



Statement before the U.S. House of Representatives Subcommittee on Nutrition  
Hearing on the World of Nutrition, Government Duplication and Unmet Needs

## Federal Food Assistance Programs: Better Coordination Will Help Households and Save Government Dollars

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*The views expressed in this testimony are those of the author alone and do not necessarily represent those of the American Enterprise Institute.*

Chairwoman Walorski, Ranking Member McGovern, and other Members of the Subcommittee, thank you for the opportunity to testify this afternoon on government duplication and unmet needs in federal food assistance programs.

My name is Angela Rachidi and I am currently a research fellow in poverty studies at the American Enterprise Institute (AEI). I recently joined AEI after spending almost a decade working for the New York City Human Resources Administration or HRA, the past six of which I served as the Deputy Commissioner for Policy Research and Evaluation. HRA is New York City's main social service agency and administers the Supplemental Nutrition Assistance Program (SNAP) and emergency food program, along with other income support programs.

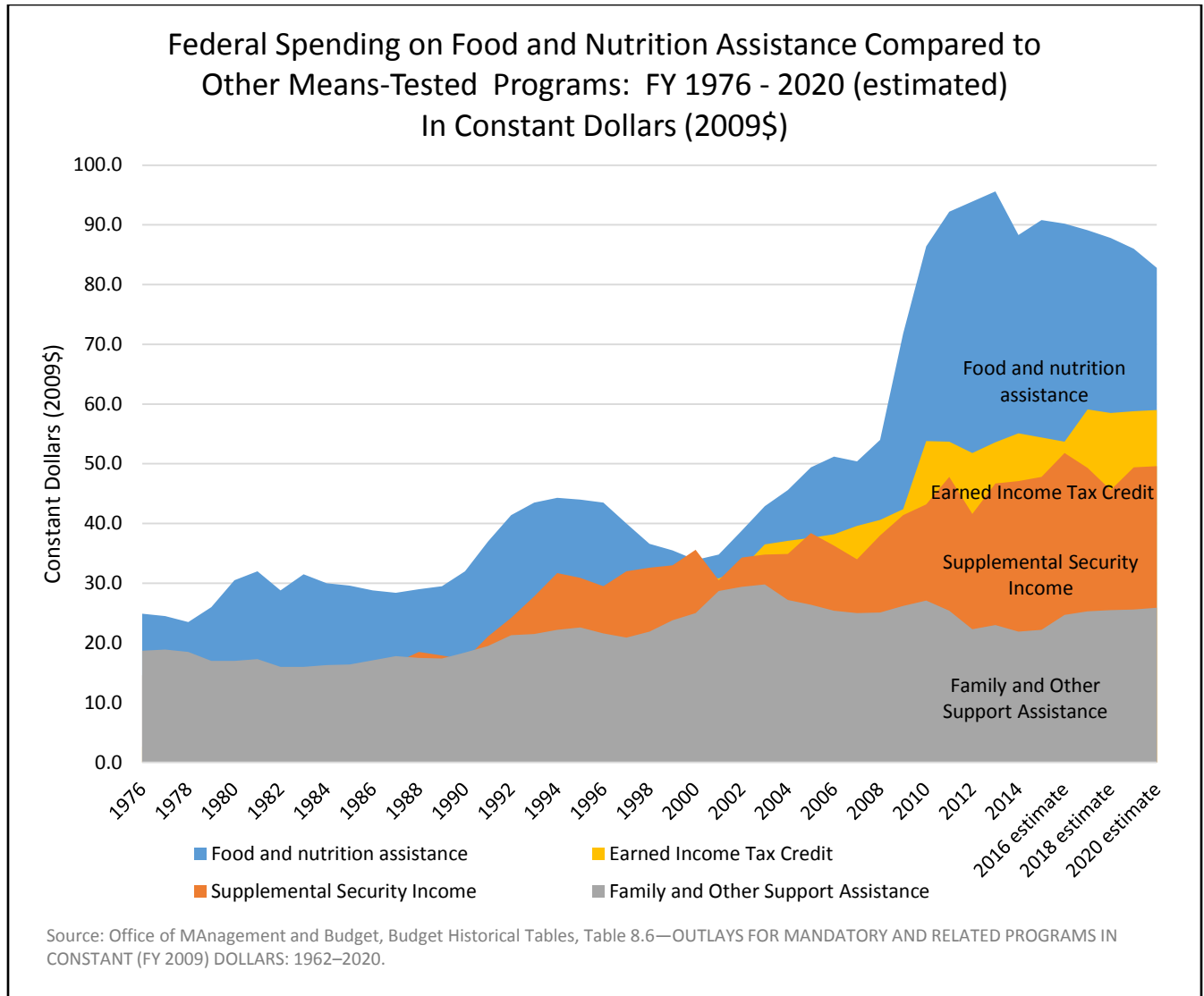
During my time at HRA, I conducted numerous studies of SNAP and how it affected New York City households. I have extensive knowledge of the broader context of food assistance programs and the interrelation with SNAP. My comments today draw from this experience and focus on concerns about duplication, inefficiencies, and burdens that are created by the complexity of our nation's food assistance programs.

