USDA Food and Nutrition Service
U.S. DEPARTMENT OF AGRICULTURE

Research Summary July 2022

Update to Feasibility Study of Implementing USDA's Supplemental Nutrition Assistance Program (SNAP) in Puerto Rico (Summary)

Background

Puerto Rico is currently authorized to operate a block grant nutrition assistance program instead of participating in USDA's Supplemental Nutrition Assistance Program (SNAP). The Programa de Asistencia Nutricional — or Nutrition Assistance Program (NAP) — is designed and administered by the Administración de Desarrollo Socioeconómico de la Familia (ADSEF, the Administration for the Socioeconomic Development of the Family) of the Government of Puerto Rico with oversight by USDA's Food and Nutrition Service (FNS). Puerto Rico's NAP, which is subject to capped funds, targets households with the greatest need for assistance and generally provides lower maximum benefit amounts than SNAP.

This study was directed by Congress[1] to: (1) update findings on administrative, operational, and program integrity changes needed for converting NAP to SNAP as presented in the 2010 USDA report, *Implementing Supplemental Nutrition Assistance Program in Puerto Rico: A Feasibility Study*; and (2) develop a detailed implementation plan for reestablishing SNAP in Puerto Rico. The study findings are presented in a report and an implementation plan.

Key Findings

- Although NAP and SNAP have similar goals, the programs differ in their design and implementation mainly due to their funding structure, block grant (NAP) versus entitlement program (SNAP).
- The implementation timeline is largely driven by the planning phase which is comprised of the development and implementation of SNAP data systems.
- The estimated total cost during the implementation period is $341 to $426 million.
- The estimated cost of administering SNAP in Puerto Rico is $249 million to $414 million per year, and the cost of benefits is $4.5 billion annually (both costs are in 2031 dollars).

Methods

The study team collected three types of data in Fiscal Year 2021 to develop the implementation plan and report: (1) an environmental scan and document review[2]; (2) interviews with FNS staff from the National Office and the Mid-Atlantic Regional Office; and (3) interviews with ADSEF staff and other stakeholders in Puerto Rico, to include authorized NAP retailers, the Financial Oversight and Management Board, community-based organizations, employers, partner government agencies, and emergency management partners.

The study team analyzed the data to identify the steps ADSEF and FNS would need to take to implement SNAP and the factors that would either facilitate or challenge SNAP implementation in Puerto Rico.

To estimate the costs of implementing SNAP in Puerto Rico, the study team used costs for ADSEF labor, FNS labor, consultants, data systems development, and other direct costs. They developed a microsimulation model by applying SNAP eligibility requirement parameters to the 2019 Puerto Rico Community Survey[3] and estimated the number of individuals eligible to participate in SNAP. They estimated ongoing costs based on the participation estimates, SNAP administration costs incurred by States with similar caseload sizes, and FNS labor costs.

[1] This study was directed by the Further Consolidated Appropriations Act, 2020 (Pub. L. 116-94).

[2] The environmental scan and document review examined materials related to NAP and SNAP such as program documents, operational regulation and guidance, congressional studies, Federal audits, and reports to understand the history of NAP and compare NAP and SNAP regulations and requirements.

[3] Information can be found about the Puerto Rico Community Survey here: https://www.census.gov/programs-surveys/acs/about/puerto-rico-community-survey.html.

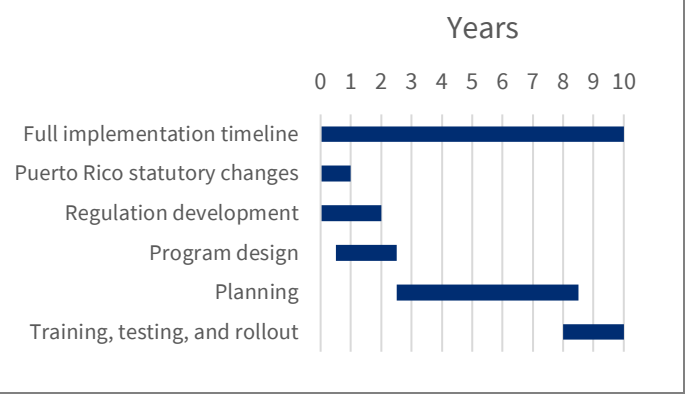
Findings

Congress would need to provide statutory authority to the Government of Puerto Rico to operate SNAP. For Puerto Rico to be able to operate SNAP, Congress would first need to amend provisions of the Food and Nutrition Act of 2008 to authorize the Program. USDA FNS could then update its regulations through rulemaking. Following its authorization, the Legislative Assembly of Puerto Rico would then need to authorize SNAP and appropriate funding for SNAP administration.

