

# Understanding the Utilization of SNAP Administrative Funds from the American Rescue Plan Act

December 2023

In March 2021, President Biden signed into law the American Rescue Plan Act (ARPA), which made significant investments to support families after the first year of the COVID-19 pandemic. ARPA included significant support to the Supplemental Nutrition Assistance Program (SNAP) benefits, including a temporary 15 percent increase in benefits and \$1.135 billion in supplemental SNAP administrative funding dispersed over Federal Fiscal Year (FFY) 2021 through 2023 to support state SNAP agencies. The administrative funding offered wide flexibility to SNAP agencies to help fill in funding gaps created by pandemic response, to improve customer service, and to jump-start projects to help modernize SNAP systems through technology and other human-centered design principles. Despite this large, flexible funding infusion, constraints such as tight timelines, staffing, and prioritization of other projects in state government resulted in a narrower list of feasible investments.

This research project, conducted in partnership with the American Public Human Services Association (APHSA), Urban Institute, and Share Our Strength's Center for Best Practices explored how state SNAP agencies used their ARPA funding by documenting 1) desired and actual investments made with the funding, 2) progress toward SNAP modernization, and 3) improvements in delivering equitable customer service. This research initiative also uncovered the challenges that states faced in spending ARPA-authorized funds and what they would still like to accomplish to improve administration of their SNAP program in the future. Insights from this research will inform future federal investments by offering an overview of state-level progress in using these types of funds to modernize delivery of human services programs such as SNAP.

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## Research Methodology

The research team collected primary data from state SNAP agencies via two surveys, a series of work groups, and state SNAP agency focus groups. Both surveys were sent to SNAP agency representatives from all 50 states, the District of Columbia, and Guam. The first survey, administered in November 2021, received 42 responses and asked state SNAP agency personnel questions about how the state used its first fiscal year of funding, what factors influenced their investments, and how they were planning to leverage the next two years of ARPA-authorized funding. Due to the level of interest from SNAP agencies in understanding how other states were utilizing their funding in the first year, the research team created an internal tracker for state agency use that summarized survey responses. The team also organized and



facilitated three work groups comprised of state agency staff to discuss projects and areas for future work in the most common areas that states reported investing in: Staffing & Operations, Client-Facing Systems, and Internal Systems. The work groups met monthly from February to May 2022 with the goal of sharing emerging insights, and afterwards, select members from each work group who served on an advisory committee to the research project team.

In December 2022, a second survey was administered to states that inquired about details of the specific investments they made with ARPA funding in FFYs 2021 and 2022, in addition to overarching reactions to the ARPA funding model. It received 37 responses. Questions in the survey asked respondents to detail the progress of their current investments, partners supporting their work, and the priority-level of various investments made. With state consent, the research team created a [public tracker](#) detailing state projects.

To deepen our understanding of states' perceptions of the ARPA funding model and solicit recommendations for future funding structure, we conducted three structured focus group discussions with nine states total in spring 2023, which were roughly geographically and politically representative of the country. Focus groups covered states' uses of ARPA funding, the impact the funding had on equity and customer experience, and perceptions on future directions for modernizing SNAP administration.

## Background

ARPA authorized \$1.135 billion in SNAP administrative funding over a three-year period, from FFY 2021 through 2023. This SNAP-specific funding was separate from general funding that ARPA authorized for state and local governments. The USDA Food and Nutrition Service (FNS) issued guidance regarding key priorities for this funding in April of 2021, which then prompted states to begin deciding how to use their funding for that first year. Due to the first year of funding being authorized about halfway through FFY2021, only \$245 million in funding was allocated in FY2021, while \$445 million was allocated in both FY2022 and FY2023. States received different amounts of funding depending on their SNAP population size.

Although ARPA gave states considerable flexibility on exactly how to use their funding, **FNS provided the following six areas of priority for investment:**<sup>1</sup>

- Investment in technology to improve client access to SNAP, including online applications, benefit management tools, text messaging, and ensuring all client access is mobile enabled.
- Expand call center capacity and reduce call center wait times.
- Make investments in state employees and infrastructure to provide the necessary technology and training in order to modernize customer service delivery.
- Explore opportunities to improve service delivery and access to vulnerable populations that may be disproportionately impacted by remote operations, language barriers, fear of government services, and a lack of access to technology.
- Improve reporting systems to ensure timely and reliable information is provided to FNS, Congress, and stakeholders on program outcomes and activities, including major systems changes.
- Revise SNAP webpages, instructions, and guidance to ensure program information is easy to find, clear, concise, and provided in the required languages.

