2014.

Under CBO's baseline, we project SNAP participation to decline from 48 million people in an average month in fiscal year 2014 to 34 million in 2023. The two provisions in H.R. 3102 with the largest budgetary effects would change eligibility for SNAP benefits:

- Section 109 would reduce the number of waivers available for certain childless adults who would otherwise be subject to work requirements or time limits. CBO estimates that, on average, about 1 million people with higher-than-average benefits would lose eligibility for SNAP benefits under this provision. The number of people losing benefits would decline from 1.7 million in 2014 to 0.5 million in 2023.
- Section 105 would restrict categorical eligibility, a current policy that allows states to determine eligibility for SNAP based on receipt of benefits in other programs for low-income people. CBO estimates that, on average, 1.8 million people with lower-than-average benefits would lose eligibility for the program if this provision was enacted. The number of people losing benefits would decline from 2.1 million in 2014 to 1.5 million in 2023.

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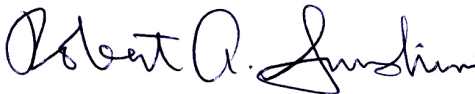
CBO has not completed an estimate for the impact on SNAP participation for all provisions of the bill, but we expect that most of those additional effects would be small.

The provision with the third-largest budgetary effects would change benefit levels for SNAP participants. Section 107 would change the treatment of payments for energy assistance from government programs in the calculation of SNAP benefit levels. CBO estimates that provision would reduce benefits for about 850,000 households each year, on average, by approximately \$90 per household per month.

Because enacting H.R. 3102 would affect direct spending, pay-as-you-go procedures apply. Enacting the proposed legislation would not affect federal revenues. CBO has not estimated the additional discretionary spending for nutrition programs that would result from implementing the bill; such spending would be subject to appropriation actions. CBO has also not reviewed the bill for intergovernmental or private-sector mandates.

If you wish further details on this estimate, we will be pleased to provide them. The CBO staff contacts are Kathleen FitzGerald and Emily Stern.

Sincerely,

*for* 

Douglas W. Elmendorf  
Director

Attachment

cc: Honorable Collin C. Peterson  
Ranking Member

**Cost Estimate for H.R. 3102, the Nutrition Reform and Work Opportunity Act of 2013**

As introduced in the House of Representatives on September 16, 2013.

Assumes enactment by October 1, 2013.

(In millions of dollars, by fiscal year, relative to CBO's May 2013 baseline)

	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023	2014-2018	2014-2023
<b>CHANGES IN DIRECT SPENDING</b>												
Section 102. Retailers												
Estimated Budget Authority	-7	-8	-8	-8	-8	-8	-8	-8	-8	-8	-39	-79
Estimated Outlays	-7	-8	-8	-8	-8	-8	-8	-8	-8	-8	-39	-79
Section 105. Updating program eligibility												
Estimated Budget Authority	-535	-1,305	-1,295	-1,270	-1,240	-1,220	-1,200	-1,175	-1,165	-1,160	-5,645	-11,565
Estimated Outlays	-535	-1,295	-1,295	-1,270	-1,240	-1,220	-1,200	-1,175	-1,165	-1,160	-5,635	-11,555
Section 107. Standard utility allowances based on the receipt of energy assistance payments												
Estimated Budget Authority	-190	-840	-940	-950	-950	-950	-950	-960	-970	-990	-3,870	-8,690
Estimated Outlays	-190	-840	-940	-950	-950	-950	-950	-960	-970	-990	-3,870	-8,690
Section 109. Repeal of state work program waiver authority												
Estimated Budget Authority	-600	-3,300	-2,900	-2,500	-2,100	-1,700	-1,600	-1,500	-1,400	-1,400	-11,400	-19,000
Estimated Outlays	-600	-3,300	-2,900	-2,500	-2,100	-1,700	-1,600	-1,500	-1,400	-1,400	-11,400	-19,000
Section 119. Repeal of bonus program												
Budget Authority	-48	-48	-48	-48	-48	-48	-48	-48	-48	-48	-240	-480
Estimated Outlays	-48	-48	-48	-48	-48	-48	-48	-48	-48	-48	-240	-480
Section 123. Pilot projects to reduce dependency and increase work effort in SNAP												
Budget Authority	10	10	10	0	0	0	0	0	0	0	30	30
Estimated Outlays	3	5	10	10	2	0	0	0	0	0	30	30
Section 126. Assistance for community food projects												
Budget Authority	10	10	10	10	10	10	10	10	10	10	50	100
Estimated Outlays	10	10	10	10	10	10	10	10	10	10	50	100
Section 127. Emergency food assistance												
Estimated Budget Authority	70	71	22	23	23	24	24	25	25	26	209	333
Estimated Outlays	70	71	22	23	23	24	24	25	25	26	209	333
Section 128. Nutrition education												
Estimated Budget Authority	-29	-28	-29	-30	-30	-31	-32	-32	-33	-34	-146	-308
Estimated Outlays	-29	-28	-29	-30	-30	-31	-32	-32	-33	-34	-146	-308
Section 129. Retailer trafficking												
Budget Authority	5	5	5	5	5	5	5	5	5	5	25	50
Estimated Outlays	5	5	5	5	5	5	5	5	5	5	25	50
Section 132. Commonwealth of the Northern Mariana Islands Pilot Program												
Budget Authority	1	1	14	9	9	0	0	0	0	0	33	33
Estimated Outlays	1	1	10	10	9	2	0	0	0	0	31	33
Section 136. Testing applicants for the unlawful use of controlled substances												
Estimated Budget Authority	*	*	*	-5	-5	-5	-5	-5	-5	-5	-10	-35
Estimated Outlays	*	*	*	-5	-5	-5	-5	-5	-5	-5	-10	-35
Section 137. Eligibility disqualifications for certain convicted felons												
Estimated Budget Authority	*	*	-1	-1	-2	-2	-3	-3	-4	-5	-4	-21
Estimated Outlays	*	*	-1	-1	-2	-2	-3	-3	-4	-5	-4	-21
Section 138. Expungement of unused SNAP benefits												
Estimated Budget Authority	-5	-10	-10	-10	-10	-10	-10	-10	-10	-10	-45	-95
Estimated Outlays	-5	-10	-10	-10	-10	-10	-10	-10	-10	-10	-45	-95
Section 139. Pilot projects to promote work and increase state accountability												
Estimated Budget Authority	28	23	18	12	4	-2	-9	-16	-23	-31	85	4
Estimated Outlays	28	23	18	12	4	-2	-9	-16	-23	-31	85	4
Interactions among provisions												
Estimated Budget Authority	15	105	100	95	80	70	70	60	60	60	395	715
Estimated Outlays	15	105	100	95	80	70	70	60	60	60	395	715
<b>Total Changes in Direct Spending</b>												
<b>Estimated Budget Authority</b>	<b>-1,275</b>	<b>-5,314</b>	<b>-5,053</b>	<b>-4,669</b>	<b>-4,263</b>	<b>-3,867</b>	<b>-3,756</b>	<b>-3,657</b>	<b>-3,566</b>	<b>-3,590</b>	<b>-20,573</b>	<b>-39,009</b>
<b>Estimated Outlays</b>	<b>-1,282</b>	<b>-5,309</b>	<b>-5,056</b>	<b>-4,657</b>	<b>-4,261</b>	<b>-3,865</b>	<b>-3,756</b>	<b>-3,657</b>	<b>-3,566</b>	<b>-3,590</b>	<b>-20,565</b>	<b>-38,999</b>

Notes: \* = savings of less than \$500,000.

SNAP = Supplemental Nutrition Assistance Program.