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Committee on Oversight and
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**Before the House Subcommittees on Intergovernmental Affairs and
Healthcare, Benefits, and Administrative Rules on Oversight and Government
Reform
“Program Integrity for the Supplemental Nutrition Assistance Program”
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Thank you Chairmen Palmer and Jordan, Ranking Members Raskin and Krishmanoorthi, and Members of the Subcommittees on Intergovernmental Affairs and Healthcare, Benefits, and Administrative Rules for the invitation to be here today to update you on the Supplemental Nutrition Assistance Program (SNAP).

My name is Brandon Lipps, and I currently serve as Acting Deputy Under Secretary, Food, Nutrition, and Consumer Services (FNCS) as well as Administrator for the Food and Nutrition Service (FNS). Several years ago, I worked on the House Agriculture Committee and am honored to return to Capitol Hill serving the public in a new capacity, on behalf of the U.S. Department of Agriculture.

As Administrator of the nation’s 15 nutrition assistance programs, I appreciate the importance of this Committee’s responsibility to ensure efficiency, effectiveness, and accountability in the Federal Government. Secretary Perdue and I share the belief that Americans care about their neighbors and want them to have food on their table — but they also want to know that their taxpayer dollars are allocated properly to help those most in need. I look forward to working with this Committee to continually fulfill that commitment.

As you know, FNS works closely with our State partners to administer nutrition assistance programs that leverage our nation’s agricultural abundance to ensure no

American goes hungry. SNAP, the largest of these programs, helps those most in need get back on their feet by supplementing their food buying power. The program is designed to be responsive to the current economic conditions and support the transition of able-bodied adults to stable employment. The most recent data show that SNAP served 40.7 million low-income individuals in January 2018 – a decline of approximately two million people from the previous January.

Today, I want to speak to you about three priorities that guide FNS's work – integrity, self-sufficiency, and customer service. These interdependent principles help us ensure that SNAP operates effectively, efficiently, and as intended by law.

Integrity:

All those involved in nutrition assistance programs at the Federal, State, and local level are accountable for good stewardship of tax dollars. Using every dollar wisely and eliminating error and fraud are critical to preserving SNAP benefits for those truly in need. USDA works in concert with State and local program partners to:

- Ensure benefits go only to those who are eligible,
- Issue benefits in the correct amount,
- Identify bad actors and remove them from the program,
- Use state-of-the-art technology to proactively identify new and emerging threats to program integrity, and
- Reduce errors through a comprehensive strategy of risk management.

As you may know, FNS has been rigorously working to remove bias from the SNAP Quality Control (QC) system, a process for measuring the accuracy of State eligibility determinations and benefit levels. The QC system is *not* a measure of fraud, but rather a measurement of improper payments – both under issuance and over issuance – that are generally the result of either State agency or client error. Both FNS and the USDA Office of Inspector General identified bias in the QC data for Fiscal Year (FY) 2015 and FY 2016, which impeded our ability to release an improper payment rate for the past two years. Resolving these issues is a top priority for FNS, and we have taken numerous corrective and preventative actions to that end. As a result, we will be able to report a SNAP improper payment rate for FY 2017 by June 30, 2018.

With regard to fraud in SNAP, FNS employs advanced data-analytics techniques, highly specialized investigators, and collaboration with our Federal, State, and

local partners to identify, eliminate, and prevent the misuse of tax payer dollars intended for those in need. It is important to note that FNS oversees retailer fraud, while the States oversee participant fraud.

FNS constantly updates our use of technology to modernize our programs and gives States the tools they need to succeed in eliminating participant fraud. FNS recently created an interactive model online application for school meal programs that we plan to explore how to replicate this approach across nutrition programs. This application reduces common, unintentional errors in submitting the required information. We continue to explore new and evolving strategies to improve oversight and monitoring throughout every step of benefit delivery and utilization.

As another fraud reduction measure, the President's Budget proposes nationwide use of the National Accuracy Clearinghouse (NAC), which improves States' ability to check for duplicate participation in SNAP across State lines. FNS tested this concept in five states and prevented over 300 dual participants per month, achieving \$5.6 million in cost savings. This is a prudent step to prevent potential fraud and protect American taxpayers by expanding this successful State-led pilot nationwide.

Additionally, FNS recently hired a Chief Integrity Officer to provide enhanced leadership and enterprise integrity coordination. The position is part of my Executive Team and will foster greater collaboration and enhance our ongoing commitment to this priority. As part of this commitment, we are conducting a third-party assessment of FNS's integrity efforts. One aspect of that effort will include a plan to ensure all FNS programs are in compliance with the Improper Payments and Elimination Recovery Act. Additionally, FNS is working on a comprehensive review of waivers, pilots, and demonstration projects in all FNS programs to ensure current practice is in line with program integrity efforts.