This research report shares how states spent their funds, how well they were able to prioritize the above-mentioned categories of investment, and what barriers agencies faced in investing in priority projects. The following sections are divided into first year findings, second year findings, successes, looking ahead, and recommendations for the future.

<sup>1</sup> <https://www.fns.usda.gov/snap/state-administrative-funding-american-rescue-plan-act-2021>



## Key Findings from State SNAP Agency ARPA Spending in Year 1

The following summarizes the key findings based on the first year (FFY 2021) of ARPA spending for SNAP agencies. These findings are based on the first survey administered in November 2021.<sup>2</sup>

- Most states used at least part of their funding to advance existing priorities for long term system and program improvements.
- Many states invested ARPA dollars in projects that were delayed or deprioritized due to pandemic response, as well as in continued pandemic response measures to address increases in caseload sizes and decreases in staffing.
- Priorities for investment ranged from optimizing internal systems and technologies, to increasing program access and customer service, and investing in SNAP Employment and Training.
- Timing (relating to both the time to plan for investments and spend down funding) and capacity constraints (of staff and other technology systems) were the most influential factors in state decision making.

When asked to share their plans for the next and final two years of investment, states agencies indicated their plans to continue improving IT systems, enhancing customer service, improving access to underserved communities, and distributing funding to local agencies. In response to these focus areas, APhSA and the research team led work groups that focused on Staffing & Operations (investing in workforce solutions for program response and resiliency), Client-Facing Systems (redesigning systems for person-centered service delivery), and Internal Systems (harnessing the potential of robotic process automation). These work groups allowed for a shared learning environment in which states provided updates on progress of their own projects, and also got the chance to learn from peers who may be embarking on similar work and gain new ideas that states could potentially use in future years of their ARPA funding.



## Key Findings from State SNAP Agency ARPA Spending in Year 2

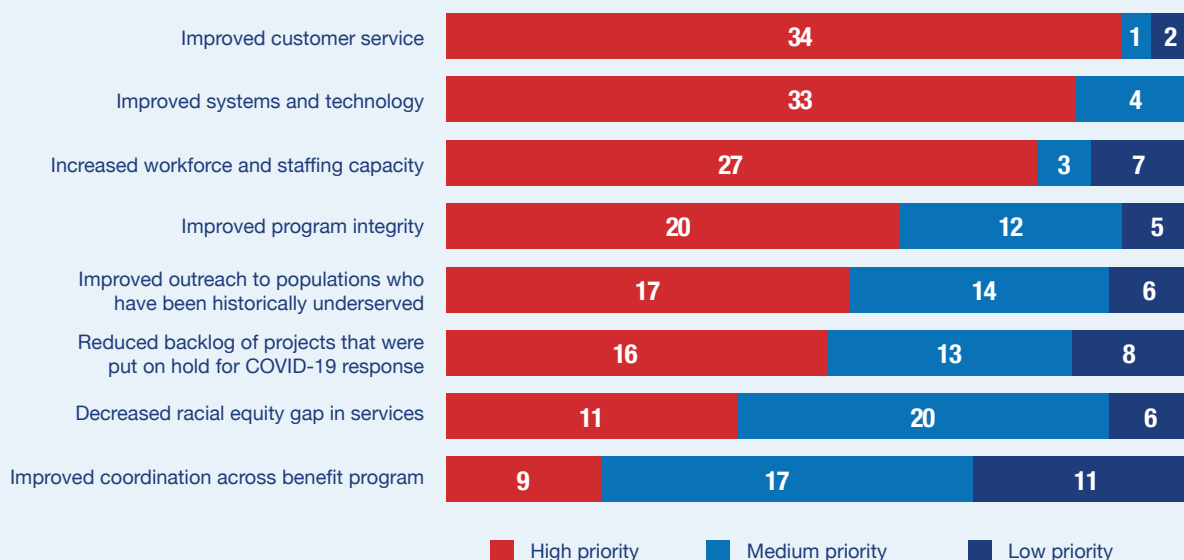
While delayed authority and guidance in how states could use ARPA funds hindered SNAP agency planning in the first fiscal year, the remaining two years of ARPA authorized funds offered states more time for project development and planning time. The second survey, administered in December 2022, had the following key findings:

- Many states targeted improvements to state administrative processes and technology for their investments.
- State cited objectives including:
  - Improving client access, with a specific focus on hard to serve communities;
  - Expanding administrative capacity;
  - Modernizing service delivery; and,
  - Improving states' ability to meet federal reporting requirements.

