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April 16, 1998

THE CONFERENCE REPORT ON
S. 1150, THE AGRICULTURAL RESEARCH, EXTENSION, AND
EDUCATION REFORM ACT OF 1997

The conference report reflects a bipartisan compromise addressing 4 high Administration and congressional priorities by -

- providing over \$800 million over 5 years, FY99-FY03, to restore food stamps to certain legal immigrants, 250,000 of whom, including 75,000 children, will benefit in FY99;
- providing \$600 million for innovative agricultural research over 5 years;
- stabilizing the crop insurance program by adding \$470 million to its funding base over the next 5 years; and
- extending and adding \$100 million to the Fund for Rural America through FY03.

The conference report complies fully with the balanced budget agreement; its spending completely offset by savings from administrative costs of the food stamp program and from reductions in employment and training programs that are also included in the conference report.

The bill enjoys strong support across the farm and nutrition spectrum - farm groups, the agricultural research community, crop insurance companies, rural development interests, as well as advocates for feeding and nutrition programs and for legal immigrants have all strongly endorsed the legislation.

However, the vitally important spending in the bill is threatened by the pending highway bill because the Senate-passed budget resolution would use the savings in the conference report not for these priorities, but for more highways.

Food Stamps for Legal Immigrants

- The bill restores food stamps only for legal immigrants who were in the country on or before the 1996 welfare reform bill was signed.
- The provisions restoring food stamps for the elderly and disabled mirror the provisions of the balanced budget agreement that restored to those groups supplemental security income (SSI) and Medicaid benefits.
- The bill also restores food stamps to immigrant children, who did not receive any assistance in the balanced budget agreement.
- In FY99, 5 groups of legal immigrants will benefit: 75,000 children,

65,000 elderly, 35,000 disabled individuals, and 105,000 refugees, asylees, and Hmong who helped the US during the Vietnam conflict.

- The welfare reform bill retroactively changed the rules of the game for immigrants legally in the US; this bill would restore benefits for some of the most deserving of those individuals.

Agricultural Research

- Funded at \$120 million per year over 5 years, the bill includes the Initiative for Future Agriculture and Food Systems that will support research on high priority areas including agricultural genetics, food safety, food technology and human nutrition, new and alternative uses and production of agricultural products, agricultural biotechnology, and natural resource management.
- The bill makes several reforms to USDA's research programs to make sure that future investments concentrate on problems of national or regional scope, that farmers and ranchers are consulted when research priorities are established, and requires that competitively-awarded grants are subjected to peer or merit review.
- The bill phases-in an increase in the amount states must contribute to 1890s institutions to match federal support for the schools.

Crop Insurance

- Without the \$470 million this bill provides to stabilize funding for the crop insurance program over the next 5 years, the main method farmers use to protect themselves against crop losses will be imperiled.
- At the same time, the bill also lowers the taxpayers' burden by reducing the reimbursements USDA makes to insurance companies for their administrative expenses in providing crop insurance and by imposing slight increases in the premiums and fees farmers pay.

Fund for Rural America

- The bill adds \$100 million to the Fund for Rural America over 5 years, extending it 3 years beyond the limits imposed by the 1996 farm bill.
- As provided for in the farm bill, the funds will be used to support innovative rural development efforts targeted at emerging problems as historic farm income support programs are phased down.