

GOVERNMENT OF PUERTO RICO

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SENATE OF PUERTO RICO

S. J. R. 858

July 15, 2011

Introduced by Mrs. *Romero Donnelly*

Referred to Rules and Calendar Committee

JOINT RESOLUTION

To request the United States Congress include Puerto Rico as a participating territory in the Supplemental Nutrition Assistance Program (SNAP), assigned to the United States Department of Agriculture (USDA).

STATEMENT OF MOTIVES

In 1974 the Food Stamp Program (FSP) was implemented in Puerto Rico. This program was in effect until July 1, 1982 when Puerto Rico instituted the Nutrition Assistance Program, known in Spanish as (PAN), as established by an amendment to the Food Stamp Act, Public Law 95-113. With this change, Congress officially replaced the FSP in Puerto Rico with a block grant. This change allowed Puerto Rico more authority to administer the program, while controlling costs to the U.S. Government. To maintain a food assistance program under the smaller budget, Puerto Rico restricted program eligibility and retargeted benefits to those households who were most financially needy. The Department of Family Services of Puerto Rico is the agency responsible for implementing the program.

The PAN was designed to provide better opportunities for the poor so that Puerto Rican families could obtain economic self-sufficiency. Unfortunately with the passing of the years, the original purpose has been left to one side and some of the beneficiaries have chosen to live permanently from the benefit, while others decide to commit fraud, providing false information to receive the benefit when they do not qualify.

Under SNAP, the Federal Government pays 100% of the benefits of the food stamp program, but states and the federal government share administrative costs by approximately 50% each.

Under the SNAP, states must annually submit an education and orientation plan about the program and the projected outcome of that plan. It is also required to establish a good health and nutrition plan. States are reimbursed for 50% of the costs of the approved education and counseling plan. Puerto Rico would be required to implement an employment and training program, for which it would receive separate funding from the state and would be able to expand their outreach and nutrition-education activities by choosing to provide SNAP outreach and SNAP Nutrition Education (SNAP-Ed) with Federal matched funds.

In June 2010 the USDA released a study which provides the possibility to establish SNAP in Puerto Rico. From the study we can attest that in Puerto Rico the PAN covered only 62% of the population who were below the federal poverty level, leaving uncovered 38% of the people who need this benefit, while SNAP covers those who meet the gross income test of 130 percent or below the Federal poverty guideline. This is so, because Puerto Rico uses its own poverty guidelines to determine eligibility to PAN. The poverty level of \$685 per month for a family of four has not changed since 1998 and is substantially lower than the U.S. mainland guideline of \$1,767 (U.S. Congress, House Committee on Ways and Means, 2004 Green Book). In Puerto Rico there are more people needing food assistance who still do not receive it.

There are multiple reasons why the poorest in Puerto Rico would benefit if the SNAP is implemented. Based on the Federal SNAP rules for fiscal year (FY) 2009 and policy assumptions made specifically for this analysis, a transition to SNAP in Puerto Rico is expected to raise the income limits for eligibility, increase the number of applicants, and correspondingly expand the number of households that receive benefits. In summary, implementation of SNAP in Puerto Rico is anticipated to:

- Increase the number of households that receive nutrition assistance by 15.3 percent. In a typical month in FY 2009, approximately 554,000 household units participated in NAP. It is estimated that approximately 721,000 households would be eligible for SNAP in a typical month and that approximately 639,000 would actually participate.
- Increase nutrition assistance coverage from 30 percent to approximately 43 percent of the population.
- Change the composition of the caseload. The number and percentage of households that have an elderly member, income over 85 percent of the poverty guideline, and earnings are expected to increase.

- Increase the average monthly benefit for all types of households except for those with earnings or composed entirely of elderly persons. The average monthly benefit per household would go up 9.6 percent, from \$240 per month to \$263 per month in FY 2009 dollars.
- Retailers would no longer have to pay for EBT equipment. Retailers would have the option to receive basic EBT machines from FNS or pay for devices that would also process credit and debit cards. This change could lead to an increased number of retailers participating in SNAP and, consequently, lead to increased access to retailers in geographic areas in which participating retailers were previously scarce.
- Adoption of SNAP for monitoring retailer fraud and abuse would result in a much stricter penalty structure for violators of program rules.

In conclusion, the implementation of SNAP in Puerto Rico would extend benefits to more people with low incomes; we would have more fraud control; it would focus on nutrition and healthy eating through education campaigns; it is a stricter program but one with more benefits. The new income limits would result in Puerto Rico's working poor becoming eligible for benefits (currently, most of the working poor are not eligible for NAP), and the new training programs and work requirements would benefit the participants by encouraging them to work or work more.

For the aforementioned, it is crucial that the U.S. Congress include Puerto Rico as a participating territory in the Supplemental Nutrition Assistance Program (SNAP), assigned to the U.S. Department of Agriculture (USDA).

BE IT ENACTED BY THE LEGISLATURE OF PUERTO RICO:

1 Article 1.- To request the U.S. Congress include Puerto Rico as a participating territory in
2 the Supplemental Nutrition Assistance Program (SNAP), assigned to the U.S. Department of
3 Agriculture (USDA).

4 Article 2.- Copy of this Joint Resolution will be sent to all members of the United States
5 Congress.

6 Article 3.- This Joint Resolution shall take effect immediately upon its approval.