To understand how states evolved their investment priorities as the funding period progressed, the research team issued a second survey in late 2022 with the results shared in several figures below. The survey asked states to rank the priority level (low, medium, or high) of outcomes they prioritized when planning their investments. The survey showed that for 92% of respondents, customer service was a high priority. The need to increase staff and workforce capacity was a high priority for 73% of respondents (see figure 1). These results proved to be consistent across our two surveys, with states continuing to prioritize improving systems and technology and customer service. On the other hand, improving coordination across programs was not as high of a priority for states, likely due to the requirement that ARPA funds could only cover SNAP administrative costs, and could not be used to support other program staff or enhancements outside of SNAP.

<sup>2</sup> To read more about the first year of SNAP ARPA spending in state agencies, review the research team's July 2022 publication, Early Insights on SNAP Modernization through American Rescue Plan Investments.

**FIGURE 1. STATES' REPORTED PRIORITIES WHEN PLANNING INITIAL ARPA INVESTMENTS, DECEMBER 2022**

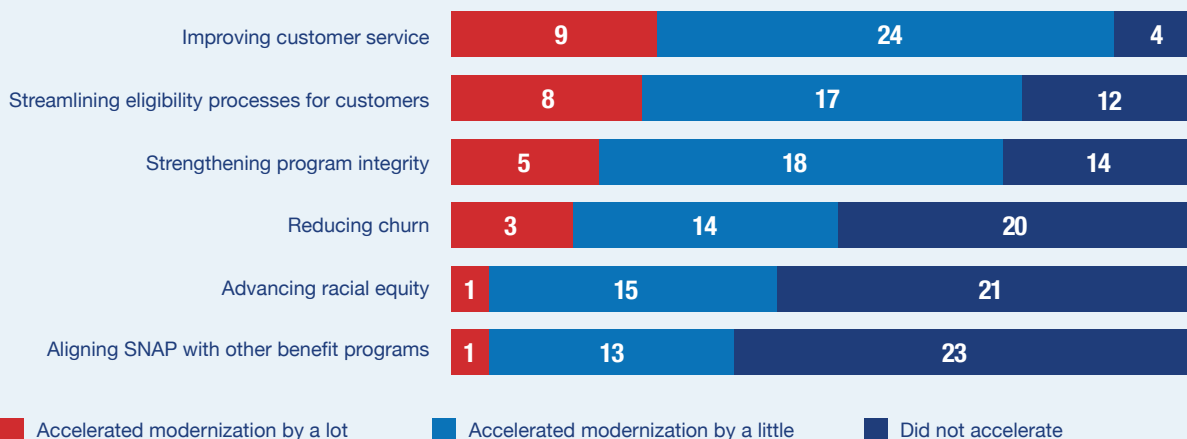


**Source:** Survey fielded in December 2022.

**Note:** States were asked, "When originally planning your state's SNAP ARPA investments, please rate how you prioritized the following outcomes (low, medium, or high priority)."

ARPA investment in SNAP was authorized with the intent to support and accelerate program modernization that had been delayed during the pandemic, and to incorporate and build upon the lessons learned during the accelerated need to transition to online and mobile-friendly options when in-person was not viable during the public health emergency. However, when asked how and to what extent ARPA funds accelerated modernization, the majority of states did not think that the funding was a key accelerator (see figure 2). Based on qualitative input from state agencies in work groups, this was likely due to the structure of the ARPA funding and the limited time period that states had to plan for and implement potential investments.

