



Using a Policy Index To Capture Trends and Differences in State Administration of USDA's Supplemental Nutrition Assistance Program

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What Is the Issue?

The U.S. Department of Agriculture (USDA) operates the Supplemental Nutrition Assistance Program (SNAP)—formerly the Food Stamp Program—in partnership with States and local areas. For much of the program's history, SNAP administration was largely uniform across States. However, with passage of welfare reform legislation in 1996, along with subsequent legislative and regulatory changes, States now have considerable discretion in how they administer the program. Although the maximum benefit levels and the benefit calculation formula are set at the Federal level, States have the option to adopt policies that may affect eligibility for benefits, the transaction costs associated with enrolling and maintaining benefits, the stigma attached to participation, and outreach to raise awareness of the program among eligible nonparticipants. USDA's Economic Research Service (ERS) compiles information on State-level SNAP policy changes in its SNAP Policy Database. Using data from 1996 to 2014, this study produces a SNAP Policy Index that captures trends in how accommodative States are to enrolling individuals in SNAP—that is, whether their policies are likely to encourage SNAP participation. Higher values of the index indicate more accommodative SNAP policies. It also measures differences across States and changes within States across years.

What Did the Study Find?

The study finds that since the mid-1990s, State policies related to SNAP eligibility, transaction costs, stigma, and outreach have changed considerably. There is a general trend toward more accommodative SNAP policies, with the largest shifts occurring in policies related to transaction costs and eligibility, followed by policies related to stigma. However, although most States have adopted at least some more-accommodative SNAP policies since 1996, there has been a divergence across States in how accommodative they are. The SNAP Policy Index's standard deviation, which measures how State-level values of the index vary from the national average, more than doubled, from 0.42 in 1996 to 1.017 in 2002, meaning there were greater differences across States when they were granted increased

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flexibility as part of the Farm Security and Rural Investment Act of 2002 (the 2002 Farm Bill). Since 2002, the index's standard deviation slowly declined to 0.66 in 2014, which was near the level seen between 1998 and 2000. Using data from the U.S. Census Bureau's Survey of Income and Program Participation (SIPP), the study also finds that increases in the SNAP Policy Index correspond with increases in SNAP participation, suggesting that changes in a State's SNAP Policy Index matter for the SNAP caseload.

How Was the Study Conducted?

Using SNAP Policy Database data for 1996-2014, the study forms an index that takes into account the 10 State SNAP policies that have been shown to have statistically significant effects on the SNAP caseload, either positively or negatively, based on previous research. The 10 policies include 4 policies affecting SNAP eligibility: exempting at least 1 but not all vehicles from the SNAP asset test; exempting all vehicles from the SNAP asset test; broad-based categorical eligibility (BBCE), which extends categorical eligibility for SNAP to otherwise eligible households based on asset and gross income criteria set for the noncash Temporary Assistance to Needy Families (TANF) program; and eligibility restrictions for adult noncitizens. Another three policies pertain to transaction costs: the frequency at which working households must recertify for SNAP, whether the State has adopted simplified reporting requirements for certain households, and the availability of online applications. Two other policies relate to the stigma of participation: the proportion of SNAP benefits issued by electronic benefit transfer (EBT) cards and whether fingerprinting is required during the application process. The final policy relates to whether the State has federally funded TV or radio ad campaigns for SNAP outreach, which ran from 2004 to 2012 but were prohibited by the Agricultural Act of 2014.