The main points I will make are: (1) duplication and inefficiency do exist in these programs as they are currently administered, (2) the decentralized nature of the current system means that knowledge about how to help families with their food needs is lost, and (3) families are ultimately hurt because the system is not set up to treat them holistically and likely requires more government dollars to administer than is necessary.

Before I address these specific points, I want to emphasize that the federal government's food assistance programs are an important part of our nation's safety net. Research shows that these programs improve the health and nutrition of low-income families and provide needed resources to many households.<sup>1</sup> Spending on food assistance programs has grown substantially over the past three decades, most dramatically in the past several years, in absolute terms as well as relative to other means-tested programs. The figure below shows that spending on food and nutrition assistance has grown 78 percent in the past 10 years, while the earned income tax credit increased 46 percent, and SSI increased 23 percent. While this growth is projected to slow, spending is not expected to return to prior levels.

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<sup>1</sup> See the GAO Domestic Food Assistance Report, April 2010, <http://www.gao.gov/assets/310/303151.pdf>.



The costs in this figure reflect benefit costs, but a report by the USDA’s Economic Research Service in 2008 analyzed administrative costs for SNAP (then the Food Stamp Program), WIC, and the School Lunch program and compared them to other means-tested programs. It found that administrative costs for SNAP were 15.8 cents per each benefit dollar administered, close to 20 cents per dollar administered for WIC, and 2 to 14 cents for the school lunch program.<sup>2</sup> In addition, a study by Julian Alston with the University of California-Davis found that 6 percent of the USDA’s SNAP budget was spent on administration in 2009, while 28 percent of federal spending on WIC was for administration (Alston, J, 2011).<sup>3</sup> With administrative costs shared by

<sup>2</sup> See ERS Report, The Cost of Benefit Delivery in the Food Stamp Program, a Cross-program Analysis, [http://www.brookings.edu/~media/research/files/reports/2008/3/food-stamp-isaacs/03\\_food\\_stamp\\_isaacs.pdf](http://www.brookings.edu/~media/research/files/reports/2008/3/food-stamp-isaacs/03_food_stamp_isaacs.pdf).

<sup>3</sup> [https://www.aei.org/wp-content/uploads/2012/04/-us-food-and-nutrition-programs-costs-effectiveness-and-impact-on-obesity\\_092514480719.pdf](https://www.aei.org/wp-content/uploads/2012/04/-us-food-and-nutrition-programs-costs-effectiveness-and-impact-on-obesity_092514480719.pdf).

states, this spending did not include the state and local contribution. Alston also found that the federal government's share of administrative costs for child nutrition programs in 2009 was \$173 million. This highlights the significant investment by the federal government in administering food assistance programs.

Given the large investment in food assistance programs at the federal level, finding ways to increase efficiencies is critical. Consolidating and better coordinating programs to save on administrative costs and serve households more effectively is an important area for examination. With that, I make the following key points.

First, there are inefficiencies built into the current system for both the government and the families served by them. In New York City, SNAP, WIC, school food programs, and child and adult care programs are all administered by different agencies and the result is that each agency must determine eligibility and administer benefits separately. The GAO report on this topic from 2010 indicated that New York City was not unique in this way. For SNAP and many of the other programs, determining eligibility requires staff to accept and process information from applying households, enter this information into data systems, conduct interviews with clients, and make a determination about eligibility. The way the current system is structured, this process can happen more than one time depending on how many programs the household participates in.

