

(II) used to match Federal funds under a Federal program other than the supplemental nutrition assistance program.

RESEARCH, DEMONSTRATION, AND EVALUATIONS

SEC. 17. [7 U.S.C. 2026] (a)(1) The Secretary may enter into contracts with or make grants to public or private organizations or agencies under this section to undertake research that will help improve the administration and effectiveness of the supplemental nutrition assistance program in delivering nutrition-related benefits. The waiver authority of the Secretary under subsection (b) shall extend to all contracts and grants under this section.

(2) The Secretary may, on application, permit not more than two State agencies to establish procedures that allow households whose monthly supplemental nutrition assistance program benefits do not exceed \$20, at their option, to receive, in lieu of their supplemental nutrition assistance program benefits for the initial period under section 8 and their regular allotment in following months, and at intervals of up to 3 months thereafter, aggregate allotments not to exceed \$60 and covering not more than 3 months' benefits. The allotments shall be provided in accordance with paragraphs (3) and (9) of section 11(e) (except that no household shall begin to receive combined allotments under this section until it has complied with all applicable verification requirements of section 11(e)(3)) and (with respect to the first aggregate allotment so issued) within 40 days of the last benefit issuance.

(b)(1)(A) The Secretary may conduct on a trial basis, in one or more areas of the United States, pilot or experimental projects designed to test program changes that might increase the efficiency of the supplemental nutrition assistance program and improve the delivery of supplemental nutrition assistance program benefits to eligible households, and may waive any requirement of this Act to the extent necessary for the project to be conducted.

(B) PROJECT REQUIREMENTS.—

(i) PROGRAM GOAL.—The Secretary may not conduct a project under subparagraph (A) unless—

(I) the project is consistent with the goal of the supplemental nutrition assistance program of providing food assistance to raise levels of nutrition among low-income individuals; and

(II) the project includes an evaluation to determine the effects of the project.

(ii) PERMISSIBLE PROJECTS.—The Secretary may conduct a project under subparagraph (A) to—

(I) improve program administration;

(II) increase the self-sufficiency of supplemental nutrition assistance program recipients;

(III) test innovative welfare reform strategies;

or

(IV) allow greater conformity with the rules of other programs than would be allowed but for this paragraph.

(iii) RESTRICTIONS ON PERMISSIBLE PROJECTS.—If the Secretary finds that a project under subparagraph

(A) would reduce benefits by more than 20 percent for more than 5 percent of households in the area subject to the project (not including any household whose benefits are reduced due to a failure to comply with work or other conduct requirements), the project—

(I) may not include more than 15 percent of the number of households in the State receiving supplemental nutrition assistance program benefits; and

(II) shall continue for not more than 5 years after the date of implementation, unless the Secretary approves an extension requested by the State agency at any time.

(iv) IMPERMISSIBLE PROJECTS.—The Secretary may not conduct a project under subparagraph (A) that—

(I) involves the payment of the value of an allotment in the form of cash or otherwise providing benefits in a form not restricted to the purchase of food, unless the project was approved prior to the date of enactment of this subparagraph [August 22, 1996];

(II) has the effect of substantially transferring funds made available under this Act to services or benefits provided primarily through another public assistance program, or using the funds for any purpose other than the purchase of food, program administration, or an employment or training program;

(III) is inconsistent with—

(aa) paragraphs (4) and (5) of section 3(n);

(bb) the last sentence of section 5(a), insofar as a waiver denies assistance to an otherwise eligible household or individual if the household or individual has not failed to comply with any work, behavioral, or other conduct requirement under this or another program;

(cc) section 5(c)(2);

(dd) paragraph (2)(B), (4)(F)(i), or (4)(K) of section 6(d);

(ee) section 8(b);

(ff) section 11(e)(2)(B);

(gg) the time standard under section 11(e)(3);

(hh) subsection (a), (c), (g), (h)(1)(F), (h)(2), or (h)(3) of section 16;

(ii) this paragraph; or

(jj) subsection (a)(1) or (g)(1) of section 20;

(IV) modifies the operation of section 5 so as to have the effect of—

(aa) increasing the shelter deduction to households with no out-of-pocket housing costs or housing costs that consume a low percentage of the household's income; or

(bb) absolving a State from acting with reasonable promptness on substantial reported changes in income or household size (except that this subclause shall not apply with regard to changes related to supplemental nutrition assistance program deductions);

(V) is not limited to a specific time period;

(VI) waives a provision of section 26; or

(VII) waives a provision of section 7(i).

