SNAP IS EFFECTIVE AND EFFICIENT

Pennsylvania Already Takes Tough Measures to Detect and Prevent Fraud in SNAP

SNAP provides basic food assistance to very low-income people in Pennsylvania
- SNAP helps more than 1 in 7 Pennsylvanians afford a basic diet
- Children, senior citizens, and people with disabilities are the majority of those enrolled
- 4 out of five participants are either not expected to work (67%) or are currently employed (14%)

Pennsylvania stands out when it comes to fraud detection and prevention.
- As of January 2016, Pennsylvania’s error rate was just 2.01%, whereas the national SNAP payment error rate in 2014 was 3.66%.
- The 2.01% error rate was Pennsylvania’s highest level of accuracy in 20 years and resulted in $45M in savings in FY 15-16.

Pennsylvania already aggressively pursues client fraud and removes ineligible individuals from the program.

In FY 2015, PA:
- Conducted 21,795 fraud investigations
- Disqualified 1,093 individuals from the program
- Partners with USDA to investigate SNAP participants with suspicious transactions at food stores known to be trafficking.

As in PA, National Error Rates Are Also Down

SNAP Error Rates Near Historic Lows
Fiscal years 1990-2014

<table>
<thead>
<tr>
<th>Year</th>
<th>Overpayment rate</th>
<th>Underpayment rate</th>
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</thead>
<tbody>
<tr>
<td>1990</td>
<td>8.0%</td>
<td>2.0%</td>
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<tr>
<td>1995</td>
<td>6.0%</td>
<td>2.0%</td>
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<tr>
<td>2000</td>
<td>5.0%</td>
<td>2.0%</td>
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<tr>
<td>2005</td>
<td>4.0%</td>
<td>2.0%</td>
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<tr>
<td>2010</td>
<td>3.0%</td>
<td>2.0%</td>
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<tr>
<td>2015</td>
<td>2.0%</td>
<td>2.0%</td>
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Source: Agriculture Department, Quality Control Branch

4 Out of 5 SNAP Participants Are Not Expected to Work or Are Working

- Not expected to work (children, elderly, disabled) 67%
- Currently employed 19%
- Not currently employed 14%
- Children under 18: 44%
- Non-working non-elderly parent caring for a child under age 6 in a household with a worker, or non-disabled adult caring for a disabled person: 4%
- Elderly (age 60 or over): 10%
- Non-elderly adults who are disabled: 9%

Note: This chart takes out individuals with earnings first, and then looks at those “not expected to work” among individuals without earnings.
Source: CBPP analysis of 2015 SNAP household characteristics data.
Fraud in the SNAP program is taken seriously by USDA, state agencies, and anti-hunger advocates.

- Correcting mistakes and rooting out waste, fraud, and abuse so that Federal tax dollars are spent appropriately is a top priority of USDA and state agencies administering the program.
- Over the last 15 years, FNS has aggressively implemented a number of measures to reduce the prevalence of trafficking in SNAP from 3.8 percent down to its current level of 1.3%.

Pennsylvania requires applicants to document their income, and uses numerous electronic data sources to confirm eligibility.

- Applicants must document their income every year, and submit paystubs every six months.
- Pennsylvania regularly checks electronic data sources to verify income and detect fraud, including:
  - Earnings and benefit information from the Social Security Administration
  - Unemployment Compensation
  - Child support payments
  - Quarterly wage information from the Department of Labor & Industry
  - Commercially-acquired wage information from Equifax
  - Employment information from the state and national New Hire databases
  - Income information from the IRS
- Pennsylvania also checks prisoner records, death records, out-of-state SNAP usage, and immigration status databases, to ensure that only eligible recipients get SNAP.

Pennsylvania’s Department of Human Services has a rigorous Quality Control (QC) system that verifies accuracy of participant information, and helps ensure continued accuracy.

- A QC review consists of a detailed examination of household non-financial and financial circumstances, including income, resources and deductions, to determine whether benefits were accurately authorized.
- Reviews allow Pennsylvania to target its efforts to make sure that only the families that are eligible for the program are receiving the benefits.

93 Percent of Federal SNAP Spending Is for Food

Notes: Chart excludes spending on activities not directly related to SNAP but in the SNAP budget account, such as nutrition assistance in the U.S. territories, support for food banks, and the Food Distribution Program on Indian Reservations. The federal share of state administration includes state costs associated with SNAP operations – including eligibility determinations, benefit issuance, and quality control – as well as certain services for SNAP recipients such as employment and training and nutrition education. Federal administrative costs include the mandatory and discretionary federal costs of administering SNAP. Source: Department of Agriculture, Fiscal Year 2015, obligations as reported in fiscal year 2017 “Explanatory Notes for Committee on Appropriations.”

More on SNAP’s Efficiency:
The vast majority of SNAP dollars go directly to those who need help – children, individuals with disabilities, seniors, veterans and military personnel, and others who need help putting food on the table.

Administrative costs are low, under 7% of total spending. These costs include:

- Reviews to determine that applicants are eligible,
- Monitoring of retailers that accept SNAP
- Anti-fraud activities