

**House Committee on Agriculture**  
*Farm Bill Audit*

**1. Program Name**

Commodity Supplemental Food Program (CSFP)

**2. Subprograms/Department Initiatives**

CSFP provides supplemental USDA Foods to low-income elderly people at least 60 years of age, as well as some pregnant and breastfeeding women, other new mothers up to one year postpartum, infants, children up to age six.

**3. Brief History**

CSFP was first authorized under the Agriculture and Consumer Protection Act of 1973 to distribute foods to low-income women, infants, and children to supplement their nutritional needs. The 1985 Farm Bill expanded CSFP to include low-income elderly participants, but gave priority to eligible women, infants, and children for service. The 2008 Farm Bill removed the priority status for women, infants, and children. Despite beginning as a program for women, infants, and children, CSFP now serves mostly elderly individuals, who make up over 95 percent of current participants.

**4. Purpose/Goals**

CSFP works to improve the health of participants by supplementing their diets with nutritious USDA Foods. CSFP monthly food packages are good sources of the nutrients typically lacking in the diets of women, infants, children, and the elderly. CSFP also supports domestic agricultural markets by providing an outlet for products that USDA acquires through its agricultural market and price support activities.

**5. Success in Meeting Programmatic Purpose/Goals**

As of 2011, 39 States, two Indian Tribal Organizations (ITOs), and the District of Columbia are participating in CSFP.

**6. Annual Budget Authority (FY2002-FY2011)**

**Commodity Supplemental Food Program (CSFP)**  
**Budget Authority 2002-2011**  
**(dollars in thousands)**

	<u>FY 2002</u>	<u>FY 2003</u>	<u>FY 2004</u>	<u>FY 2005</u>	<u>FY 2006</u>	<u>FY 2007</u>	<u>FY 2008</u>	<u>FY 2009</u>	<u>FY 2010</u>	<u>FY 2011</u>
CSFP.....	\$92,813	\$113,756	\$98,335	\$106,854	\$111,202	\$107,202	\$139,715	\$160,430	\$171,409	\$175,697

## 7. Annual Outlays (FY2002-FY2011)

### Commodity Supplemental Food Program (CSFP)

#### Outlays 2002-2011

(dollars in thousands)

	FY 2002	FY 2003	FY 2004	FY 2005	FY 2006	FY 2007	FY 2008	FY 2009	FY 2010
CSFP.....	\$89,006	\$94,812	\$87,927	\$100,871	\$100,667	\$99,868	\$133,226	\$153,192	\$152,768

## 8. Annual Delivery Cost (FY2002-FY2011)

Commodity Assistance Program Account	FY 2006	FY 2007	FY 2008	FY 2009	FY 2010	FY 2011
Commodity Supplemental Food Program (CSFP)	112,445	107,828	140,807	164,579	181,892	192,624
The Emergency Food Assistance Program (TEFAP)						
Administrative Cost	55,655	50,310	49,823	49,500	49,834	49,500
ARRA TEFAP Administrative Funds				25,000	54,609	
ARRA TEFAP Commodity Funds				100,000		
TEFAP Infrastructure Grants					5,956	44
Farmers' Market Programs						
Farmers' Market Nutrition Program	23,814	22,109	21,838	20,658	22,089	20,003
Seniors' Farmers' Market Program	15,844	16,203	21,402	19,865	22,459	20,606
Commodity Assistance (Nuc. Affected Isld, Disaster Asst., NSIP Comm.)	3,882	2,756	3,736	4,224	5,114	3,883
Nutrition Programs Administration (Allocation to this program)	15,523	15,561	15,553	15,616	15,923	15,828
Other Program Costs <sup>1/</sup>	103,412	90,066	195,628	195,397	366,987	366,987
<b>Total Cost</b>	<b>\$330,575</b>	<b>\$304,833</b>	<b>\$448,787</b>	<b>\$594,839</b>	<b>\$724,863</b>	<b>\$669,475</b>
<b>FTEs</b>	<b>97</b>	<b>95</b>	<b>95</b>	<b>100</b>	<b>112</b>	<b>112</b>
<b>Unit Costs</b>						
CSFP (Total Annual Cost per Participant)	\$361.64	\$349.43	\$344.72	\$394.27	\$385.11	\$348.09
<b>Performance Measure:</b> Average monthly CSFP participation (thousands)	463.1	466.1	475.3	473.5	518.9	604.9
<sup>1/</sup> Includes bonus commodities for TEFAP, CSFP, Disaster Assistance, Nuclear Affected Island, and other commodity assistance.						

## 9. Eligibility Criteria

States establish an income limit for elderly participants that is at or below 130 percent of the Federal Poverty Income Guidelines. States also establish income limits for women, infants, and children that are at or below 185 percent of the poverty guidelines, but not below 100 percent of these guidelines. Women, infants, and children who receive Supplemental Nutrition Assistance Program (SNAP) benefits, Temporary Assistance for Needy Families (TANF), Medicaid, or

certain other public assistance programs, as determined by the State, are considered automatically eligible for CSFP.

Clients must reside in one of the States or on one of the Indian reservations that participate in CSFP. States may establish local residency requirements based on designated service areas (but may not require a minimum period of residency). States may also require that participants be at nutritional risk, as determined by a physician or by local agency staff.

**10. Utilization (Participation) Data:**

**Commodity Supplemental Food Program (CSFP)**

**National Average Monthly Participation**

	<b>FY 2005</b>	<b>FY 2006</b>	<b>FY 2007</b>	<b>FY 2008</b>	<b>FY 2009</b>	<b>FY 2010</b>
US Total.....	512,433	462,349	466,075	475,307	466,615	518,838

**11. Duplication or Overlap with Other Programs**

While CSFP was initially designed to serve low-income pregnant women, new mothers up to one year postpartum, infants, and children up to age 6, such clients now represent less than 5 percent of total caseload. Most CSFP clients are elderly people 60 and over. While some CSFP participants receive SNAP, many of them would be eligible for the minimum or no benefit due to differences in the program's eligibility criteria. Participants may not simultaneously receive WIC and CSFP.

**12. Waste, Fraud and Abuse**

In FNS's FY 2011 improper payment risk assessment conducted and forwarded to the Department, the CSFP was determined to have a low risk of significant improper payments or fraud. Federal management evaluations conducted on this program have not identified significant incidents of improper payments.

**13. Effect of Administrative Pay-go**

None

## House Committee on Agriculture

### *Farm Bill Audit*

#### **1. Program Name:**

Fresh Fruit and Vegetable Program (FFVP)

#### **2. Subprograms/Department Initiatives**

#### **3. Brief History – FFVP**

*Farm Security and Rural Investment Act of 2002 (P.L. 107-171)* - authorized \$6 million for a pilot program to promote children's consumption of fresh fruits and vegetables. The pilot was limited to 25 schools in each of 4 states and seven schools in one Indian Tribal Organization (ITOs).

*Child Nutrition and WIC Reauthorization Act of 2004 (P.L. 108-265)* – amended the National School Lunch Act making the FFVP a permanent program in 11 states and 3 ITOs and providing \$9 million in permanent annual funding. The program was authorized in 25 schools in each State and 25 schools among 3 ITOs.

