# Food Research & Action Center SNAP Merit Staff Preserve Program Integrity

## What Is a Merit Employee?

Supplemental Nutrition Assistance Program (SNAP) rules are complex. Merit staff employees receive extensive training and develop deep knowledge to guide SNAP applicants through the process, conduct SNAP certification interviews, and make final decisions on SNAP eligibility and benefits.<sup>1</sup> They are nonpartisan public service employees. Through their training, merit staff preserve program integrity.

### Background

The Intergovernmental Personnel Act of 1970 specifies that roles involving eligibility determination and certification must be performed by merit-based employees.<sup>2</sup> SNAP's statutory<sup>3</sup> and regulatory<sup>4</sup> requirements entrust SNAP certification interviews and final decisions on eligibility determination to civil servants in the state merit system. Non-merit personnel are permitted for *limited roles* in application assistance and screening — specifically excluding activities that include decision-making about eligibility.<sup>5</sup>

### What's the Issue?

While SNAP agencies were underfunded and understaffed prior to the COVID-19 pandemic, the pandemic exacerbated the issue to such a degree that all but four states missed the U.S. Department of Agriculture Food and Nutrition Service's 95 percent benchmark for Application Processing Timeliness in 2023.<sup>6</sup> <u>H.R. 8467</u> and its sections 4105 and 4111 seek to strip merit staffing requirements and allow privatization without U.S. Department of Agriculture oversight.

# Congress should continue to uphold the merit system.

Upholding merit-based staffing in SNAP aligns with the strong evidence that merit-based staff deliver services more efficiently and effectively while safeguarding client confidentiality. Experiments using private contractors have proven to be inefficient and expensive, threatening program integrity and seriously diminishing the program's access and benefits.<sup>7</sup>



# Examples of when states privatized public benefits administration:

**Wisconsin:** During a pilot program to outsource Temporary Assistance for Needy Families administration and eligibility determinations, vendors kept unspent funds, creating a perverse incentive in which vendors pocketed tens of millions of dollars intended for households with the lowest incomes.<sup>8</sup>

**Texas:** Attempted privatization led to higher food benefits application processing error rates and increased backlogs due to lack of contractor staff knowledge of policy.<sup>9</sup>

**Indiana:** The plan to privatize benefit administration was behind schedule and over budget, with glacial processing times, consistent failure to meet federal requirements, and early termination of the vendor contract, leading to households with low incomes bereft of benefits, higher costs for taxpayers, and a loss of local jobs without improved results.<sup>10</sup>

**Unemployment Insurance (UI):** During the pandemic, Congress allowed states to temporarily waive merit-staffing rules through September 6, 2021, due to the unprecedented crush of claims. The influx of poorly trained, outsourced staff contributed to improper UI payments, created additional



work for already overworked state merit staff charged with fixing contractor errors, and resulted in untimely benefit delivery.

Attempts to waive or skirt the merit-staffing requirement have failed SNAP participants and taxpayers. Conversely, **administration by merit-based employees makes SNAP stronger.** Maintaining the requirement keeps SNAP in line with other programs that require merit staffing for eligibility determinations, including unemployment insurance, Medicaid, and the Children's Health Insurance Program.<sup>11</sup> Recent research finds that the use of merit employees makes government stronger, with protection from politicization, increased program performance, higher levels of public trust, and decreased levels of corruption.<sup>12</sup>

#### **Solutions**

- Congress should pass <u>H.R. 7285</u>, the SNAP Administrator Retention Act, which would increase the federal cost share from 50 to 100 percent of state SNAP administrative costs. This will help states by providing adequate support and investments in merit staff to decrease administrative burdens, churn, and error rates, and to increase timely processing of applications.
- To reduce significant administrative burdens, Congress should pass <u>H.R. 1510</u>/<u>S. 2435</u>, the Improving Access to Nutrition Act, which would remove the three-month time limit for certain unemployed and underemployed adults.

#### **Endnotes**

- <sup>1</sup> Section 11(e)(6) of The Food and Nutrition Act, as amended (7 USC 2020(11)(e)(6)). https://www.law.cornell.edu/uscode/text/7/2020
- <sup>2</sup> 5 CFR Appendix A to Subpart F of part 900 refers to the Food Stamp Act of 1977
- <sup>3</sup> Section 11(e)(6) of The Food and Nutrition Act, as amended (7 USC 2020(11)(e)(6)). https://www.law.cornell.edu/uscode/text/7/2020
- <sup>4</sup> 7 CFR 272.4(a). <u>https://www.law.cornell.edu/cfr/text/7/272.4</u>. 5 CFR Appendix A to Subpart F of Part 900. <u>https://www.law.cornell.edu/cfr/text/5/</u> appendix-A\_to\_subpart\_F\_of\_part\_900
- <sup>5</sup> Revised Guidance for Use of Vendor/Private Staff in Call Centers 2020 Revision. Food and Nutrition Service. U.S. Department of Agriculture (February 6, 2020). <u>https://www.fns.usda.gov/snap/non-merit-system-personnel-guidance-call-centers-2020-revision</u>
- <sup>6</sup> FY 2023 Reported SNAP Application Processing Timeliness. Food and Nutrition Service. U.S. Department of Agriculture (Aug. 14, 2024). <u>https://www.fns.usda.gov/snap/qc/timeliness/fy23</u>
- <sup>7</sup> Podyock M. *EPI Comments on DOL's Proposed Wagner-Peyser Act Staffing Rule.* Economic Policy Institute (June 21, 2022). https://www.epi.org/publication/epi-comments-on-dols- proposed-wagner-peyser-act-staffing-rule/
- <sup>8</sup> Henry Freedman et al. Uncharted Terrain: The Intersection of Privatization and Welfare, Welfare Law Center (January 2002). https://nclej.org/wp- content/uploads/2016/04/Intersection-of-Privitization-and-Welfare-2002.pdf
- <sup>9</sup> Updating and Outsourcing Enrollment in Public Benefits: The Texas Experience. Center for Public Policy Priorities (November 2006). http://library.cppp.org/files/3/CPPP\_PrivReport\_(FS).pdf
- <sup>10</sup> Super D. Indiana Court Autopsies Welfare Privatization Effort. Balkinization. https://balkin.blogspot.com/2012/08/indiana-court-autopsies-welfare.html
- <sup>11</sup> AFSCME Strongly Opposes Outsourcing SNAP Eligibility Determinations. American Federation of State, County, and Municipal Employees (May 15, 2024). <u>https://www.afscme.org/document/AFSCME-Strongly-Opposes-Outsourcing-SNAP-Eligibility-Determinations-fact-sheet-051524.pdf</u>
- <sup>12</sup> Oliveira, E., et al. What Does The Evidence Tell Us About Merit Principles and Government Performance? Public Administration (May 2023). https://onlinelibrary.wiley.com/doi/epdf/10.1111/padm.12945