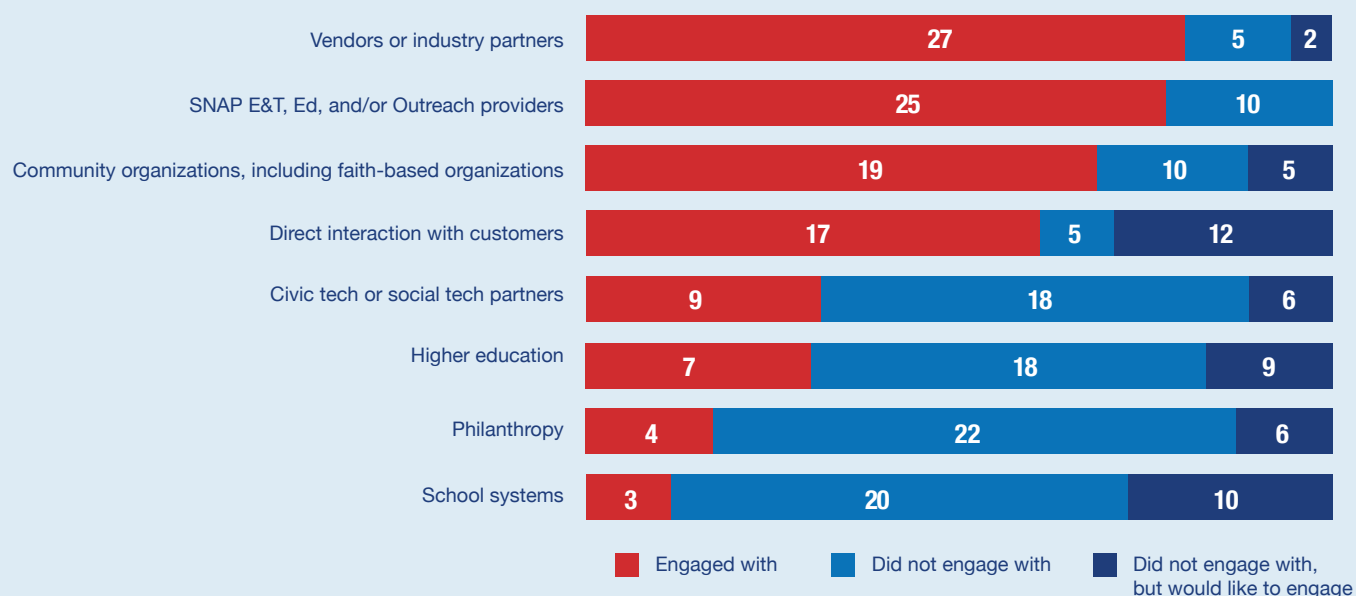
**FIGURE 2. STATES' PERCEPTIONS ON EXTENT TO WHICH ARPA DOLLARS MODERNIZED SNAP PROGRAMS**



**Note:** States were asked, "Have the investments you've made with ARPA dollars so far helped accelerate modernization for your SNAP programs in any of the following ways?" and could indicate whether each choice did not accelerate modernization, accelerated modernization by a little, or accelerated modernization by a lot.

We also asked SNAP agencies about their partners in implementing their ARPA projects. Private industry vendors (such as those that support eligibility system modernization, call centers, or electronic benefits transfer (EBT) processing) and SNAP Employment & Training, Education, and Outreach providers were the most frequent partnerships, which aligns with the priorities states highlighted in investment areas. It is important to note that about half of states interacted directly with customers to inform their projects. And, among those who did not engage with customers, the majority were interested in future engagement (see figure 3). Centering the lived expertise of SNAP customers is a key component of advancing equity in SNAP programming and developing programs that are customer centered for the end user.