*Agriculture, Rural Development, Food and Drug Administration, and Related Agencies Appropriations Act, 2006 (P.L. 109-97)* – One time appropriation of \$6 million, added 6 States, 25 schools in each state.

*Consolidated Appropriations Act 2008 (P.L. 110-161)* – expanded the program nationwide, and included the District of Columbia. One time funding of \$9.9 million provided.

*Food, Conservation, and Energy Act of 2008 (P.L. 110-234)* – added section 19, the FFVP, to the National School Lunch Act which establishes a nationwide program with a new structure that increases FFVP funding gradually over 4 years, from \$40 million in 2008 to \$150 million in 2011. Funding adjusts each July 1 thereafter to reflect changes in Consumer Price Index for All Urban Consumers.

**4. Purpose/Goals** – To introduce and provide free fresh fruits and vegetables in elementary schools representing the highest percent of children receiving free and reduced price school meal benefits and to help combat childhood obesity by helping children develop positive dietary habits during their formative years.

**5. Success in Meeting Programmatic Purpose/Goals** – The FFVP operates in all 50 states and is highly regarded by Members of Congress, nutrition advocates, the health care community, parents and students; over 5,000 schools participate in the FFVP.

**6. Annual Budget Authority (FY2002-FY2011)**

**The Fresh Fruit and Vegetable Program (FFVP)**

**Budget Authority 2009-2011**

**(dollars in thousands)**

	<u>FY 2009</u>	<u>FY 2010</u>	<u>FY 2011</u>
<b>Fresh Fruit and Vegetable Program</b>	56,000	74,000	109,000

\* Amounts displayed for budget authority reflect transfers authorized on July 1st of each fiscal year as modified by the annual appropriations bills by a delay of a portion of the transfer from July 1 to the following October 1; the total transfers authorized for each FY are as follows: FY 2009 - \$105 million; FY 2010 - \$101 million; FY 2011 - \$150 million.

**7. Annual Outlays (FY2002-FY2011)**

**Outlays 2009-2011**

**(dollars in thousands)**

	<u>FY 2009</u>	<u>FY 2010</u>	<u>FY 2011</u>
<b>Fresh Fruit and Vegetable Program</b>	28,910	56,125	152,424

## 8. Annual Delivery Cost (FY2002-FY2011)

The FFVP is administered as part of the Child Nutrition Programs (CNP) and the administrative costs associated with running this program are not specifically allocated within the CNP account. The table below provides the costs associated with the CNP account as a whole.

<b>Child Nutrition Program</b>	<b>FY 2006</b>	<b>FY 2007</b>	<b>FY 2008</b>	<b>FY 2009</b>	<b>FY 2010</b>	<b>FY 2011</b>
Child Nutrition Programs						
School Lunch Program	\$7,569,757	\$7,836,174	\$8,365,115	\$9,071,783	\$9,932,814	#####
School Breakfast Program	2,086,098	2,228,842	2,393,028	2,633,048	2,895,356	3,115,300
Child and Adult Care Food Program	2,141,088	2,303,732	2,245,195	2,513,852	2,583,232	2,693,384
Summer Food Service Program	284,224	297,933	312,203	357,984	374,203	375,518
Special Milk Program	15,155	14,225	15,120	14,941	12,064	12,563
State Administrative Expense	156,061	162,844	174,134	178,994	195,532	206,943
Total, Cash Grants to States	12,252,383	12,843,750	13,504,795	14,770,602	15,993,201	16,854,731
Commodities (Sec 6e Entitlement)	480,684	537,057	631,849	741,209	735,782	907,919
Child Nutrition Program Discretionary Activities	25,619	25,378	30,550	39,128	75,472	59,916
ARRA NSLP Equipment Grants				100,000		
Child Nutrition Program Permanent Activities (not including the FFVP)			36,452	91,069	32,457	172,327
Fresh Fruit and Vegetable Program				42,993	79,902	134,000
Nutrition Programs Administration (Allocation to this program)	30,215	30,422	30,383	30,724	36,189	35,972
Other Program Costs	560,965	681,800	575,997	667,645	527,325	527,325
<b>Total Cost</b>	<b>\$13,349,866</b>	<b>\$14,118,407</b>	<b>\$14,810,026</b>	<b>\$16,483,370</b>	<b>\$17,480,328</b>	<b>#####</b>
<b>FTEs</b>	<b>392</b>	<b>368</b>	<b>379</b>	<b>393</b>	<b>414</b>	<b>437</b>
<b>Unit Costs</b>						
Child Nutrition Total Cost per Meal Served (\$/	\$1.51	\$1.57	\$1.59	\$1.70	\$1.82	\$1.86
<b>Performance Measure:</b> Avg. daily NSLP participation (millions)	30.0	30.6	30.9	31.6	31.6	32.1
<b>Performance Measure:</b> Avg. daily SBP participation (millions)	9.8	10.1	10.6	11.0	11.6	12.4

## **9. Eligibility Criteria**

- Elementary schools with 50 percent or more students certified eligible for free or reduced price meals.
- Elementary schools with the highest percent of students eligible have priority for selection.
- All children participating in eligible schools receive free fresh fruits and vegetables outside of school meals.
- Number of participating elementary school limited by funding

## **10. Utilization (Participation) Data**

Approximately 5,000 schools participated in the FFVP during the 2010-2011 School Year. Although we have no information on the number of children served, the level of funding provided would support between approximately 1.5 million and 4.4 million students.

## **11. Duplication or Overlap with Other Programs**

FFVP is authorized by section 19 of the Richard B. Russell National School Lunch Act. The Program provides fresh fruits and vegetables to elementary schools, targeted to schools with a high percentage of children certified for free and reduced-price school meals. Schools are reimbursed for the cost of making fresh fruits and vegetables available to students during the school day outside of the school meals.

## **12. Waste, Fraud and Abuse**

The size and nature of this program puts it at a very low risk for improper payments and fraud. FNS is not aware of any issues regarding fraud, waste and abuse in the FFVP.

## **13. Effect of Administrative Pay-go**

None

## **House Committee on Agriculture**

### *Farm Bill Audit*

#### **1. Program Name**

The Emergency Food Assistance Program (TEFAP)

#### **2. Subprograms/Department Initiatives**

TEFAP provides USDA Foods and administrative support to States, which in turn provide these resources to emergency feeding organizations such as food banks, soup kitchens and food pantries.

TEFAP administrative costs help state and local agencies defray costs associated with distributing USDA and privately-donated foods. Key program components include:

Food Funds – USDA purchases food for distribution to TEFAP state and local agencies.

Administrative Funds –USDA provides administrative funds to defray costs associated with processing, repackaging, storage, and distribution of Federal and privately donated food.

Infrastructure Grants - Provides local emergency feeding organizations, such as food banks, food pantries, and soup kitchens, with funds to expand and improve their infrastructure, including their storage and distribution facilities.