Although NAP and SNAP have similar goals, the programs differ in their design and implementation mainly due to their funding structure, block grant (NAP) versus entitlement program (SNAP). NAP operates under a block grant with capped funds that must pay for participant benefits and half of the program administrative costs, affecting both the benefit calculation and program administration. SNAP is an entitlement program, where all eligible individuals receive nutrition benefits paid for by the Federal Government. To transition to SNAP, ADSEF would need to design its program to meet SNAP requirements: (1) including criteria for determining eligibility and benefit amounts; (2) incorporating detailed data systems; (3) meeting all SNAP reporting and integrity requirements; and 4) adding new or expanded program components such as work requirements, SNAP Employment and Training (E&T), Disaster SNAP (D-SNAP), SNAP Education (SNAP-Ed), and SNAP outreach.

The study estimates 10 years for fully implementing SNAP in Puerto Rico after Congressional authorization. The implementation timeline has five main phases: (1) Puerto Rico statutory changes; (2) Regulation development; (3) Program design; (4) Planning; and (5) Testing, training, and rollout (Figure 1). The phases are interrelated and some periods would occur concurrently. Some phases, such as program design, could take less time than estimated but others, such as planning and developing the SNAP data systems, could take longer. The 10-year timeline is an estimate, and it could take more or less time to implement SNAP.

Figure 1: Estimated Supplemental Nutrition Assistance Program (SNAP) Implementation Timeline



The implementation timeline is largely driven by the planning phase which is comprised of the development and implementation of SNAP data systems. Data systems are used to operate programs like SNAP and have functions such as determining eligibility, issuing benefits, conducting data verification, among others as required by the program. Developing SNAP data systems is a complex process because systems encompass many functions and must meet all SNAP regulatory requirements. Puerto Rico would need to first select its policy options[4] and then procure a contractor to develop the data systems that would provide the functionality to support those options. The data systems would need to meet Federal requirements, such as ensuring correct eligibility determination and notices.

Puerto Rico has several strengths that would aid a successful SNAP implementation. First, there is broad support for SNAP in Puerto Rico, and most stakeholders interviewed believed a transition to SNAP would better support low-income individuals. Second, there are potential community partners for collaboration on SNAP E&T, D-SNAP, and SNAP-Ed. Third, ADSEF has demonstrated the ability to adapt quickly to changing circumstances, such as in response to natural disasters. Fourth, ADSEF is working toward NAP changes that align with SNAP policies, such as planning NAP work requirements, developing a D-NAP plan, launching a full online application and management system, and making case files digital.

There are several barriers to SNAP implementation in Puerto Rico. First, SNAP regulations, program design features such as policy options selected, and requirements are complex. To implement the Program, ADSEF may need significant technical assistance from FNS during the

[4] State agencies have flexibility in designing their programs to fit their specific needs. Some examples include choosing broad-based categorical eligibility (BBCE), selecting to use a Standard Utility Allowance, or how States choose to treat child support payments. For a list of commonly selected options, see USDA FNS. (2018). *Supplemental Nutrition Assistance Program: State options report* (14th ed.). https://fns-prod.azureedge.net/sites/default/files/snap/14-State-Options.pdf

program design period. Second, Puerto Rico would also need to increase staffing to handle the increased caseload and program requirements. Third, Puerto Rico's share of administrative costs for SNAP is expected to be more than twice their 2021 NAP administrative costs. Fourth, implementing SNAP data systems that meet FNS requirements may require a lengthy procurement process. Lastly, local office infrastructure, such as inadequate building conditions, poor internet and phone connectivity, and unreliable electricity supply, is a potential barrier.

The estimated total cost during the implementation period is $341 to $426 million. Over 80 percent of the implementation period costs are for developing the SNAP data systems. Other costs include ADSEF labor, ADSEF consultants, FNS labor, and other direct costs to include travel, translation, and a communications campaign.

The estimated cost of administering SNAP in Puerto Rico is $249 million to $414 million per year, and the cost of benefits is $4.5 billion annually (both costs are in 2031 dollars). FNS would be responsible for about 54 percent of the administrative costs, and that amount is composed of half of Puerto Rico's administrative costs plus the additional costs for FNS's National and Mid-Atlantic Regional Offices. For both the cost estimates and benefit costs, the study team estimated about 861,000 households would participate in the Program. To calculate benefit costs, they used an average household benefit equal to the midpoint between the average household SNAP benefit for the 48 contiguous States, the District of Columbia, and the U.S. Virgin Islands.

For More Information:

Thorn, B., Beckerman-Hsu, J., Pooler, J., et al. (2022). Update to Feasibility Study of Implementing SNAP in Puerto Rico: Final Report and Implementation Plan. Prepared by Insight Policy Research, Contract No. 1231-9820-F-0072. Alexandria, VA: U.S. Department of Agriculture, Food and Nutrition Service, Office of Policy Support, Project Officer: Amanda Wyant. Available online at: www.fns.usda.gov/research-and-analysis.

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