**FIGURE 3. STATES' ENGAGEMENT OR DESIRE TO ENGAGE WITH STAKEHOLDER GROUPS IN ARPA PROJECTS**

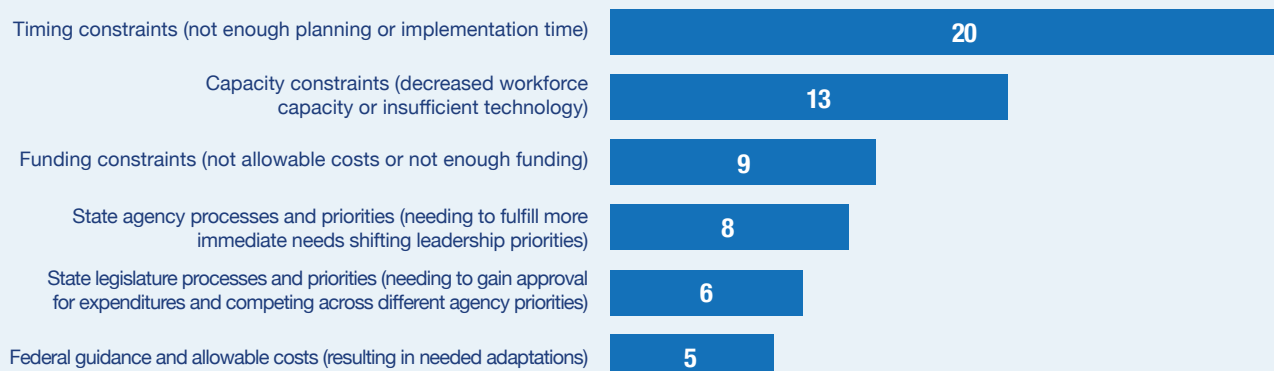


**Note:** States were asked, “When considering key partners in the planning and implementation of your projects funded through ARPA, please indicate your engagement or desire to engage with the following stakeholder groups,” and could indicate whether they engaged with, did not engage with, or did not engage but would like to engage with each group. Not all states selected a response for each option.

# Constraints on Meeting Stated Modernization Goals

Although ARPA funding was useful and necessary to states, the limited, three-year utilization period meant states were unable to maximize this additional financial resource. In our second survey, over two-thirds of state respondents (69%) shared that there were projects they would have liked to invest in using ARPA dollars but ultimately couldn't. In fact, some states even shared having to return funding to FNS if they were not able to use it on an investment within the given year.<sup>3</sup> While some states cited federal guidance, funding, and capacity constraints as barriers to investing in certain projects, the majority of states cited timing to plan and implement investments as the biggest barrier to implementation (see figure 4).

**FIGURE 4. FACTORS HINDERING STATE PROGRESS ON ARPA FUNDED PROJECTS**



**Note:** States were asked, "Which of the following factors contributed to you not being able to move forward projects that you would have liked to?" and were asked this question if they responded 'yes' to the prior question if there were projects that they wanted to invest in but couldn't (n=25). Respondents could select more than one option.

## Timing Constraints

The three-year time period was challenging for states both because of the time necessary to plan for how to use the funding, as well as implementing the project that would be funded. In terms of planning, states cited having very short runway to prepare and try to get desired projects into the queue of technology and systems development as these queues can have one or two year waiting lists. Additionally, states were extremely limited in bringing on new contracts or vendors to execute the projects because procurement is a lengthy process, so states tended to build upon contracts they already had in place. States also tended to prioritize pre-existing projects or those that were easier to start, could be started and completed within the time allotted, or had high start-up costs but low or no maintenance costs to continue the project after the timeline ended. A focus group participant noted:

**[ARPA] was one time money... We were hesitant to spend it on something that was going to have ongoing costs"**

**– State SNAP Agency Leader**

<sup>3</sup> Note that the USDA FNS guidance was updated in December 2022 to share that states could roll over funds that were not used in previous years.

Notably, state agency leaders explained that many projects they wanted to pursue, and those which arguably would make the biggest difference to staff and customers such as building a new eligibility system or online application, could not be done with ARPA funding because the agency would not be able to quickly spend down funding on these types of initiatives. States elaborated that it would be difficult to deeply evaluate the impact of ARPA investments because the funding timeline did not support post-implementation evaluation. One focus group participant shared that *“We actually don’t have metrics or data yet, we’re at the beginning or start of enhancement. {} can’t speak on if they have improved or enhanced an area of customer service. I feel that it has improved customer experiences, but don’t have any data {to show that},”* – State SNAP Agency Leader.

### Capacity Constraints

A smaller, but significant, portion of states also shared that capacity constraints were a top barrier to completing desired projects using ARPA funding. In the first year of the pandemic, states quickly redesigned their program delivery operations from being largely in-person to almost completely remote, necessitating new training and tools for staff<sup>4</sup>. At this same time as SNAP agencies and their staff adjusted to new policies and procedures, there were larger organizational workforce impacts such as increased numbers of people going into retirement and absences for staff that fell ill. This caused workforce shortages and resulted in many staff working significant levels of overtime to get their ongoing work completed, let alone to take on new projects. As discussed more in the next section, some states did use ARPA funding to support recruitment and retention efforts, but states across the country continue to experience workforce capacity shortages.