#### **3. Brief History**

TEFAP was first authorized as the Temporary Emergency Food Assistance Program in 1981 to distribute surplus foods to households. The name was changed to The Emergency Food Assistance Program under the 1990 Farm Bill. The program was designed to help reduce Federal food inventories and storage costs while assisting the needy. Stocks of some foods held in surplus had been depleted by 1988. Therefore, the Hunger Prevention Act of 1988 authorized funds to be appropriated for the purchase of USDA foods specifically for TEFAP.

The 2008 Farm Bill increased funds for TEFAP food purchases to \$250 million annually, indexed to inflation. The 2008 Farm Bill also authorized up to \$100 million annually for administrative costs and up to \$15 million annually for TEFAP infrastructure grants. In addition, the Secretary has authority to provide food that USDA acquires through certain price or market support activities (i.e., bonus food) to TEFAP.

#### **4. Purpose/Goals**

TEFAP helps supplement the diets of low-income Americans by providing them with emergency food assistance at no cost. TEFAP also supports domestic agricultural markets by providing an outlet for products that USDA acquires through its agricultural market and price support activities.

#### **5. Success in Meeting Programmatic Purpose/Goal**

TEFAP currently operates in all 50 States, the District of Columbia, Puerto Rico, the Virgin Islands, Guam, and the Commonwealth of the Northern Mariana Islands. The allocation of food and administrative funds to States is based on a formula that considers the States' unemployment levels and the number of persons with income below the poverty level.



**6. Annual Budget Authority (FY2002-FY2011)**

**The Emergency Food Assistance Program (TEFAP)  
Budget Authority 2002-2011  
(dollars in thousands)**

	<u>FY 2002</u>	<u>FY 2003</u>	<u>FY 2004</u>	<u>FY 2005</u>	<u>FY 2006</u>	<u>FY 2007</u>	<u>FY 2008</u>	<u>FY 2009</u>	<u>FY 2010</u>	<u>FY 2011</u>
TEFAP Commodities.....	\$140,000	\$140,000	\$140,000	\$140,000	\$140,000	\$140,000	\$190,000	\$250,000	\$248,000	\$247,500
TEFAP Admin Costs.....	50,000	49,675	49,705	49,600	55,500	49,500	49,650	49,500	49,500	49,401
TEFAP Commodities- ARRA.....								100,000		
TEFAP Admin Costs-ARRA.....								50,000	28,000	

**7. Annual Outlays (FY2002-FY2011)**

**The Emergency Food Assistance Program (TEFAP)  
Outlays 2002-2011  
(dollars in thousands)**

	<u>FY 2002</u>	<u>FY 2003</u>	<u>FY 2004</u>	<u>FY 2005</u>	<u>FY 2006</u>	<u>FY 2007</u>	<u>FY 2008</u>	<u>FY 2009</u>	<u>FY 2010</u>
TEFAP Commodities.....	\$139,293	\$137,106	\$137,458	\$135,428	\$135,422	\$137,462	\$186,822	\$245,466	\$242,225
TEFAP Administrative Costs.....	39,467	37,646	36,116	40,916	37,494	37,001	36,352	37,389	38,804
TEFAP Commodities- ARRA.....								99,984	
TEFAP Admin Costs-ARRA.....								13,629	35,654

**8. Annual Delivery Cost (FY2002-FY2011)**

<b>The Emergency Food Assistance Program (TEFAP)<sup>1/</sup></b>	<b>FY 2006</b>	<b>FY 2007</b>	<b>FY 2008</b>	<b>FY 2009</b>	<b>FY 2010</b>	<b>FY 2011</b>
The Emergency Food Assistance Program (TEFAP)						
Administrative Cost	\$55,655	\$50,310	\$49,823	\$49,500	\$49,834	\$49,500
ARRA TEFAP Administrative Funds				25,000	54,609	
ARRA TEFAP Commodity Funds				100,000		
TEFAP Infrastructure Grants					5,956	44
TEFAP Entitlement Foods	139,832	140,000	189,936	250,000	247,994	247,500
TEFAP Bonus Foods	67,000	58,200	178,100	373,700	346,639	0
<b>TEFAP Total</b>	<b>262,487</b>	<b>248,510</b>	<b>417,858</b>	<b>798,200</b>	<b>705,032</b>	<b>297,044</b>

1/ Federal cost to administer this program included in the Commodity Assistance Program account

**9. Eligibility Criteria**

Households receiving food for consumption at home must meet eligibility criteria set by the State, including, but not limited to, an income standard and State residency. Households receiving prepared meals through a soup kitchen or other onsite feeding program are presumed to be needy and are not subject to a means test.

## **10. Utilization (Participation) Data**

USDA does not collect data on the number of individuals served by TEFAP. A recent analysis by Feeding America, a national network of food banks, found that 54 percent of affiliated food pantries reported receiving TEFAP food.

## **11. Duplication or Overlap with Other Programs**

TEFAP targets low-income individuals that seek food through local feeding organizations such as food pantries and soup kitchens. These individuals are sometimes but not always eligible for SNAP, and an individual may receive SNAP and TEFAP concurrently. However, TEFAP's more limited eligibility criteria and flexible structure supports its specific purpose in getting needed food directly into the hands of low-income Americans during times of emergency and natural disasters.

## **12. Waste, Fraud and Abuse**

In FNS's FY 2011 improper payment risk assessment conducted and forwarded to the Department, TEFAP was determined to have a low risk of significant improper payments or fraud. Management evaluations conducted by FNS Regional offices have not identified significant incidents of improper payments to State agencies, local organizations, or individuals. In addition, a comprehensive, ongoing audit conducted by OIG has identified no problems with waste, fraud and abuse in the Program. In addition, the benefit provided to individuals participating in the program is relatively low, so any errors in certification will not result in large improper payments program participants.

## **13. Effect of Administrative Pay-go**

None

## House Committee on Agriculture

### *Farm Bill Audit*

#### **1. Program Name**

Food Distribution Program on Indian Reservations (FDPIR)

#### **2. Subprograms/Department Initiatives**

FDPIR provides a monthly package of USDA Foods, including fresh fruits and vegetables, to low-income households living on Indian reservations, and to American Indian households residing in approved areas near reservations or in Oklahoma. Many households participate in FDPIR as an alternative to the SNAP, because they do not have easy access to SNAP offices or authorized food stores. Key components include:

Food: USDA purchases food for distribution to Indian Tribal Organizations and State agencies administering FDPIR.

Administrative Funds: FDPIR Indian Tribal Organizations (ITOs) and State agencies receive funds for program administrative costs.

Nutrition Education Grants: Funds projects developed by ITOs and State agencies administering FDPIR to enhance the nutrition knowledge of FDPIR participants and to foster positive lifestyle changes for eligible household members.

Department initiatives on FDPIR include:

Food Package Improvements: FNS continuously reviews the FDPIR food package, in consultation with program customers, to improve its nutritional profile and acceptability. On a regular basis, a work group consisting of tribally appointed FDPIR directors, procurement specialists from FSA and AMS, nutrition and health experts from the Indian Health Service and the Centers for Disease Control and Prevention (CDC), and FNS nutritionists and program staff considers changes to the food package and makes recommendations to FNS. The work group is continuing to focus on ways to reduce saturated fat, sugar, and sodium and is also exploring ways to improve the desirability and convenience of products in the food package.