(v) **ADDITIONAL INCLUDED PROJECTS.**—A pilot or experimental project may include projects involving the payment of the value of allotments or the average value of allotments by household size in the form of cash to eligible households all of whose members are age sixty-five or over or any of whose members are entitled to supplemental security income benefits under title XVI of the Social Security Act [(42 U.S.C. 1381 et seq.)] or are receiving assistance under a State program funded under part A of title IV of the Social Security Act (42 U.S.C. 601 et seq.), the use of identification mechanisms that do not invade a household's privacy, and the use of food checks or other voucher-type forms in place of EBT cards.

(vi) **CASH PAYMENT PILOT PROJECTS.**—Subject to the availability of appropriations under section 18(a), any pilot or experimental project implemented under this paragraph and operating as of October 1, 1981, involving the payment of the value of allotments in the form of cash to eligible households all of whose members are either age sixty-five or over or entitled to supplemental security income benefits under title XVI of the Social Security Act [(42 U.S.C. 1381 et seq.)] shall be continued if the State so requests.

(C)(i) No waiver or demonstration program shall be approved under this Act after the date of enactment of this subparagraph unless—

(I) any household whose food assistance is issued in a form other than EBT cards has its allotment increased to the extent necessary to compensate for any State or local sales tax that may be collected in all or part of the area covered by the demonstration project, the tax on purchases of food by any such household is waived, or the Secretary determines on the basis of information provided by the State agency that the increase is unnecessary on the basis of the limited nature of the items subject to the State or local sales tax; and

(II) the State agency conducting the demonstration project pays the cost of any increased allotments.

(ii) Clause (i) shall not apply if a waiver or demonstration project already provides a household with assistance that exceeds that which the household would otherwise be eligible to receive by more than the estimated amount of any sales tax on the purchases of food that would be collected from the household in the project area in which the household resides.

(D) RESPONSE TO WAIVERS.—

(i) RESPONSE.—Not later than 60 days after the date of receiving a request for a waiver under subparagraph (A), the Secretary shall provide a response that—

(I) approves the waiver request;

(II) denies the waiver request and describes any modification needed for approval of the waiver request;

(III) denies the waiver request and describes the grounds for the denial; or

(IV) requests clarification of the waiver request.

(ii) FAILURE TO RESPOND.—If the Secretary does not provide a response in accordance with clause (i), the waiver shall be considered approved, unless the approval is specifically prohibited by this Act.

(iii) NOTICE OF DENIAL.—On denial of a waiver request under clause (i)(III), the Secretary shall provide a copy of the waiver request and a description of the reasons for the denial to the Committee on Agriculture of the House of Representatives and the Committee on Agriculture, Nutrition, and Forestry of the Senate.

(2) The Secretary shall, jointly with the Secretary of Labor, implement two pilot projects involving the performance of work in return for supplemental nutrition assistance program benefits in each of the seven administrative regions of the Food and Nutrition Service of the Department of Agriculture, such projects to be (A) appropriately divided in each region between locations that are urban and rural in characteristics and among locations selected to provide a representative cross-section of political subdivisions in the States and (B) submitted for approval prior to project implementation, together with the names of the agencies or organizations that will be engaged in such projects, to the Committee on Agriculture of the House of Representatives and the Committee on Agriculture, Nutrition, and Forestry of the Senate. Under such pilot projects, any person who is subject to the work registration requirements pursuant to section 6(d) of this Act, and is a member of a household that does not have earned income equal to or exceeding the allotment to which the household is otherwise entitled pursuant to section 8(a) of this Act, shall be ineligible to participate in the supplemental nutrition assistance program as a member of any household during any month in which such person refuses, after not being offered employment in the private sector of the economy for more than thirty days (ten days in at least one pilot project area designated by the Secretary) after the initial registration for employment referred to in section 6(d)(1)(A)(i) of this Act, to accept an offer of employment from a political subdivision or provider pursuant to a program carried out under title I of the Workforce Investment Act of 1998 [(29 U.S.C. 2801 et seq.)]²⁵, for

²⁵ Effective on July 1, 2015, section 512(1)(3) of Public Law 113-128 provides for an amendment to paragraph (2) as follows: by striking “a program carried out under title I of the Workforce Investment Act of 1998” and inserting “a program carried out under title I of the Workforce Innovation and Opportunity Act”.