## Successes in ARPA Investments

While the challenges detailed above limited the scope of ARPA fund usage, many states did make significant, lasting investments in their SNAP programs with the funding. For example, many states used ARPA funds to support increased salaries, overtime, and bonuses to their staff to support the incredible work that was needed for ongoing pandemic response. Some states were even able to use ARPA funding to hire new, albeit temporary, staff to help support Quality Control, policy training, and improved data coordination. States also used funding to purchase new technology such as laptops and phones for their staff, as well as upgrade to new software to modernize processes – showing examples of one-time investments that will have lasting impact in modernizing program delivery.

**“We really focused on digital equity. People need to have the tools, internet, and more to be able to engage.”**

**– State SNAP Agency Leader**

In addition to building staff capacity, states used ARPA funding for technology enhancement to improve their online applications, facilitate on-demand interviews and reduce backlogs at call centers. Similarly, SNAP agencies spent ARPA resources to increase self-service opportunities for customers, such as creating new features where customers can check their balance without needing to call into the agency hotline. These modernizations and improvements in online functionality show promise for having lasting improvements both for SNAP agency staff and customers.

<sup>4</sup> Read more about state SNAP agency adaptations in response to the COVID-19 pandemic in this report based on a state agency survey conducted by APHSA and the Johns Hopkins Bloomberg School of Public Health: <https://files.constantcontact.com/391325ca001/43b432bd-bdde-4525-8e63-a1b0293de236.pdf>





The ability [for customers] to check [their] balances has been the most utilized piece [of our technology enhancements]. Customers are able to do it directly from a phone without calling or downloading new applications”

– State SNAP Agency Leader

ARPA funding was also used to support improved equity, diversity, inclusion, and belonging strategies for states. For example, one state created an implicit bias training designed to systemically embed anti-stigma and trauma-informed practices into their work, ultimately helping to improve customer service in direct interactions with staff and clients. States have also used ARPA funding to improve outreach strategies to hard-to-serve populations such as for customers with Limited English Proficiency, older adults, college students, and veterans. And even though improved online capabilities have been a large focus of ARPA funding, many states are continuing to keep a focus on rural communities and the need both to improve digital equity, meaning that all individuals have fair access to online resources, while also meeting them where they are at and ensuring they still have the resources and opportunities to conduct SNAP business in person.<sup>5</sup>



## Looking Ahead

As state agencies consider their priorities for moving toward a more modern and customer-centric SNAP program, we asked them to share where they need more support and investment in the future. The top responses were streamlining eligibility and enrollment processes, increasing online and mobile functionality, and modernizing eligibility systems.

### Streamlining Eligibility and Enrollment Processes

In the December 2022 survey, respondents named their number one priority to move toward this common vision is to invest in streamlining eligibility – seeking to reduce burden for both personnel agency as they process applications and the experiences of SNAP customers in applying for benefits<sup>6</sup>. Streamlining eligibility means reducing red tape to access and retain SNAP benefits for those who are eligible, but it also means improving internal eligibility processes like verification, to reduce steps required by staff and customers by using data the agency already has from another program, and more.

### Increasing Online and Mobile Functionality

The next highest priority is to invest in mobile technology. USDA FNS is currently testing the use of a Mobile EBT card for SNAP customers to redeem their benefits<sup>6</sup>, but there are several other ways for mobile technology to be used to improve customer experience for those who have mobile access. For example, states would like to develop and improve upon mobile applications to make it easier for SNAP customers to make inquiries, submit documents, and get their questions answered in a timely manner. Mobile technology could also include improved texting features to serve as reminders and support appointment scheduling, for example. There are many emerging opportunities in the mobile tech world, especially as conversations around Robotic Processing Automation and Artificial Intelligence continue to flourish.

<sup>5</sup> Read more from this research team about the impacts that SNAP ARPA funding had on equity here: <https://www.urban.org/research/publication/exploring-role-equity-snap-modernization-and-access>

<sup>6</sup> See more in the USDA Press Release about the Mobile EBT pilot project: <https://www.fns.usda.gov/news-item/fns-006.23>



## Modernizing Eligibility Systems

Rounding out the top three priorities for SNAP agencies is modernizing systems. This includes upgrading states from legacy systems (an outdated computing system, software, or hardware) to more modern eligibility systems that can be agile and responsive to quickly changing policy, such as that encountered during the pandemic. Currently, many states still have to do large amounts of manual work to update cases as they wait for larger systems improvement. Investments in systems modernization hold promise to improve customer service and to improve the user experience with the front-line staff in SNAP agencies as well.