Improved Access to Fresh Fruits and Vegetables: In FDPIR, the Fresh Produce Program began as a pilot program in FY 1996 at two sites. This initiative, a joint venture with the Department of Defense, provides fresh fruits and vegetables that program participants may select in lieu of canned goods. In FY 2009, about 91 percent of the FDPIR programs were enrolled in the Fresh Produce Program, allowing most FDPIR participants to receive a variety of fresh fruits and vegetables that would otherwise be very difficult for them to obtain.

#### **3. Brief History**

FDPIR was authorized under the Food Stamp Act of 1977 as an alternative to the Food Stamp Program, now the Supplemental Nutrition Assistance Program (SNAP), for households living on Indian reservations. In 1981, legislation allowed Tribes in Oklahoma that did not have traditional reservation boundaries to also participate in FDPIR. The program is currently

authorized through 2012 under Section 4(b) of the Food and Nutrition Act of 2008, and Section 4(a) of the Agriculture and Consumer Protection Act of 1973.

**4. Purpose/Goals**

FDPIR serves as an alternative to the SNAP for areas that do not have easy access to SNAP offices or authorized food stores, and for households in designated areas who prefer USDA foods to regular SNAP benefits.

**5. Success in Meeting Programmatic Purpose/Goals**

Currently, there are approximately 276 Tribes receiving benefits under FDPIR through 100 ITOs and 5 State agencies.

Pursuant to the 2008 Farm Bill, USDA conducted a review of the nutritional quality of the FDPIR food package, comparing its content to scientific standards including the Dietary Guidelines for Americans, the Dietary Reference Intakes (DRIs), the Thrifty Food Plan nutrient standards and the Healthy Eating Index-2005. It found that:

- The package provides a nutritious variety of foods, and sufficient calories to meet the energy needs of most sedentary individuals and many moderately active children.
- While as for American diets in general, there is room for improvement in the quantities of fruits, vegetables, low-fat dairy products and whole grains, the nutritional content of the package is considerable.
- Individuals consuming FDPIR foods in the quantities provided would achieve a HEI-2005 score of 81 out of 100, considerably better than Americans in general (58 out of 100) and SNAP participants (52 out of 100).

**6. Annual Budget Authority (FY2002-FY2011)**

**Food Distribution Program on Indian Reservations (FDPIR)**  
**Budget Authority 2002-2011**  
(dollars in thousands)

	<u>FY 2002</u>	<u>FY 2003</u>	<u>FY 2004</u>	<u>FY 2005</u>	<u>FY 2006</u>	<u>FY 2007</u>	<u>FY 2008</u>	<u>FY 2009</u>	<u>FY 2010</u>	<u>FY 2011</u>
FDPIR.....	\$75,800	\$82,165	\$86,237	\$82,200	\$79,500	\$77,557	\$88,477	\$114,914	\$112,797	\$96,958
Recovery Act:										
FDPIR Equipment.....								5,000		

**7. Annual Outlays (FY2002-FY2011)**

**Food Distribution Program on Indian Reservations (FDPIR)**  
**Outlays 2002-2011**  
(dollars in thousands)

	<u>FY 2002</u>	<u>FY 2003</u>	<u>FY 2004</u>	<u>FY 2005</u>	<u>FY 2006</u>	<u>FY 2007</u>	<u>FY 2008</u>	<u>FY 2009</u>	<u>FY 2010</u>
FDPIR.....	\$69,810	\$68,782	\$75,195	\$72,469	\$78,553	\$61,535	\$79,116	\$111,060	\$105,012
Recovery Act:									
FDPIR Equipment.....								5,000	

## 8. Annual Delivery Cost (FY2002-FY2011)

Supplemental Nutrition Assistance Program Account	FY 2006	FY 2007	FY 2008	FY 2009	FY 2010	FY 2011
Supplemental Nutrition Assistance Program (SNAP)	\$32,984,909	\$33,198,354	\$37,557,661	\$49,324,256	\$57,820,329	\$65,340,734
ARRA SNAP Benefits and Admin. Funds				4,478,246	10,763,853	10,486,716
Nutrition Assistance for Puerto Rico (NAP)	1,517,752	1,551,167	1,622,521	1,760,435	1,746,351	1,744,605
ARRA NAP Funds				240,133	254,217	255,963
Food Distribution Program on Indian Reservation (FDPIR)	78,760	77,554	88,339	114,866	112,756	96,958
ARRA FDPIR Equipment Funds				3,712	1,367	0
The Emergency Food Assistance Program (TEFAP)						
Commodities	139,832	140,000	189,936	250,000	247,994	247,500
American Samoa			4,795	5,219	5,204	7,006
ARRA American Samoa Benefits				964	1,021	1,028
Program Access/ Community Food Project/ CNMI/Pilot Projects	24,026	23,816	14,852	27,009	38,368	25,792
Nutrition Programs Administration (Allocation to this program)	72,013	72,508	72,416	70,934	69,482	69,066
Other Program Costs	895	2,726	3,918	703	377	377
<b>Total Cost</b>	\$34,818,187	\$35,066,125	\$39,554,437	\$56,276,477	\$71,061,319	\$78,275,745
<b>FTEs</b>	683	631	613	612	591	618
<b>Unit Costs</b>						
SNAP (Total Annual Cost per Participant)	\$1,236.28	\$1,256.97	\$1,324.50	\$1,597.48	\$1,703.50	\$1,686.54
FDPIR (Total Annual Cost per Participant)	\$887.65	\$928.48	\$1,024.98	\$1,123.26	\$1,077.93	\$966.65
<b>Performance Measure:</b> Average monthly SNAP participation (millions)	26.736	26.466	28.408	33.7	40.3	45.0

## 9. Eligibility Criteria

Low-income American Indian and non-Indian households that reside on a reservation and households living in approved areas near a reservation or in Oklahoma that contain at least one person who is a member of a Federally-recognized Tribe, are eligible to participate in FDPIR. Households are certified based on Federal income and resource standards which are largely the same as those for SNAP. Households may not participate in FDPIR and SNAP in the same month.

## 10. Utilization (Participation) Data:

### Food Distribution Program on Indian Reservations (FDPIR) National Average Monthly Participation

	<u>FY 2005</u>	<u>FY 2006</u>	<u>FY 2007</u>	<u>FY 2008</u>	<u>FY 2009</u>	<u>FY 2010</u>
US Total.....	98,905	89,867	86,629	90,153	95,369	84,577

### **11. Duplication or Overlap with Other Programs**

Funds are appropriated by Congress to carry out the FDPIR under section 4(b) of the Food and Nutrition Act of 2008. The Program is administered locally by either Indian Tribal Organizations (ITOs) or other State agencies. USDA purchases and ships FDPIR foods to ITOs based on orders from a list of available foods. Many households participate in FDPIR as an alternative to SNAP due to availability. Households are not allowed to participate in both programs at the same time.

