

114TH CONGRESS }  
2d Session } HOUSE OF REPRESENTATIVES { REPORT  
114-531

AGRICULTURE, RURAL DEVELOPMENT, FOOD AND DRUG  
ADMINISTRATION, AND RELATED AGENCIES APPROPRIATIONS BILL, 2017

APRIL 26, 2016.—Committed to the Committee of the Whole House on the State of  
the Union and ordered to be printed

Mr. ADERHOLT, from the Committee on Appropriations,  
submitted the following

R E P O R T

together with

DISSENTING AND ADDITIONAL VIEWS

[To accompany H.R. 5054]

The Committee on Appropriations submits the following report in  
explanation of the accompanying bill making appropriations for Ag-  
riculture, Rural Development, Food and Drug Administration, and  
Related Agencies for fiscal year 2017.

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OVERVIEW

The Agriculture, Rural Development, Food and Drug Administra-  
tion, and Related Agencies Subcommittee has jurisdiction over the  
U.S. Department of Agriculture (USDA), except for the Forest Serv-  
ice, the Food and Drug Administration (FDA), the Commodity Fu-  
tures Trading Commission (CFTC), and the Farm Credit Adminis-  
tration (FCA). The Subcommittee's responsibility covers a vast and  
diverse group of agencies responsible for such things as promoting

[Dollars in Thousands]

	FY 2016 enacted	FY 2017 estimate	Committee provision
Grants .....	22,000	34,950	25,000
Total, Loan Subsidy and Grants .....	\$36,872	\$74,442	\$62,560

## COMMITTEE PROVISIONS

For the Distance Learning, Telemedicine, and Broadband Program, the Committee provides an appropriation of \$62,560,000, which includes \$25,000,000 for distance learning and telemedicine grants.

*Broadband Loan and Grant Program Priorities.*—The Committee recognizes the advantages of extending broadband services, including the economic development opportunities and improved health care services that broadband technology provides. Funding provided for the broadband programs is intended to promote availability in those areas where there is not otherwise a business case for private investment in a broadband network. The Committee directs RUS to focus expenditures on projects that bring broadband service to underserved households and areas.

*Tribal Communities.*—The Committee notes that tribal communities continue to struggle with gaining access to broadband service. The Committee encourages the Secretary to provide a report that identifies the specific challenges Indian Tribal Organizations (ITOs) have in gaining access to broadband service and provide a plan for addressing these challenges, including how the Community Connect program can assist ITOs.

## TITLE IV

## DOMESTIC FOOD PROGRAMS

OFFICE OF THE UNDER SECRETARY FOR FOOD, NUTRITION, AND  
CONSUMER SERVICES

2016 appropriation .....	\$811,000
2017 budget estimate .....	814,000
Provided in the bill .....	811,000
Comparison:	
2016 appropriation .....	— — —
2017 budget estimate .....	— 3,000

## COMMITTEE PROVISIONS

For the Office of the Under Secretary for Food, Nutrition, and Consumer Services, the Committee provides an appropriation of \$811,000.

*Communication from FNS.*—The Committee recognizes the efforts made to increase communication and reduce delays by FNS in completing requested reports. Reports requested by the Committees on Appropriations of the House and Senate, as well as information regarding FNS programs, are an important part of the Committees' oversight responsibilities. The directives and issues that are specified in the House, Senate, or conference report are very important to the Committee and the dates specified are mandatory. FNS is expected to keep the Committee apprised of activi-

ties and issues, especially those mentioned in Committee reports. FNS is reminded that the Committee reserves the right to call before it any agency that does not submit reports on time.

*Public Release of Information.*—The Committee directs FNS to continue making all policy documents related to the Special Supplemental Nutrition Program for Women, Infants, and Children (WIC) program (including, but not limited to, instructions, memoranda, guidance, and questions and answers) available to the public on the Internet within one week of their release to WIC state administrators.

*Program Eligibility.*—The Committee directs FNS to work with states to ensure full compliance with the law mandating that every WIC and SNAP participant meet all program eligibility requirements. FNS is also directed to ensure these programs are not being promoted to ineligible individuals, which would increase program costs.

*Fruit and Vegetable Consumption.*—The Committee continues to urge FNS to recognize in relevant agency publications and regulations related to all federal nutrition programs, including nutrition education programs and child nutrition programs, the nutritional benefits provided by all forms of fruits, vegetables, and beans, whether canned, dried, fresh, or frozen.