Program integrity is not a one-time effort: Where protection of taxpayer dollars is concerned, the job is never done. As our programs continue to develop, FNS will identify new ways to enhance integrity in the delivery of these critical nutrition assistance benefits. This is essential to protecting SNAP and all who it serves, both now and in the future.

Self Sufficiency:

Few needs are more fundamental in life than food. USDA's Federal nutrition assistance programs are designed to ensure no American goes hungry. However,

in doing so, they should not encourage participants to permanently forfeit the dignity and empowerment that comes with self-reliance. Nutrition assistance must support those facing hard times by providing them the food they need while helping those who are able to move beyond government assistance to independence.

The nutrition safety net must remain strong in its service to the elderly, children and disabled. However, success in SNAP should not be measured by how many people enroll, but by how the program supports and enables a participant's return to self-sufficiency. There are approximately 15 million working age (18-59) non-disabled adults on SNAP. Of these, over nine million are not working. We can and we should do better. We must work to reduce barriers to employment and hold both individuals and States accountable for participants getting and maintaining jobs.

I want to be clear: We do not seek this goal because it is the easy path. It will require effort, persistence and ingenuity for all those involved. Effective employment and training programs and data-driven employment strategies are key to this effort. We seek this goal because we believe employment is the best path to self-sufficiency and, therefore, in the best interest of those we serve and the country as a whole.

That is why we recently published an Advanced Notice of Proposed Rule Making (ANPRM) to collect information, ideas, and best practices on helping move able-bodied adults without dependents (ABAWDs) back to stable employment.

The SNAP Employment and Training (E&T) program is a critical tool for helping SNAP participants gain the knowledge and skills needed to obtain stable employment in their local economy. SNAP E&T programs are State administered and Federally funded, but the services are provided by local workforce partners including State workforce centers, non-profits, for-profits, and community colleges. States currently have considerable flexibility in designing their E&T programs, the components they offer, the populations they serve, and whether they operate a mandatory or voluntary program.

SNAP E&T programs are one-way SNAP recipients can meet the general work requirements which apply to individuals between the ages of 16-59 who are not disabled and who are not the primary caregiver of a child under the age of six. ABAWD work requirements apply to individuals between the ages of 18-49 in households without children under age 18.

USDA is working with States to improve their E&T programs and to identify and share best practices. Not only has USDA increased its own capacity, it also implemented the SNAP to Skills project, a technical assistance project that provides States the tools and resources to develop effective E&T programs. To date, the SNAP to Skills project has provided direct technical assistance to 15 States, published policy briefs on best practices such as incorporating career pathways into E&T programs, and created tools such as the operations handbook which is a step-by-step guide State can use to implement an effective SNAP E&T Program. In addition, USDA offers learning opportunities such as the SNAP E&T Learning Academy which provides individuals from State agencies, community colleges, community based organizations, training providers, and other stakeholders the opportunity to gain expertise on SNAP E&T that will enable them to work within or across States to create robust and effective E&T programs. USDA will also use the outcome data that States began submitting this year to help them pinpoint areas that need improvement and to share best practices and lessons learned.

Additionally, the input FNS receives through the ANPRM will help inform future policy decisions to maximize the outcomes of E&T programs and other efforts designed to help move participants toward economic independence.

Customer Service:

Finally, we have the responsibility to provide the best possible service to all of our customers. We provide good customer service to SNAP participants by providing individuals and families nutritious food to eat while supporting and facilitating their transition to self-sufficiency. We serve the American public well by ensuring their taxpayer dollars are invested effectively and efficiently. We must also provide quality customer service to our partners: State and local agencies.

Though the Federal Government develops SNAP policy and conducts monitoring and oversight, State and local agencies are responsible for delivering program benefits. We must empower them to successfully execute this responsibility in ways that best serve their SNAP participants. This includes listening to feedback and providing options over mandates, flexibility over “one-size fits all.”

Last fall, I wrote a letter to all State SNAP commissioners and secretaries where I referred to States as “laboratories of innovation.” FNS seeks to learn from State experiences – What new ideas do they have for improving customer service? What have they tried that works or does not work? One thing we heard was that some States experienced undue administrative burden by rules limiting who can perform various SNAP functions. FNS issued new national program guidance giving State agencies flexibility to use contracted private-sector staff to provide basic case-specific information, as allowed under other Federal programs. Certification decisions remain with State employees, as required by statute. This guidance gives SNAP State agencies new flexibility to make operations more efficient and improve customer service while maintaining a high-level of program integrity. We will continue to explore other ways to increase flexibility and minimize administrative burden for State and local agencies delivering SNAP benefits.

In conclusion, the principles of program integrity, self-sufficiency, and customer service guide FNS decisions. Achieving any one of these principles would not be possible without listening to and working with our partners – including Congress. We look forward to continuing to work with you to improve SNAP and all nutrition programs to best serve those most in need and the American taxpayer. Thank you again for the opportunity to be here today, and I am happy to answer any questions you may have.