### **12. Waste, Fraud and Abuse**

The last improper payment risk assessment conducted for FDPIR was in FY 2009. It was determined that the Program is at a low risk for improper payments or fraud. The benefit level for FDPIR is approximately \$78 per person per month in FY 2009. Additionally, FDPIR benefits from simplified program requirements, regulatory controls and a continuous process for reviewing certification actions and taking appropriate corrective action to resolve problems with internal controls place FDPIR at a low level of risk.

### **13. Effect of Administrative Pay-go**

None

**House Committee on Agriculture**  
*Farm Bill Audit*

**1. Program Name**

Senior Farmers' Market Nutrition Program (SFMNP)

**2. Subprograms/Department Initiatives**

None

**3. Brief History**

The program was created as a pilot program in FY 2001; it was established by Congress as a permanent program in FY 2002, and has been reauthorized through 2012 under the 2008 Farm Bill (Public Law 110-234).

**4. Purpose/Goals**

The SFMNP provides low-income seniors with coupons that can be used to purchase fresh fruits, vegetables, honey and herbs from farmers at authorized farmers' markets or roadside stands, or with shares in Community Supported Agriculture (CSA) programs for regularly distributed bags or boxes of eligible foods. SFMNP seeks to increase the consumption of agricultural commodities by expanding, developing, or aiding in the development and expansion of domestic farmers' markets, roadside stands, and community supported agriculture (CSA) programs.

**5. Success in Meeting Programmatic Purpose/Goals**

- 51 State agencies and federally recognized Indian tribal governments received grants to operate the SFMNP in FY 2010.
- 20,106 farmers at 4,601 farmers' markets as well 3,861 roadside stands and 163 community supported agriculture programs participated in the program in FY 2010.
- 844,999 people received SFMNP coupons in FY 2010.

**6. Annual Budget Authority (FY2002-FY2011)**

**Senior Farmers' Market Nutrition Program (SFMNP)**  
**Budget Authority 2002-2011**  
**(dollars in thousands)**

	<u>FY 2002</u>	<u>FY 2003</u>	<u>FY 2004</u>	<u>FY 2005</u>	<u>FY 2006</u>	<u>FY 2007</u>	<u>FY 2008</u>	<u>FY 2009</u>	<u>FY 2010</u>	<u>FY 2011</u>
SFMNP.....	\$10,000	\$15,000	\$15,000	\$15,000	\$15,000	\$15,000	\$20,600	\$20,600	\$20,600	\$20,600

## 7. Annual Outlays (FY2002-FY2011)

### Senior Farmers' Market Nutrition Program (SFMNP) Outlays 2002-2011 (dollars in thousands)

	FY 2002	FY 2003	FY 2004	FY 2005	FY 2006	FY 2007	FY 2008	FY 2009	FY 2010
SFMNP.....	\$6,533	\$8,599	\$8,343	\$10,542	\$9,979	\$9,346	\$11,872	\$13,264	\$12,314

## 8. Annual Delivery Cost (FY2002-FY2011)

Commodity Assistance Program Account	FY 2006	FY 2007	FY 2008	FY 2009	FY 2010	FY 2011
Commodity Supplemental Food Program (CSFP)	112,445	107,828	140,807	164,579	181,892	192,624
The Emergency Food Assistance Program (TEFAP)						
Administrative Cost	55,655	50,310	49,823	49,500	49,834	49,500
ARRA TEFAP Administrative Funds				25,000	54,609	
ARRA TEFAP Commodity Funds				100,000		
TEFAP Infrastructure Grants					5,956	44
Farmers' Market Programs						
Farmers' Market Nutrition Program	23,814	22,109	21,838	20,658	22,089	20,003
Seniors' Farmers' Market Program	15,844	16,203	21,402	19,865	22,459	20,606
Commodity Assistance (Nuc. Affected Isld, Disaster Asst., NSIP Comm.)	3,882	2,756	3,736	4,224	5,114	3,883
Nutrition Programs Administration (Allocation to this program)	15,523	15,561	15,553	15,616	15,923	15,828
Other Program Costs <sup>1/</sup>	103,412	90,066	195,628	195,397	366,987	366,987
<b>Total Cost</b>	\$330,575	\$304,833	\$448,787	\$594,839	\$724,863	\$669,475
<b>FTEs</b>	97	95	95	100	112	112
<b>Unit Costs</b>						
CSFP (Total Annual Cost per Participant)	\$361.64	\$349.43	\$344.72	\$394.27	\$385.11	\$348.09
<b>Performance Measure:</b> Average monthly CSFP participation (thousands)	463.1	466.1	475.3	473.5	518.9	604.9

<sup>1/</sup> Includes bonus commodities for TEFAP, CSFP, Disaster Assistance, Nuclear Affected Island, and other commodity assistance.

## 9. Eligibility Criteria

Low-income seniors, generally defined as individuals who are at least 60 years old and who have household incomes of not more than 185% of the federal poverty income guidelines, are the targeted recipients of SFMNP benefits.



## 10. Utilization (Participation) Data

### Senior Farmers' Market Nutrition Program (SFMNP)

#### Total Participants (2005-2010)

	<u>FY 2005</u>	<u>FY 2006</u>	<u>FY 2007</u>	<u>FY 2008</u>	<u>FY 2009</u>	<u>FY 2010</u>
US Total.....	771,285	825,691	803,985	833,026	809,711	844,999

## 11. Duplication or Overlap with Other Programs

The SFMNP was established by the Farm Security and Rural Investment Act of 2002. Program grants are awarded to States to provide low-income seniors with coupons that can be exchanged for eligible foods at farmers' markets, roadside stands, and community supported agriculture (CSA) programs. The goals of the SFMNP are to provide resources in the form of fresh, nutritious, unprepared, locally grown fruits, vegetables, honey and herbs from farmers' markets, roadside stands and CSA programs to low-income seniors; increase the domestic consumption of agricultural commodities by developing new or expanding existing domestic farmers' markets, roadside stands, and CSA programs. The Program is similar in design and function to the Farmers' Market Nutrition Program, but serves senior citizens rather than WIC recipients.

## 12. Waste, Fraud and Abuse

The last improper payment risk assessment for this program, conducted for FY 2010, concluded that SFMNP presents a very low risk for erroneous payments. Guidelines provided in the SFMNP State Plan Guidance consistently require State agencies to provide FNS with detailed descriptions of their systems for ensuring that SFMNP benefits are issued to and used only by eligible recipients, and that SFMNP checks, coupons or vouchers are submitted for payment by authorized farmers through appropriate farmers' markets, roadside stands, and/or community supported agriculture programs. FNS further requires that all SFMNP vouchers be matched to an authorized farmer and recipient before payment is made, either by the contracted banking facility or by the State Treasurer's office. These controls are more than adequate to avoid significant improper payments. There have been no audits or management reviews which have identified significant fraud, waste and abuse issues.