#### FOOD AND NUTRITION SERVICE

##### CHILD NUTRITION PROGRAMS

##### (INCLUDING TRANSFERS OF FUNDS)

2016 appropriation .....	\$22,149,746,000
2017 budget estimate .....	23,230,733,000
Provided in the bill .....	23,175,679,000
Comparison:	
2016 appropriation .....	+1,025,933,000
2017 budget estimate .....	– 55,054,000

##### COMMITTEE PROVISIONS

For the Child Nutrition Programs, the Committee provides \$23,175,679,000.

*School Meals.*—The Committee remains concerned about the challenges and costs that local schools face in implementing the various regulations from the Healthy, Hunger-Free Kids Act of 2010. Some schools are continuing to have difficulty complying with the whole grain requirements that went into effect on July 1, 2014, and schools are increasingly concerned with further reductions in the sodium requirements. In order to provide schools with the certainty and flexibility they need for the 2017–2018 school year, the Committee continues to extend the whole grain waiver provision to those school food authorities demonstrating a hardship in implementing the whole grain standards.

The Committee also continues a provision stating that sodium standards cannot be reduced below Target 1 until the latest scientific research establishes that the reduction is beneficial for children. According to information provided by USDA, the overwhelming majority of research that has been reviewed on this issue was conducted more than 10 years ago, with most research conducted in the 1980s and 1990s. The Committee notes that the re-

quirement that the latest scientific research prove that further sodium reductions are beneficial for children has not been met.

As schools seek to implement the school meal standards, the Committee encourages USDA to consider ways to assist schools with technical assistance and training, including the services of not-for-profit culinary institutions, to provide healthy, cost-effective foods that students will eat.

*Improper Payments.*—The Committee remains concerned about the staggering error rates for the National School Lunch Program (NSLP) and School Breakfast Program (SBP), which were about 16 percent and 23 percent, respectively, in fiscal year 2015. This amounts to \$1,800,000,000 in improper payments for NSLP and \$875,000,000 for SBP. While the error rate for SBP had a small decrease, there was a slight increase in the error rate for NSLP. OIG completed an audit report in May of 2015 that evaluated how FNS is attempting to lower the error rates, and the Committee acknowledges FNS is working to address this issue. The fiscal year 2016 explanatory statement directed FNS to provide a report addressing OIG's recommendations. The Committee expects this report by June 1, 2016.

*Potable Water.*—The Committee is aware of the statutory requirement that schools and child care centers make potable water available to children free of charge during meal times in the place where meals are served. The Committee directs USDA to provide a report on the actions that have been taken to ensure that potable water is being provided in schools and child care centers.

*Technology Use in School Meal Programs.*—The Committee supports increased use of technology as a strategy to combat waste, fraud and abuse in the school meal programs and urges USDA to continue to allow local control in the selection of technology platforms. The Committee directs USDA to clearly communicate to recipients of any funding that can be used for technology infrastructure in or for the support of school meal programs that the funds are intended to establish state systems that are capable of interoperability or interface with the technology platforms selected by school districts.

The following table reflects the Committee recommendations for the child nutrition programs:

[Dollars in Thousands]

Child Nutrition Programs:	
School Lunch Program .....	\$12,756,627
School Breakfast Program .....	4,486,347
Child and Adult Care Food Program .....	3,446,278
Summer Food Service Program .....	628,484
Special Milk Program .....	9,236
State Administrative Expenses .....	279,058
Commodity Procurement .....	1,428,089
Food Safety Education .....	2,869
Coordinated Review .....	10,000
Computer Support and Processing .....	11,876
Training and Technical Assistance .....	18,137
CNP Studies and Evaluations .....	21,274
CN Payment Accuracy .....	10,974
Farm to School Team .....	3,426
Team Nutrition .....	15,504
Healthier U.S. Schools Challenge .....	1,500
School Meals Equipment Grants .....	25,000

(Dollars in Thousands)

Summer EBT Demonstration .....	21,000
<i>Total</i> .....	\$23,175,679

SPECIAL SUPPLEMENTAL NUTRITION PROGRAM FOR WOMEN, INFANTS,  
AND CHILDREN (WIC)

2016 appropriation .....	\$6,350,000,000
2017 budget estimate .....	6,350,000,000
Provided in the bill .....	6,350,000,000
Comparison:	
2016 appropriation .....	---
2017 budget estimate .....	---

COMMITTEE PROVISIONS

For the Special Supplemental Nutrition Program for Women, Infants, and Children, the Committee provides an appropriation of \$6,350,000,000. The Committee provides for continuation of the breastfeeding peer counselor program and infrastructure.

