MSG Explores the Causes of State Variation in SNAP Costs with New Report Released by FNS

The Federal Government fully funds SNAP benefits, but FNS and State agencies share administrative expenses, with each paying about 50 percent. State administrative expenses (SAE) vary widely by State. Using State reported data from FY 1999 to FY 2016 for the 50 States and the District of Columbia, this study explores different factors, including State economic conditions, SNAP caseload characteristics, and State SNAP policies, to explain the variation by State.

BETHESDA, Md. (PRWEB) October 10, 2019 -- A new report, Exploring the Causes of State Variation in Supplemental Nutrition Assistance Program (SNAP) Administrative Costs, was recently released by the U.S. Department of Agriculture’s Food and Nutrition Service (FNS). The study was authored by experts at Manhattan Strategy Group (MSG) and their colleagues at the Urban Institute.

The Federal government fully funds SNAP benefits, but FNS and State agencies share administrative expenses, with each paying about 50 percent. State administrative expenses (SAE) per case – total annual SAE costs divided by the average monthly number of households receiving SNAP benefits – varies widely by State. Using State reported data from FY 1999 to FY 2016 for the 50 States and the District of Columbia (DC), this study explores several factors, including State economic conditions, SNAP caseload characteristics, and State SNAP policies, to try to explain the variation by State.

Key study findings include:

- Economic differences across States explained about 10 to 12 percent of the variation in SAE per case.
- The characteristics of the SNAP caseload had relatively little effect on SAE per case, explaining only about four to eight percent of the variation.
- State policy options were similar to caseload characteristics in explaining the variation. Two of the modeled policies – adoption of Broad-Based Categorical Eligibility (BBCE) and simplified reporting – reduced SAE per case by about seven percent when either policy was introduced.
- About 72 percent of the variation in SAE per case across States is explained by State-fixed effects which are differences between States that could not be captured in the model.
- Although the 10 States with county-administered SNAP have higher average SAE per case than the remaining States with State-administered SNAP, the models were unable to determine whether this is due to county administration per se or to other time invariant characteristics of the county-administered States.

To download a copy of the study report, visit http://www.fns.usda.gov/snap/exploring-causes-state-variation-snap-administrative-costs.

For more information on MSG services and projects, visit http://manhattanstrategy.com/SI-ResearchEvaluation.aspx.

About Manhattan Strategy Group
Founded in 2001, Manhattan Strategy Group (MSG) is a social sciences and management consulting firm that brings professional services, approaches, and innovative solutions to the areas of education, workforce
development, and human services. MSG specializes in research and evaluation, technical assistance, and information and technology. For more information, please visit http://www.manhattanstrategy.com.

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