## 13. Effect of Administrative Pay-go

None

**House Committee on Agriculture**  
*Farm Bill Audit*

**1. Program Name:**

Supplemental Nutrition Assistance Program (SNAP)

**2. Subprograms/Department Initiatives:**

The subcomponents of SNAP include:

**Nutrition Education (SNAP-Ed):** The goal of SNAP-Ed is to improve the likelihood that persons eligible for SNAP will make healthy food choices within a limited budget and choose physically active lifestyles consistent with the current *Dietary Guidelines for Americans*.

**Employment and Training (E&T):** States are required to establish an E&T program to help able-bodied SNAP recipients find work or gain the skills, training, and experience that lead to employment.

**Quality Control (QC):** Each State agency is responsible for monitoring and improving its administration of SNAP. As a part of this requirement, the SNAP QC System is used to determine the accuracy of the benefits authorized. The data collected is also used to determine areas for program improvement.

**Disaster Supplemental Nutrition Assistance Program (D-SNAP):** Through D-SNAP, households affected by a disaster receive streamlined certification and benefit issuance, speeding assistance to these vulnerable disaster victims and reducing the administrative burden on State agencies operating in post-disaster conditions. D-SNAP recipients usually receive 1 month of benefits. Generally, States may request to operate a D-SNAP when the area has received a Presidential disaster declaration of Individual Assistance from the Federal Emergency Management Agency. Benefits are issued on an EBT card, similar to SNAP benefits.

**Retailer Authorization, Reauthorization, and Investigation:** FNS is responsible for policy and oversight of authorization and reauthorization of applicant and licensed retailers; the monitoring of retail firms through ongoing systems analysis and undercover on-site investigations; and the administrative review of those firms which contest a disqualification or civil money penalty.

**Farmers' Markets:** USDA is committed to increasing participation by farmers' markets in SNAP. At the end of FY 2010, 1,611 direct marketing farmers and farmers' markets participated in SNAP which is a 263 percent increase in the number of authorized farmers and markets over the previous five fiscal years. Over that same period, SNAP redemptions at farmers' markets increased 49 percent.

**Nutrition Assistance for Puerto Rico (NAP):** Each year, Puerto Rico submits and gains approval for the program plan for its nutrition assistance block grant. The plan must assess the food and nutrition needs of the island's most needy residents; describe the assistance needed;

describe how it would be provided to the neediest residents; describe the amount of administrative expense needed and meet other such requirements as the provided by regulation. In the NAP, 75 percent of the nutrition benefits are targeted to the purchase of food while 25 percent are in cash. During an average month in FY2010, an average of 1.3 million people were served monthly by the NAP.

**Nutrition Assistance for American Samoa:** Each year, American Samoa submits a memorandum of understanding specifying how the block grant will be operated, including the eligibility requirements to stay within the capped block grant amount. FNS reviews and approves the annual memorandum of understanding and monitors program operations to ensure program integrity. An average of 3,388 people were served monthly by the program in fiscal year 2010.

**Nutrition Assistance for the Commonwealth of the Northern Mariana Islands (CNMI):** CNMI submits a memorandum of understanding each fiscal year, specifying how the program will be operated, including the eligibility requirements to stay within the capped block grant amount. FNS reviews and approves the annual memorandum of understanding and monitors program operations to ensure program integrity. A monthly average of 8,922 people were served monthly by the program in fiscal year 2010.

### **3. Brief History**

SNAP has a long history of meeting the nutrition needs of low income people. The very first SNAP, then known as the Food Stamp Program (FSP), operated from May 16, 1939 to the spring of 1943. It included a purchase requirement.

The FSP began again on May 29, 1961 when President Kennedy's first Executive Order called for expanded food distribution. The FSP became permanent with the Food Stamp Act of 1964. The Food Stamp Act of 1977 eliminated the purchase requirement and included a number of important access and integrity provisions.

The late 1980s and 1990s were the dawn of Electronic Benefit Transfer (EBT). With EBT pilots spreading across the nation, EBT was made mandatory in 1996. At this time, welfare reform also affected the policies of the FSP, including establishment of time limits for able-bodied adults without dependents and eligibility restrictions for legal immigrants.

Major changes arrived once again with the Farm Bill of 2002. This legislation restored benefits for certain legal immigrants, emphasized program access, simplified program rules, and offered States a large number of options to improve administration of the program. The quality control system was also reformed, enhanced funding for performance was eliminated, and performance bonuses were established and set at \$48 million total.

In June 2008, Congress ratified the Food, Conservation, and Energy Act of 2008 which reauthorized the program as the Supplemental Nutrition Assistance Program (SNAP) under the newly named Food and Nutrition Act. This Farm Bill strengthened integrity, simplified administration, maintained State flexibility, and improved access.

#### **4. Purpose/Goals:**

The Food and Nutrition Act statutorily defines the purpose of the program as "to alleviate such hunger and malnutrition, a supplemental nutrition assistance program is herein authorized which will permit low-income households to obtain a more nutritious diet through normal channels of trade by increasing food purchasing power for all eligible households who apply for participation."

As such, SNAP is the cornerstone of the federal food assistance programs. SNAP supplements the income of low income individuals and families by providing an electronic debit card which is used to purchase food at authorized stores. SNAP provides crucial support to needy households and helps those making the transition from welfare to work.

State agencies are responsible for the administration of the program according to national eligibility and benefit standards set by Federal law and regulations. Benefits are 100 percent Federally-financed, while administrative costs are shared between the Federal and State governments.

SNAP is a counter cyclical program that expands in tough economic times and contracts when the economy improves. SNAP has an economic multiplier effect. Every \$5 in new SNAP benefits generates as much as \$9.00 in total economic activity. SNAP uses multiple strategies to encourage participants to make healthy food choices and engage in active lifestyles. These include nutrition education, encouraging more farmers' markets to participate in the program and a demonstration project to examine the impact of incentives on participant purchases of fruits and vegetables.

While Americans support helping struggling families put food on the table they want to know that taxpayer dollars are being spent wisely. USDA actively works on behalf of American taxpayers to protect the Federal investment in SNAP and make sure the program is targeted towards those families who need it the most. To further this effort, FNS focuses on three key areas of oversight: reducing improper payments and errors; pursuing recipient fraud; and combating abuse and misuse of benefits.

#### **5. Success in Meeting Programmatic Purpose/Goals**

SNAP helped put food on the table for an average of 40.3 million people (or 18.6 million households) per month during fiscal year 2010. In that year, the average monthly benefit per person was \$133.79 and the average monthly benefit per household was \$289.61. Five years ago, in fiscal year 2006, SNAP helped put food on the table for a monthly average of 26.5 million people (or 11.7 million households). In that year, the average monthly benefit per person was \$94.75 and the average monthly benefit per household was \$214.41. SNAP families and individuals spend benefits promptly, rather than save them. About 80 percent of SNAP benefits are used within 2 weeks of receipt and 97 percent are spent within a month.

Most SNAP recipients are children or elderly. The most recent administrative data (for fiscal year 2009) show that nearly half (48 percent) of recipients were children and another 8 percent were age 60 or older. Working-age women represented 28 percent of the caseload, while

working-age men represented 16 percent. These figures have not changed greatly in the last five years. In fiscal year 2004, 50 percent of participants were children and 8 percent were age 60 or older. At that time, working age women represented 28 percent of the caseload and working age men represented 13 percent.