USDA data shows that WIC participation rates have decreased steadily since fiscal year 2010. The President's budget request includes a projection of an average monthly participation rate of 8.1 million women, infants, and children for fiscal year 2017. However, the average monthly participation rate was 8.0 million for fiscal year 2015, and the current average for fiscal year 2016 is 7.9 million. Birth rates also remain at an all-time low according to the Centers for Disease Control and Prevention (CDC).

USDA is estimating recovery and carryover funds to be much higher than average at more than \$600,000,000. Furthermore, the Secretary has a sufficient WIC contingency reserve fund as a safety net to meet unexpected demand. With lower participation rates, higher carryover funds, and an ample reserve fund, the Committee provides funding that will ensure all eligible participants will be served. The Committee will continue to monitor WIC participation, carryover funds, and food costs and take additional action as necessary to ensure that funding provided in fiscal year 2017 remains sufficient to serve all eligible applicants.

*Income Eligibility Standards.*—The Committee continues to monitor WIC income eligibility standards to ensure all procedures are followed by the WIC state and local agencies. FNS has been conducting Certification and Eligibility Management Evaluations on all state agencies and ITOs in order to ensure compliance and maintain program integrity in the participant certification process. USDA is directed to provide a report describing the results of these evaluations, detailing discrepancies found in determining participant eligibility and the certification process. The report should include steps FNS will take to ensure state agencies and ITOs adhere to the income verification procedures that the Department has implemented.

*Program Integrity and Fraudulent Activities.*—The FNS WIC Program Integrity and Monitoring Branch plays a role in helping WIC state agencies address vendor management, cost containment, and fraudulent activities such as the online sale of WIC-provided infant formula. The Committee remains concerned about fraud and abuse in the program and directs FNS to provide a report on this branch's efforts and results in addressing these areas.

*WIC Eligibility of Multivitamins.*—The Committee encourages FNS to prepare a report assessing the inclusion of vitamins eligible for purchase as part of the supplemental foods under the special supplemental nutrition program for women, infants, and children (WIC). Such report shall include: whether there are dietary deficiencies within the WIC population that could be enhanced through such inclusion; considerations regarding the implementation and possible health impacts of such inclusion; cost considerations related to such inclusion. This report shall be submitted to the Committee not later than 90 days after enactment of this Act.

*Zika Outreach and Education.*—The Committee is supportive of ensuring pregnant women are educated on the various methods for preventing exposure to the Zika virus during pregnancy. The Committee directs the Department, in consultation with the Centers for Disease Control and Prevention, to continue its education and outreach efforts through the WIC program to provide pregnant women with the information they need to prevent Zika. During fiscal year 2017, the Department is directed to designate \$10,000,000 to assist with Zika outreach and education, with priority given to States with the greatest need.

#### SUPPLEMENTAL NUTRITION ASSISTANCE PROGRAM

2016 appropriation .....	\$80,849,383,000
2017 budget estimate .....	81,689,168,000
Provided in the bill .....	79,673,277,000
Comparison:	
2016 appropriation .....	–1,176,106,000
2017 budget estimate .....	–2,015,891,000

#### COMMITTEE PROVISIONS

For the Supplemental Nutrition Assistance Program, the Committee provides \$79,673,277,000. The total amount includes \$3,000,000,000 for a contingency reserve to be used only in the amount necessary. Section 748 provides an additional \$19,000,000 for the purchase of TEFAP commodities in order to maintain the fiscal year 2016 funding level.

The Committee provides an increase of \$4,000,000 for Nutrition Education and Program Information solely for SNAP Employment and Training technical assistance. The Committee is aware of coordinated attempts to circumvent the directive in the fiscal year 2016 explanatory statement in order to provide funding for existing Centers of Excellence. Therefore, consistent with the Consolidated Appropriations Act of 2016, the Committee does not provide funding for new or existing Centers of Excellence, which have not been authorized by Congress.

*Required Reporting for Out-of-State Moves.*—The Committee remains committed to eliminating fraud and abuse within SNAP. Bill language is included to require SNAP participants to report to the state agency when they move outside of the state in which they are certified. This provision closes a loophole in order to prevent fraudulent SNAP participation in multiple states.