**FIGURE 5. STATE PERCEPTIONS ON TOP 3 AREAS FOR FUTURE SNAP INVESTMENT**



**Note:** States were asked, “Looking to the Farm Bill and beyond, what are the top 3 areas where you think investment in SNAP is most needed?”

In focus groups, the research team asked state SNAP agency leaders to think big and share what their future vision for a modern SNAP program would be. They shared the following concepts:

**STREAMLINED ACCESS** **DATA-DRIVEN** **EQUITABLE PROGRAMMING**  
**LANGUAGE ACCESS** **SELF-SERVICE**  
**SIMPLIFY ELIGIBILITY** **OPTIONS**  
**REQUIREMENTS** **IMPROVED PHONE EXPERIENCES**  
**REDUCE ADMINISTRATIVE** **MEET PEOPLE**  
**KIOSKS IN LOCAL LIBRARIES** **WHERE THEY ARE**  
**AND PUBLIC VENUES** **HASSLE**  
**PARTNERING WITH COMMUNITY-BASED ORGANIZATIONS** **SIMPLIFIED POLICY A**  
**AND ACCOUNTING**  
**RESOURCES FOR RURAL OFFICES**

# Recommendations

As the wide SNAP collaborator ecosystem — from state, local, and federal agencies, to Congressional leaders, advocates, and other partners — continues building toward a more modern, effective, and customer-centered program, the experiences with ARPA administrative funding shed light on promising practices and lessons learned from the ARPA funded SNAP investments and from the ARPA model of funding modernization.

Based on this research, the project team offers the following recommendations for future funding opportunities to modernize SNAP.



**1. Modernization focused funding should allow state agencies longer timelines for developing proposals and spending down allocated dollars.**

While the ARPA funding has served as an essential support to SNAP agencies as they emerge from the pandemic to both increase their staff capacity and upgrade their IT systems, the tight turnarounds and issuance of funding already halfway through the first year of operation made it challenging for states to have time to plan how to best use the funds. With states already experiencing long backlogs for technology improvements and the length of time it takes for procurement, the areas of potential spending were severely limited. States expressed the need both for a longer planning period before spending funds, as well as a longer time period at the end to spend down the funds. Furthermore, states could benefit by having more space to strategically design their project plans to have a more focused and lasting impact. These extended timelines would also give states more opportunity to intentionally elicit feedback from other partners, and critically, from SNAP customers.



**2. Funding should enable cross-programmatic alignment with SNAP and other human services programs for improved customer experience.**

State SNAP leaders shared that although it was important to have dedicated funding for SNAP administrative investments, they would have greatly appreciated more flexibility to use funding across departments and other programs such as TANF and Medicaid. As states continue to move toward a vision of more aligned programs and more modern technology, they face barriers when trying to build more integrated applications and backend systems that could result in streamlined access for customers participating in more programs than just SNAP. Giving SNAP agencies the opportunity, at their own will, to share the funding could help accelerate streamlined and coordinated processes.



**3. Provide suggested guidelines for how states can increase equity through their investments, and support opportunities to learn from and fairly compensate SNAP customers.**

As discussed in greater length through the research team's brief on Exploring the Role of Equity in SNAP Modernization and Access,<sup>7</sup> States shared a desire for having more concrete examples for how to use this funding to advance equity to support them in efforts to dedicate more resources to collect and analyze data to inform more equitable strategies. States also express a strong desire to learn more from their customers, but shared barriers in being able to compensate customers for their time and labor of participating in feedback.



**4. Provide additional funding opportunities for states to advance modernization efforts.**

To continue working toward SNAP modernization, it is vital for Congress and FNS to continue to provide funding opportunities for states to use toward streamlining eligibility and enrollment processes, increasing online and mobile functionality, and modernizing eligibility systems. The upcoming Farm Bill provides an opportunity to invest in states and support them in prioritizing modernization activities, including centering the voices of customers.

*To learn more about this research project or APHSA's work on SNAP administration, reach out to [Chloe Green](#), Senior Policy Associate for Food and Nutrition Services.*

## Acknowledgements

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