Notably, the primary source of income among SNAP participants has shifted from welfare to work over time. In 1989, 42 percent of all SNAP households received cash welfare benefits and only 20 percent had earnings. In 2009, less than 10 percent received cash welfare, while 29 percent had earnings. In fiscal year 2009, 40 percent of all SNAP participants lived in a household with earnings. For these households, earnings were the primary source of income.

In fiscal year 2008, among those eligible for SNAP, the participation rate was 66 percent at the national level. In fiscal year 2004, the participation rate among those eligible was 61 percent. Rates are consistently lower for some subgroups like the elderly, Latinos and working poor. FNS and the States continue to direct outreach efforts to these underserved populations to raise their awareness of the nutrition benefits of SNAP and how to apply.

Recent historic growth in the number of households receiving SNAP benefits has had a tangible impact on the number of authorized retailers. As of September 30, 2010, there were 216,738 firms authorized to accept SNAP benefits. The number of SNAP authorized firms increased 12 percent within the past year, and 49 percent since 2003 when just over 145,000 firms were in the Program.

FNS is committed to working with our State and Federal partners on strategies to improve accuracy, as well as to identify and address fraud, while ensuring access and customer service. Over 98 percent of those receiving SNAP benefits are eligible. Payment accuracy was 96.19 percent in fiscal year 2010, a historic high. The FY10 rate reflects the fourth continuous year of improvement and a decade long trend. Payment errors are less than half what they were 10 years ago, which has reduced improper payments by \$3.3 billion in 2010.

The prevalence of trafficking dropped from approximately 4 percent in the late 1990s to 1 percent in the mid 2000s. Over the last 10 years, 8045 retail stores were permanently disqualified due to trafficking, reflecting our work to root out and eliminate bad actors from the program.

## 6. Annual Budget Authority (FY2002-FY2011)

<b>Supplemental Nutrition Assistance Program<sup>1/</sup></b>										
<b>Annual Budget Authority (in millions)</b>										
	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011
<i>Regular Appropriations:</i>										
SNAP.....	\$21,390	\$24,598	\$29,190	\$33,422	\$38,959	\$36,377	\$37,705	\$51,805	\$56,152	\$66,782
Puerto Rico and American Samoa.....	1,356	1,401	1,419	1,501	1,524	1,557	1,629	1,768	1,753	1,752
Commonwealth Northern Marianas.....	6	8	11	8	8	9	10	12	12	12
Subtotal, Regular Appropriations.....	22,752	26,006	30,620	34,932	40,492	37,944	39,344	53,584	57,917	68,546
<i>Supplemental Appropriations:</i>										
DOD SAE.....	0	0	0	0	0	0	0	0	400	0
<i>Recovery Act:</i>										
Benefits.....	0	0	0	0	0	0	0	4,804	10,376	10,487
Administrative Costs.....	0	0	0	0	0	0	0	145	150	0
ARRA Benefits - Puerto Rico NAP.....	0	0	0	0	0	0	0	240	254	256
American Samoa Benefits.....	0	0	0	0	0	0	0	1	1	1
Subtotal, Recovery Act.....	0	0	0	0	0	0	0	5,190	10,782	10,744
<b>Total Appropriations.....</b>	<b>22,752</b>	<b>26,006</b>	<b>30,620</b>	<b>34,932</b>	<b>40,492</b>	<b>37,944</b>	<b>39,344</b>	<b>58,774</b>	<b>69,099</b>	<b>79,290</b>

<sup>1/</sup> Note: Does not include appropriations for TEFAP or FDPIR

## 7. Annual Outlays (FY2002-FY2011)

<b>Supplemental Nutrition Assistance Program<sup>1/</sup></b>										
<b>Annual Outlays (in millions)</b>										
	2002	2003	2004	2005	2006	2007	2008	2009	2010	
<i>Regular Program Outlays:</i>										
SNAP.....	\$19,862	\$23,072	\$26,234	\$30,909	\$32,820	\$33,040	\$37,364	\$48,883	\$58,901	
Puerto Rico and American Samoa.....	1,274	1,307	1,329	1,480	1,519	1,587	1,634	1,734	1,750	
Commonwealth Northern Marianas.....	5	7	6	11	9	10	9	10	12	
Subtotal, Regular Appropriations.....	21,141	24,386	27,570	32,400	34,348	34,637	39,007	50,626	60,662	
<i>Supplemental Outlays:</i>										
DOD SAE.....	0	0	0	0	0	0	0	0	126	
<i>Recovery Act Outlays:</i>										
Total Recovery Act.....	0	0	0	0	0	0	0	4,568	10,968	
<b>Total Outlays.....</b>	<b>21,141</b>	<b>24,386</b>	<b>27,570</b>	<b>32,400</b>	<b>34,348</b>	<b>34,637</b>	<b>39,007</b>	<b>55,194</b>	<b>71,756</b>	

<sup>1/</sup> Note: Does not include outlays for TEFAP or FDPIR

The difference between budget authority and outlays for the SNAP program is usually related to either use or non-use of the contingency fund. In 2010, for example, budget authority is shown as \$69 billion, whereas outlays were \$71.8 billion. In that year, over \$2 billion in contingency funds carried forward from the previous fiscal year were used to fund participation.

## 8. Annual Delivery Cost (FY2002-FY2011)

Supplemental Nutrition Assistance Program Account	FY 2006	FY 2007	FY 2008	FY 2009	FY 2010	FY 2011
Supplemental Nutrition Assistance Program (SNAP)	\$32,984,909	\$33,198,354	\$37,557,661	\$49,324,256	\$57,820,329	\$65,340,734
ARRA SNAP Benefits and Admin. Funds				4,478,246	10,763,853	10,486,716
Nutrition Assistance for Puerto Rico (NAP)	1,517,752	1,551,167	1,622,521	1,760,435	1,746,351	1,744,605
ARRA NAP Funds				240,133	254,217	255,963
Food Distribution Program on Indian Reservation (FDPIR)	78,760	77,554	88,339	114,866	112,756	96,958
ARRA FDPIR Equipment Funds				3,712	1,367	0
The Emergency Food Assistance Program (TEFAP)						
Commodities	139,832	140,000	189,936	250,000	247,994	247,500
American Samoa			4,795	5,219	5,204	7,006
ARRA American Samoa Benefits				964	1,021	1,028
Program Access/ Community Food Project/ CNMI/Pilot Projects	24,026	23,816	14,852	27,009	38,368	25,792
Nutrition Programs Administration (Allocation to this program)	72,013	72,508	72,416	70,934	69,482	69,066
Other Program Costs	895	2,726	3,918	703	377	377
<b>Total Cost</b>	<b>\$34,818,187</b>	<b>\$35,066,125</b>	<b>\$39,554,437</b>	<b>\$56,276,477</b>	<b>\$71,061,319</b>	<b>\$78,275,745</b>
<b>FTEs</b>	<b>683</b>	<b>631</b>	<b>613</b>	<b>612</b>	<b>591</b>	<b>618</b>
<b>Unit Costs</b>						
SNAP (Total Annual Cost per Participant)	\$1,236.28	\$1,256.97	\$1,324.50	\$1,597.48	\$1,703.50	\$1,686.54
FDPIR (Total Annual Cost per Participant)	\$887.65	\$928.48	\$1,024.98	\$1,123.26	\$1,077.93	\$966.65
<b>Performance Measure: Average monthly SNAP participation (millions)</b>						
	26.736	26.466	28.408	33.7	40.3	45.0

## 9. Eligibility Criteria

To qualify for SNAP, applicants must fill out an application and submit it to the local office. Applicants must meet certain financial, non-financial and citizenship requirements. Illegal immigrants are not eligible for SNAP benefits.