Not only is duplication inefficient from a government perspective, but it also affects families. According to the 2010 GAO report on this topic, almost 40 percent of households with low food security that participated in one of the three largest federal food assistance programs, participated in more than one. Not only does duplication in determining eligibility mean more administrative staff, but the effort that is required of families can be unnecessarily burdensome.

Because these programs are often operated by different agencies with different oversight, the data systems involved are also different. This creates complexities around data sharing for administrative purposes and makes reporting similar outcomes across programs more difficult. Better coordination would also mean better data and reduced burden on administrative agencies for reporting.

Some coordination across programs already exists. For example, in New York City data sharing between administering agencies results in automatic enrollment of SNAP student recipients into the school lunch program. And a universal breakfast program (partially funded by the City) takes care of duplication between that program and others. Categorical eligibility efforts such as these, which is when participation in one food program satisfies income eligibility requirements for another program, reduces some of the administrative burden associated with a decentralized system. However, I would urge caution on some of these categorical eligibility efforts. A recent GAO report on the school meals program found that errors are common. In an unrepresentative sample of 25 approved applications for the school meals program, six indicated categorical eligibility but the GAO found that two were not eligible at all and one was

not eligible for free lunch, but possibly reduced lunch.<sup>4</sup> The interest in reducing burden must be balanced with the need for quality control and program integrity.

In addition to eligibility determination, there are three other areas where coordination or consolidation may be appropriate, including setting nutrition standards, approving and monitoring retailers, and nutrition education programming.

At the federal level, different nutrition guidelines and standards exist for different programs. For example, there are few restrictions on what can be purchased with SNAP benefits, but WIC and the National School Lunch Program have stricter guidelines on what can be purchased and administered. This sends very different messages about nutrition and its role in federal food assistance programs. Consolidating efforts around setting and monitoring nutrition guidelines should be explored.

Approving and monitoring retailers in SNAP and the WIC program is another area where coordination could result in efficiencies. SNAP retailers are approved and monitored at the federal level, whereas WIC retailers are authorized at the state level. The extent to which this duplication creates inefficiencies should be explored and areas for consolidation should be identified.

Nutrition education programming is another area where consolidation might increase efficiencies. In New York City, the Department of Social Services (HRA) administers SNAP Ed, the nutrition education program funded through SNAP, with oversight from New York State. These nutrition education efforts are provided to students in some New York City Schools, as well as other settings. The City's Health Department also provides nutrition education for New York City school children through programs such as the Child and Adult Care Program. The result is two agencies providing very similar nutrition education programs to very similar populations. Consolidating these efforts could result in administrative efficiencies.

The second point I would like to make is related to the information that is lost due to a fragmented system—information about the families as well as the nutritional programs themselves. Government agencies tend to operate in a silo, and this was true in New York City. In New York, eligibility workers in SNAP offices have very little knowledge of the programs operated outside of their agency. This means that information about WIC, school lunch and breakfast programs, as well as the less visible programs, often are not shared with SNAP applicants or recipients. This is not efficient for families and it increases the chance that they will not access benefits they are eligible for.

In addition, an uncoordinated system makes it more difficult to share information on participating households, which increases the opportunity for errors, fraud, and abuse. For

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<sup>4</sup> <http://www.gao.gov/assets/680/670078.pdf>

example, if different incomes are reported by a household across programs, whether in error or with fraud in mind, an uncoordinated system is not set up well to detect these errors.

A better system would be to consolidate programs that share the same goals and coordinate programs across one or two governing bodies, with a focus on the person or household. This will save the government money and reduce the burden on participating families. It may also improve service delivery to families by ensuring that they are made aware of all the benefits they are eligible for, as well as limiting the chance for errors, fraud, and abuse. I provided three specific examples where coordination could be beneficial – setting nutrition guidelines, authorizing retailers, and administering nutrition education programs – and reducing inefficiencies in eligibility determination should also be explored.

The extent to which we can limit the burden on staff and on families by better consolidating and coordinating food assistance programs, the better these families will be served and the better the government's money will be spent.

Thank you and I can respond to any questions that you may have.