

**USDA Food and Nutrition Service
Supplemental Nutrition Assistance Program (SNAP)
American Recovery and Reinvestment Act Plan Update
6/23/2010**

This document provides an update to the Supplemental Nutrition Assistance Program (SNAP) ARRA Plan. The update follows the original plan.

Original Plan (as posted on the Recovery.gov web site)

Objectives

Program Purpose

SNAP provides nutrition assistance benefits and nutrition education services to low-income individuals and families. The ARRA increases the maximum allotments of SNAP participants by 13.6 percent, eases eligibility requirements for childless adults without jobs, and provides additional funding to State agencies responsible for administering the program. The goals of SNAP are to reduce hunger and improve the health and well-being of low-income people and families.

Public Benefits

The SNAP ARRA objectives are:

1. Improve the food security of low-income households
2. Create and save jobs
3. Stimulate the economy
4. Stabilize the State agencies responsible for SNAP administration

the increase in SNAP benefits enabled by the ARRA helps low-income households better meet their nutritional needs and creates and saves jobs, an estimated 100,000 new or retained jobs the first two years after implementation. Enabling all States to suspend the time limits on participation by jobless adults recognizes needs for food assistance and the difficulty of finding work in this economy. SNAP benefits are spent very quickly; 97 percent are redeemed within 30 days of issuance. SNAP benefits have a stimulus effect that directly impacts communities; every \$1 in additional SNAP benefits generates \$1.84 in total economic activity. The estimated \$20 billion of increased SNAP benefits over the next five years would create an estimated \$36.8 billion in economic activity.

In light of the increased demand for services and strained State budgets, the increased ARRA funding to State agencies that administer the SNAP program enables State governments to avoid reductions in services and to meet the increasing demand from low-income families and individuals resulting from the recession. FNS anticipates the majority of these funds to be spent to support staff costs related to determining eligibility and benefit amounts for those applying for SNAP or renewing their SNAP benefits. Applications and caseload levels are at historically high levels, and many States must hire new workers and pay overtime to existing workers to meet this demand.

In addition to the administrative funds used by the States, FNS has proposed to use \$4.5 million to support monitoring efforts and to measure the effectiveness of SNAP benefits on reducing food security and hunger. FNS will institute a National Survey of New SNAP Entrants, a short questionnaire based on USDA's food security module which will be administered to a representative sample of participants at the time of program entry. A follow-up survey of the same group would occur after a short time on the program. This approach would compare the level of food security in low-income households before and after their entrance into SNAP. The effectiveness of SNAP should be reflected in an increase in food security during the intervening months.

Measures

The measures have been revised to enrich the performance metrics for Recovery targets. In some instances, targets will not be available until additional baseline data has been collected.

Measure	Target/Actual			
	2009	2010	2011	2012
[+]Economic Stimulus	0/0	0/0	0/0	0/0
<p>Frequency : Annual</p> <p>Direction : Increasing</p> <p>Type : Outcome</p> <p>Explanation: Estimate of economic stimulus based on SNAP dollars issued.</p> <p>Unit : dollars</p>				
[+]Increased Benefits Issued	0/0	0/0	0/0	0/0
<p>Frequency : Quarterly</p> <p>Direction : Increasing</p> <p>Type : Output</p> <p>Explanation: Calculation of increased benefits issued and funded by ARRA based on the program reports issued each month from State Agencies administering the SNAP Program.</p> <p>Unit : dollars</p>				
[+]Administrative Funds Expended	0/0	0/0	-	-
<p>Frequency : Quarterly</p> <p>Direction : Increasing</p> <p>Type : Output</p>				

Milestones

No Data Available

Projects and Activities

ARRA provides three different funding enhancements that support SNAP: 1) an increase in the monthly benefits of SNAP participants, 2) expanded eligibility for jobless adults, and 3) additional federal dollars to support the administration of the program.

Increased SNAP Benefits

ARRA increased SNAP benefits to all active SNAP participants beginning on April 1, 2009, and these increased benefits will continue for an estimated five years. For FY 2009, households of four experienced a maximum increase in benefits of \$80 per month. Participants are determined eligible for benefits by the State agencies responsible for the administration of SNAP. Once eligible, each household is issued an electronic benefits card (similar to a debit card) which can be used to purchase food items at approved food retailers such as grocery stores and farmer's markets. The ARRA benefit increase is provided to all participants.

Expanded eligibility for jobless adults

ARRA suspends the current time limit that restricts the participation on many jobless adults without children to 3 months in 3 years. This suspension lasts through FY2010. It recognizes the difficulty of finding jobs in this economy and the immediate food assistance needs of this population.

SNAP Administrative Funds

SNAP caseloads are up over 16 percent in the past year; over 2 million additional cases have been authorized and the number is expected to keep growing. ARRA provides \$145 million in fiscal year 2009 and \$150 million in fiscal year 2010 to support the administration of SNAP by States with \$4.5 million of these funds reserved for necessary FNS expenses for management, oversight, and for monitoring the integrity and evaluation of the stimulus changes. FNS is obligating \$500,000 of the \$4.5 million during FY2009 and the remaining \$4 million in FY2010.

- Seventy-five percent of the amount available for State administration is allocated based on each State's share of participating households over the most recent 12 months for which data is available.
- The remaining 25 percent of the amount available is allocated based on each State's share of the increase in the number of households over the same period.
- As required, for the FY2009 allocation, FNS excluded disaster households and used the December 2007 to November 2008 timeframe. The same methodology and timeframe will be used to make the FY2010 allocations.
- Guidance to State agencies including funding formula calculations and State allocations can be found on the FNS web site.