*SNAP Purchase Report.*—The Committee is aware that FNS is preparing a report describing purchases made by SNAP recipients as compared to non-SNAP recipients. FNS is directed to complete this report as soon as practicable and make this report publicly available.



**SNAP Error Rates.**—An OIG report issued in September of 2015 reviewed the FNS quality control process for determining the SNAP error rate associated with benefits provided to recipients. OIG found vulnerabilities and inconsistencies in the methods used to determine the error rate and concluded FNS' quality control process resulted in an understatement of SNAP's error rates. The fiscal year 2016 explanatory statement directed the Department to provide a report on how FNS will address OIG's recommendations. The Committee expects this report no later than June 1, 2016.

**Recruitment Activities.**—The Committee continues to direct USDA to ensure that Section 4018 of the 2014 farm bill is implemented and enforced in a manner consistent with the statute which prohibits USDA from conducting recruitment activities, advertising the program, or entering into agreements with foreign governments to promote SNAP benefits. The Committee continues to direct USDA to enforce this provision to ensure that state agencies are not reimbursed for such activities consistent with the statute.

**Issuance of SNAP Benefits.**—The Committee notes that some states issue SNAP benefits to recipients in a compressed time frame, usually at the beginning of the month, which causes challenges for both SNAP participants and retailers. The Committee continues to direct FNS to work with those states with a compressed issuance schedule to provide benefits at least twice per month and to report to the Committees on Appropriations of the House and Senate progress made on this issue.

**Electronic Benefit Transfer (EBT) Equipment.**—The Committee is aware that some farmers markets and farmers selling directly to consumers are interested in EBT equipment that operates for a variety of federal nutrition programs. FNS is encouraged to assist farmers markets and direct-selling farmers in obtaining EBT equipment that allows participation in other federal nutrition programs.

The following table reflects the Committee recommendations for SNAP:

(Dollars in Thousands)

Supplemental Nutrition Assistance Program Account:	
Benefits .....	\$68,801,122
Contingency Reserve .....	3,000,000
<i>Administrative Costs:</i>	
State Administrative Costs .....	4,348,604
Nutrition Education and Obesity Prevention Grant Program .....	414,000
Employment and Training .....	465,680
Mandatory Other Program Costs .....	193,417
Discretionary Other Program Costs .....	998
Administrative Subtotal .....	5,422,699
Nutrition Assistance for Puerto Rico (NAP) .....	1,965,415
American Samoa .....	7,893
Food Distribution Program on Indian Reservations .....	151,000
TEFAP Commodities .....	299,000
Commonwealth of the Northern Mariana Islands .....	12,148
Community Food Project .....	9,000
Program Access .....	5,000
Subtotal .....	2,449,456
Total .....	\$79,673,277

## COMMODITY ASSISTANCE PROGRAM

2016 appropriation .....	\$296,217,000
2017 budget estimate .....	313,139,000
Provided in the bill .....	315,139,000
Comparison:	
2016 appropriation .....	+18,922,000
2017 budget estimate .....	+2,000,000

## COMMITTEE PROVISIONS

The Committee provides an appropriation of \$315,139,000 for the Commodity Assistance Program. The recommended funding level for the Commodity Supplemental Food Program is \$236,120,000.

The Committee recommendation includes \$18,548,000 for the Farmers' Market Nutrition Program.

The Committee has included \$59,401,000 for administrative funding for The Emergency Food Assistance Program (TEFAP).

For the Food Donations Programs, the Committee provides an appropriation of \$1,070,000 for Pacific Island Assistance.

*TEFAP Handling and Distribution Costs.*—In addition to grant funds supporting commodity handling and distribution costs, the bill permits states to use up to 10 percent of the funds provided for purchasing TEFAP commodities to help with the costs of storing, transporting, and distributing commodities. The Committee expects state agencies to consult with their emergency feeding organizations on the need for the conversion of such funds.

## NUTRITION PROGRAMS ADMINISTRATION

2016 appropriation .....	\$150,824,000
2017 budget estimate .....	179,447,000
Provided in the bill .....	168,524,000
Comparison:	
2016 appropriation .....	+17,700,000
2017 budget estimate .....	– 10,923,000

## COMMITTEE PROVISIONS

For Nutrition Programs Administration, the Committee provides \$168,524,000. This funding level includes \$1,000,000 for FNS to contract for an independent study to identify the best means of efficiently consolidating Child Nutrition Program reporting requirements for school food authorities and state agencies. The Committee expects the study to be completed no later than 18 months from the date of enactment of this Act.