DATE:          September 13, 2018

SUBJECT:     Innovation and Evaluation in SNAP Demonstration Projects

TO:          Regional Directors
             Supplemental Nutrition Assistance Program
             All Regions

From:       Lizbeth Silbermann
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The Food and Nutrition Service (FNS) has the authority under section 17(b) of the Food and Nutrition Act of 2008 (FNA) to conduct demonstration projects to test changes to the Supplemental Nutrition Assistance Program (SNAP) that may increase program efficiency and improve SNAP benefit delivery. This authority is one of FNS' best tools to encourage State innovation, as it allows for piloting and evaluating new ideas that may lead to new approaches in SNAP administration.

To ensure all demonstration projects continue to meet the requirements of the FNA, FNS is undertaking a thoughtful review of active demonstration projects to determine which show potential as program improvements, which necessitate additional innovation or evaluation, and which should be phased-out because they are no longer necessary, do not meet the requirements of the FNA, or do not align with current program goals. This memorandum outlines the approach FNS will begin to take to work with State agencies as they request approval for new demonstration projects or renewal of existing projects, to ensure all active demonstration projects are testing innovative approaches with appropriate evaluations. As part of this effort, FNS will also make strides to move proven concepts from demonstration projects into the regular program through the appropriate policy channel.

Demonstration Project Next Steps

The following section outlines FNS' new approach to:

1) reviewing proposals for new types of demonstration projects;
2) renewing existing demonstration projects; and
3) phasing-out ineffective or unnecessary demonstration projects.

It also outlines the steps FNS will take to evaluate the effectiveness of demonstration projects, and how FNS will work to incorporate successful ideas from demonstration projects into regular SNAP operations.
New Demonstration Projects

While FNS has many ongoing demonstration projects, which are discussed below, FNS also encourages States to submit new ideas for demonstration projects to test changes that might increase program efficiency or improve the delivery of benefits to eligible households. FNS will consider proposals for new types of demonstration projects that are consistent with the FNA and other applicable policies and program goals. These new types of demonstration projects will be conducted on a trial basis, thus only the number of States necessary to assess impact of the project idea will be approved. FNS will require that any proposal for a new type of demonstration project should have clearly stated objectives that are directly linked to a robust evaluation.

Renewing Existing Demonstration Projects with Modifications

As existing demonstration projects come up for renewal at the end of their term, FNS will work closely with the State agency to determine if the State wishes to continue testing changes under the demonstration project, and if so, how to further its innovative scope and/or improve its evaluation. FNS will also consider applications from States who want to implement a currently existing demonstration project (e.g. Elderly Simplified Application Project (ESAP), Standard Medical Deduction (SMD) etc.), but are not yet approved to conduct that demonstration project. To be considered for approval, the State agency must show how they will incorporate an innovative approach, supported by an evaluation, into the existing general terms and conditions for that type of demonstration project.

Some existing demonstration projects may require modifications before the end of their current approval period. For instance, FNS may require new evaluation measures be added, or certain components of the demonstration project be phased-out. FNS will work with individual State agencies needing to make demonstration project modifications on a case-by-case basis to ensure minimal disruptions to program administration.

Phasing-out Demonstration Projects

Some existing demonstration projects will need to be phased-out because they are ineffective, no longer necessary, or inconsistent with the FNA and other applicable policies and program goals. FNS will be contacting States individually if they have a demonstration project that is likely to be discontinued to develop an appropriate phase-out plan. In addition, some States may not be able to or interested in adapting existing demonstration projects to test a new innovative practice or strengthen their evaluation. FNS will also work with these States to
design a phaseout plan as the demonstration project nears the end of its term to ensure a smooth transition to normal program operations.

**Acting on Evaluations**

When a demonstration project has proved effective and consistent with other applicable policies and program goals, FNS will take the appropriate steps to incorporate the new idea into the program through the relevant policy channels. This could include working to integrate the idea into the FNA through technical assistance on legislative proposals, incorporating requests for legislative changes into the agency's annual budget submissions, or where applicable, making regulatory changes within existing statutory authority. If project evaluations show that a demonstration project is ineffective or harmful to program access or integrity, FNS will work with the State to phase-out the project at the end of its term, or sooner, if needed.

**State and FNS Partnership**

The measures described above are intended to strengthen FNS' overall demonstration project authority, and ensure that FNS continues to test and pilot promising ideas that improve program delivery. FNS recognizes that successful demonstration projects rely on cooperation and partnership between FNS and State agencies, so FNS is prepared to assist all State agencies during this transition period to ensure demonstration projects test and evaluate innovative ideas. FNS will be reaching out to State agencies with current demonstration projects on an individual basis to determine appropriate next steps.

**Questions**

If you have any questions, please reach out to Mary Rose Conroy at maryrose.conroy@fns.usda.gov.

Sincerely,

/s/ Original signed on file

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