To qualify, there is a gross income test of 130 percent of the Federal poverty guidelines and a net income test of 100 percent of the Federal poverty guidelines. SNAP allows for certain deductions from gross income like housing and utility costs, child support, medical expenses, or child-care costs to calculate net income. Households with an elderly person or a person receiving certain types of disability payments only have to meet the net income test.

There is also a resource test. Households may have \$2000 in countable resources or \$3000 if at least one person is age 60 or older or disabled. In SNAP, examples of countable resources would include bank accounts. Certain resources are not counted, such as a home and lot, the resources of people who receive Supplemental Security Income (SSI), the resources of people who receive Temporary Assistance for Needy Families (TANF), certain education savings accounts, and most retirement and pension plans.

Households are also eligible for SNAP through categorical eligibility in SSI, General Assistance, and TANF. 42 States have adopted TANF broad-based categorical eligibility, a program simplification measure allowing states to adjust the gross income test up to 200 percent of poverty test and raise or eliminates the resource test. States can change the TANF program that confers broad-based categorical eligibility to exclude households that receive a large lump sum payment or to create a resource limit of some amount.

In addition, applicants must also meet some non-financial requirements, such as citizen/legal immigrant status and work requirements in some cases. Generally, Able-Bodied Adults without Dependents (ABAWDs) between 18 and 50 who do not have any dependent children can get SNAP benefits only for 3 months in a 36-month period if they do not work or participate in a workfare or employment and training program other than job search. This requirement is waived in some locations in accordance with unemployment rates and job availability triggers determined by the Department of Labor. With some exceptions, all adults participating in SNAP between 16 and 60 must register for work, accept suitable employment, and take part in an employment and training program to which they are referred by the local office. Failure to comply with these requirements can result in disqualification from the program.

Applicants must also provide verification such as pay stubs and bank statements, along with their application. In addition, the eligibility worker will conduct automated data matches with the Social Security Administration and other organizations to verify information.

Benefits are provided at the household level. In SNAP, a household is defined as either an individual living alone or a group of people who live together and purchase and prepare meals together. The amount of benefits, called an allotment, is based on the Thrifty Food Plan, a low-cost model food plan that reflects current nutrition standards, the nutrient content and cost of food and consumption patterns of low-income families and varies with household size and net income. While SNAP has uniform national benefit levels with cost-of-living adjustments for outlying States and territories, allotment s vary with household size and net income.

## 10. Utilization (Participation) Data

<b>Supplemental Nutrition Assistance Program (SNAP)</b>						
<i>National Level Average Monthly Participation</i>						
	<b>FY 2005</b>	<b>FY 2006</b>	<b>FY 2007</b>	<b>FY 2008</b>	<b>FY 2009</b>	<b>FY 2010</b>
<b>U.S.</b>	25,602,975	26,524,597	26,293,437	28,200,022	33,463,212	40,266,867



## **11. Duplication or Overlap with Other Programs**

SNAP is one of 15 nutrition assistance programs administered by USDA's Food and Nutrition Service. Programs target the diverse needs of different subgroups of low-income persons by providing supplemental assistance through a variety of forms and settings.

The programs are designed to work together to form a nutrition safety net to ensure that no American in need goes hungry. For example, children from households receiving SNAP benefits or, alternatively, the Food Distribution Program on Indian Reservations (FDPIR) are categorically eligible to receive free meals at school through the National School Lunch and School Breakfast programs without a separate household application. This is done through direct certification, which typically involves matching SNAP or FDPIR records against student enrollment lists, either at the state or school district level.

## **12. Waste, Fraud and Abuse**

SNAP has a demonstrated Quality Control system that has been in effect since the 1970s. The system includes provisions for State liabilities for sustained poor performance and bonuses for States that excel. FNS takes seriously its responsibility to make sure that only those families who are actually eligible for the program participate, and that the correct amount of benefits is provided to them. Over the past decade, FNS has made major strides to improve the accuracy of SNAP's eligibility determination and benefit payment systems. In fiscal year 2000, the error rate was 8.91 percent. The fiscal year 2010 error rate was an all-time low of 3.81 percent, which is 57 percent less than the fiscal year 2000 error rate. Similarly Payment errors are less than half what they were 10 years ago, which has reduced improper payments by \$3.3 billion in 2010.

While recipient fraud undermines public confidence and jeopardizes the ability of SNAP to serve the tens of millions of struggling families who need it, the most recent data suggests that it is relatively rare. FNS works through our State partners to investigate recipient fraud and hold bad actors accountable, and recipients who purposely commit fraud to get benefits are subject to disqualification. In fiscal year 2010, States conducted 781,000 fraud investigations, disqualified 44,408 individuals, and collected \$287 million in recipient claims. An additional \$1.3 billion in delinquent SNAP recipient claims has been collected since 1992 via the Treasury Offset Program.

FNS recently sent a letter to all States to encourage them to be more active and vigilant in the area of recipient trafficking. FNS is in process of contacting each State to engage in a discussion about doing more to promote integrity and remove bad actors from the program. FNS will work with each State to develop new approaches to fraud detection and prevention such as providing additional data to track and investigate fraud by recipients and by looking at sensible procedural changes and policy options.

The sale/purchase of SNAP benefits for cash is called trafficking, an illegal activity punishable by criminal prosecution. Over the last 15 years, FNS has aggressively implemented a number of measures to reduce the prevalence of trafficking in SNAP from about 4 percent down to its current level of about 1 percent. FNS also continues to work closely with its State and Federal partners to investigate and prosecute trafficking.

Retailers found guilty of trafficking are referred to OIG for consideration for criminal prosecution. If OIG accepts the case and the store is criminally prosecuted, it may be subject to asset forfeiture in addition to administrative penalties levied by FNS. If OIG declines a case against a retailer found guilty of trafficking, FNS initiates administrative action to permanently disqualify the retailer from further SNAP participation. The retailer is barred from future SNAP participation, including opening a new store in a different location. If a retailer convicted of trafficking sells the store, they are assessed a transfer of ownership civil money penalty. If they participate in the Special Supplemental Nutrition Program for Women, Infants, and Children, they are disqualified from that program as well.

**13. Effect of Administrative Pay-go**

See attached under “Costs- “Title XIX Treatment Facilities”