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# AN UPDATE ON THE NEW SNAP NATIONAL ACCURACY CLEARINGHOUSE (NAC)

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# PRIOR LAW & 2018 FARM BILL

- Prior Law
  - Federal law prohibits individuals from applying for or receiving benefits from more than one state agency at a time. Citation: 7 U.S.C. 2015(j)
- 2018 Farm Bill
  - Establishes a nationwide National Accuracy Clearinghouse, an interstate data system to prevent multiple issuances of SNAP benefits.
  - The system's initial data matches are required within three years of enactment.
  - The Congressional Budget Office estimates that the new 2018 Farm Bill provision will reduce SNAP spending by \$576 million from 2019 to 2028.

<https://crsreports.congress.gov/product/pdf/R/R45525>

<https://www.law.cornell.edu/uscode/text/7/2015>

<https://fns-prod.azureedge.net/sites/default/files/snap/NAC-Final-Evaluation-Report-FINAL-10-19-2015.pdf>



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# NATIONAL ACCURACY CLEARINGHOUSE PILOT: SCOPE OF THE ISSUE

- In 2013, five states (Mississippi, Alabama, Louisiana, Georgia, Florida) participated in a pilot project.
- Scope of the Problem:
  - Table 1 shows the percentage of dual participants in the 5 pilot states in May 2014 (after the database was set up).
  - Only shows dual participants among those 5 states. Does not include data from other 45 states, D.C. and the territories.

Table 1  
Dual Participation as a Percentage of SNAP Participants  
May 2014

|                    | Eligible individuals | Dual participants | %      |
|--------------------|----------------------|-------------------|--------|
| <b>Alabama</b>     | 898,301              | 1534              | 0.171% |
| <b>Florida</b>     | 3,487,797            | 3534              | 0.101% |
| <b>Georgia</b>     | 1,847,395            | 3464              | 0.188% |
| <b>Louisiana</b>   | 866,941              | 755               | 0.087% |
| <b>Mississippi</b> | 650,853              | 789               | 0.121% |



# NATIONAL ACCURACY CLEARINGHOUSE PILOT: FINAL EVALUATION

- Study looked at 4 things
  - Impact on Dual Participation
  - Effectiveness in Utilization of the NAC
  - Comparison of NAC and PARIS
  - Return on Investment

# IMPACT ON DUAL PARTICIPATION

- Overall finding: NAC did reduce dual participation in the 5 pilot states.

Table 7  
Comparison of Dual Participation<sup>16</sup>, Pre-Pilot and Pilot Periods  
Top 5 Match Code Combinations

|                    | Monthly average,<br>pre-pilot* | Monthly average,<br>final 4 pilot months | Change from<br>pre-pilot |
|--------------------|--------------------------------|--|--------------------------|
| <b>Alabama</b>     | 1592                           | 301                                      | -81.1%                   |
| <b>Florida</b>     | 3383                           | 2446                                     | -27.7%                   |
| <b>Georgia</b>     | 3323                           | 2427                                     | -27.0%                   |
| <b>Louisiana</b>   | 862                            | 249                                      | -71.1%                   |
| <b>Mississippi</b> | 882                            | 166                                      | -81.2%                   |

\*September 2013-May 2014; excludes November 2013 due to data abnormalities



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# EFFECTIVENESS AND COMPARISON

- Effectiveness in Utilization of the NAC: did NAC prevent dual participation?
  - Each state operated differently, so results varied.
  - Mississippi and Alabama saw the greatest success, with less than 10% of matches resulting in dual participation.
- Comparison of NAC and Public Assistance Reporting Information System (PARIS)
  - NAC proved more successful and efficient in preventing and identifying dual participation.
  - The fundamental differences between the two programs, including the frequency of data matches and the overall goal of the programs (NAC = prevention; PARIS = pay & chase).
- Return on Investment

# RETURN ON INVESTMENT

- Cost savings across the pilot states: \$5.6 million
- 100% federal savings from overpayment avoidance

Table 15  
NAC Net Impact

|   | AL               | FL                 | GA                 | LA               | MS               |
|---|------------------|--------------------|--------------------|------------------|------------------|
| Monthly savings                               | \$93,519         | \$176,774          | \$159,546          | \$40,265         | \$78,232         |
| Monthly costs                                 | \$19,156         | \$20,890           | \$21,763           | \$14,605         | \$5,499          |
| <b><i>Savings-Costs</i></b>                   | <b>\$74,363</b>  | <b>\$155,885</b>   | <b>\$137,783</b>   | <b>\$25,660</b>  | <b>\$72,733</b>  |
| <b><i>Annualized (Savings-Costs x 12)</i></b> | <b>\$892,360</b> | <b>\$1,870,616</b> | <b>\$1,653,396</b> | <b>\$307,920</b> | <b>\$872,792</b> |



# NATIONAL ACCURACY CLEARINGHOUSE: THE NEXT PHASE

## States Joining Pilot Before Dec. 31, 2021

- States joining pilot early
  - Must get a waiver from the regional Food and Nutrition office.
- Recommendations for Expansion from the Pilot Evaluation:
  - Develop a separate process for the initial match and ongoing operations
  - Conduct comprehensive front-line staff training
  - Recognize and address connectivity and IP address issues early
  - Implement business process standardizations

## Cost of Participation

- Cost of participation
  - States are responsible for finding the funds.
  - 50/50 SNAP administrative cost funds may be used.

### Start-up and Monthly Cost of NAC in the Pilot States

|                           | Alabama  | Florida   | Georgia  | Louisiana | Mississippi |
|---------------------------|----------|-----------|----------|-----------|-------------|
| <b>Start-up Costs</b>     | \$29,200 | \$147,019 | \$35,557 | \$127,555 | \$330,000   |
| <b>Total Monthly Cost</b> | \$19,156 | \$20,890  | \$21,763 | \$14,605  | \$5,499     |



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# POTENTIAL CHALLENGES

- FAQ submitted to the U.S. Dept. of Agriculture, Food and Nutrition Service.
- State data systems and the 2-year timeline for implementation.
  - Q: Will there be a new system, or an expansion of the pilot NAC?
  - A: the government is doing market research to determine the best approach, and what systems are available.
- Data security with all SNAP applicants information in one national database.
  - The Food and Nutrition Service is interested in hearing from vendors on how they would protect these systems.



# RESOURCES

- Congressional Research Service, [The 2018 Farm Bill: Summary and Sid-by-Side Comparison](#), 2019
- National Accuracy Clearinghouse, [Final Report](#), 2015
- USDA, Request for Information, [Responses to Questions](#), 2019



# QUESTIONS?



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