Review Process

No Data Available

Cost and Performance Plan

SNAP is a Federal nutrition assistance program that is State administered. Given this relationship with the States, FNS has established reporting and monitoring tools to oversee ongoing State agency program operations for SNAP and ensure the integrity of the SNAP benefits issued. These efforts include a quality control process which samples and reviews the eligibility determination and benefit amount of SNAP cases (referred to as payment accuracy reviews); monthly financial and program activity level reporting; management evaluations; and program access reviews.

ARRA SNAP funds are mandatory, meaning that separate financial accounting of the funds is required but the recipient-level reporting required by Section 1512 of the Recovery Act does not apply. FNS will continue to use these existing monitoring activities to obtain information on the implementation of ARRA funding in the States.

In addition to obtaining the obligations and outlays of SNAP benefits through required ARRA financial reports, FNS will use its existing payment accuracy review process to draw a statistically valid sample of cases for review to determine the appropriateness of the determination for eligibility and the accuracy of the benefit amount. Each year States review about 48,000 active cases and 33,000 closed cases to determine the validity of payment levels and denials. Federal staff validates a sample of the State reviews. This system will provide a continuing stream of management information about payment accuracy levels before and after ARRA implementation.

SNAP administrative funds used to stabilize State governments and avoid a reduction in critical safety net services make up approximately 5% of current State Administrative Expenses (SAE) in the SNAP program. We are requiring States to report on how they are spending ARRA SNAP SAE funding by providing a separate ARRA SNAP specific SF-269 form, which will collect obligations and outlays of the ARRA funding specifically. This SNAP specific SF-269 form collects State-level obligations and outlays across 20 categories, well beyond the standard financial reporting required for all federal grant programs, including such functions as certification, issuance, and nutrition education.

To help ensure the appropriateness of expenditures, FNS requires States to submit a State plan of operations for approval, which includes a series of additional plans including: an Employment and Training Plan, an Outreach Plan, a Nutrition Education Plan, and an Advanced Planning Document (APD) for IT expenditures. If ARRA funds are used to support additional activities in any of these areas, a State would need to submit a plan amendment for approval. Otherwise, ARRA funds will be spent on approved activities.

In addition to reviewing planned and actual expenditures, FNS will conduct on-site financial and programmatic

monitoring of SNAP administrative expenditures; these on-site efforts will now include a specific module on the review of ARRA activities.

As we do in the course of our normal oversight responsibilities, FNS will also draw on any audit finding associated with specific ARRA audits conducted by GAO and OIG, using these findings as a source of additional data to identify and resolve any issues related to implementation.

In addition to monitoring the use of funds, the implementation of ARRA presents a unique opportunity to measure the impact of increased benefits on food insecurity. For decades, policy makers, advocates, and those implementing the program have hypothesized that increasing benefit amounts would reduce food insecurity and, perhaps, draw more individuals into the program that may have been reticent to apply. The natural experiment offered by the ARRA's benefit increase will be used to measure its impact of food insecurity by surveying new program entrants at the time of certification and in a follow-up survey months after being on the program.

Energy Efficiency Spending Plans

not applicable

Program Plan Award Types

No Data Available

[Source](#)

Plan Update (06.18.10)

The ARRA investments in SNAP have been implemented as planned with benefit increases going out on April 1, 2009 and continuing each month, and administrative dollars being spent by SNAP State agencies to address the significant caseload increases. The Congressional Budget Office originally estimated that the increase in SNAP benefit levels set by ARRA would cost \$20 billion over 5 years. As part of the regular budget process, USDA updates these estimates twice a year. The current estimate is now \$65.8 billion over 10 years. This significant increase is a product of rapidly increasing caseloads and slower than anticipated growth of food prices. The estimate is likely to fluctuate based on these two factors and the most current estimate will continue to be posted on the USDA, Food and Nutrition Assistance web site at: <http://www.fns.usda.gov/fns/recovery/recovery-snap.htm>.

The following represents updates to the performance measures.

Measure	Target/Actual			
	2009	2010	2011	2012

[+]Economic Stimulus Measure Deleted

[+]Increased Benefits Issued \$4.46/\$4.46 \$10.8/___ \$11.9/0 \$10.6/0

Frequency : Annual

Direction : n/a

Type : Output

Explanation: Calculation of increased benefits issued and funded by ARRA based on the program reports issued each month from State Agencies administering the SNAP Program.

Unit : dollars (billions)

[+]Administrative Funds Expended \$144.5/\$105.5 \$146/ - -

Frequency : Annual

Direction : Increasing

Type : Output

Explanation: State administrative expense (SAE) funds spent by State Agencies responsible for implementing the SNAP Program. ARRA dedicated funds to State Agencies for this purpose.

Unit : dollars (millions)

[+]Funds used to pay SNAP operations staff Measure Deleted

Measure	Target/Actual			
	2009	2010	2011	2012

[+]Funds used for SNAP IT Infrastructure Measure Deleted

[+]Funds used for other SNAP delivery support. Measure Deleted

[+] Households with very low food security (new measure)

Frequency : Annual

Direction : Decreasing 400,000/ 350,000/ 300,000/ target not set

Type : Outcome

Explanation: The number of households with very low food security among children is reported annually in the *Household Food Security in the United States* report published annually by the USDA Economic Research Service. In households with very low food security among children, the food intake of one or more children was reduced, and their normal eating patterns were disrupted because of the household's food insecurity (lack of dependable access to enough food for active, healthy living).

Unit : Number of households

[+] SNAP Participation Rate

Frequency : Annual

Direction : Increasing 66.3% / 68% / 68.5% / target not set

Type : Output

Explanation: The percentage of eligible people who are participating in the program.

Unit : Percent