

Office of Research and Analysis

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Purpose

The USDA budget for fiscal year 1997 (FY) included \$4.2 million to support Food Stamp Program (FSP) retailer authorization site visits to help prevent ineligible retailers from participating in the FSP. This money is being used primarily to fund store visits by contracted vendors, who will provide the information gathered to the Food and Nutrition Service (FNS) field office staff making the eligibility decisions. To prepare for the receipt of this funding, FNS conducted the Food Retailer Pre-Authorization Visit Demonstration and Evaluation. The primary goal was to determine how best to manage and allocate these resources and to determine how to ensure that contractors provide sufficient data to enable field offices to make sound, sustainable determinations of program eligibility.

Demonstration Activities

FNS conducted a large-scale, 4-month demonstration with 16 field offices from all seven FNS Regions. Each Region contracted with vendors to work in the territories covered by the participating field offices. Contractors began visiting stores in June 1996. When the demonstration ended in September 1996, the 16 field offices had ordered a total of 7,232 visits. The number of ordered visits per field office ranged from 173 to 1,111. Each of the participating field offices initiated contractor store visits for both new authorizations and reauthorizations on an as-needed basis. Field offices had the flexibility to establish the criteria for which stores were assigned to the contractors based on store type, geographic location, etc. Contractors made in-person store visits where they completed a checklist of the food inventory and took a series of representative photographs.

Contractor reports were then submitted to the FNS field offices who made the final eligibility determinations.

Evaluation Method

Abt Associates Inc. conducted two rounds of on-site data collection to assess the quality and usefulness of the contractor-provided information and to document the time and resources used in contractor visits. Evaluation staff interviewed demonstration participants at FNS, field and regional offices, and contractor personnel at the corporate and field levels. In addition, evaluation staff observed store visits conducted by FNS field office staff and by contractor personnel. FNS administrative records were collected from the participating field offices along with special data collection forms which were created for the demonstration/evaluation. Retailer data from the FNS Store Tracking and Redemption Subsystem (STARS) were assembled as well. The database from these sources was then analyzed.

Findings

The field offices were almost always able to use the contractor information in their eligibility determinations.

All but three of the field offices experienced early problems with contractor performance. Nearly all the early performance problems were resolved by the fourth month.

Overall, the data indicate that contractors successfully conducted retailer visits in 99 percent of the visits ordered. Work was delivered on a timely basis for 90 percent of the contracted visits. Information provided by contractors enabled the field office to make an authorization or reauthorization decision without further information-gathering (other than the documentation the field offices routinely collect

as part of the standard authorization process) for 96 percent of the visits.

Field offices subjected new authorizations to a higher level of scrutiny than reauthorization. FNS was more than twice as likely to request additional information for new authorizations resulting in significant numbers of denied or withdrawn stores.

Approval rates for new contractor-visited stores were significantly lower than for either new FNS-visited stores or contractor-visited stores applying for reauthorization. While the explanation is unclear, it may be that the contractor visits provided a basis for more systematic and objective comparisons among stores based on more comprehensive information. Contractors also visited the more distant stores which FNS staff lacked travel funds to visit. It may also relate to differences in the retailer applicant pool within field offices and the relative willingness to risk having decisions reversed in the administrative review process. However, the demonstration results suggest that contractor visits can be at least as effective as FNS visits at detecting stores that should be denied authorization to accept food stamp benefits based on staple food eligibility.

Administrative Review Branch (ARB) representatives indicated that well-prepared, consistent reports contributed to the sustaining of field office decisions. Among decisions based on contractor reports, about one-fifth (21 percent) of the denials of new applications and more than one-quarter (28 percent) of the

decisions to withdraw retailers from the FSP were appealed. Of those that were appealed, 63 percent were sustained by the ARB, and 37 percent were reversed. The positive response of the Administrative Review Officers to the use of contractor-provided photographs helped the field offices to see photography as a very effective way to substantiate eligibility decisions.

The evaluation yielded data on costs critical to procurement; variations in average travel time and store visit volume were the most important influences on cost.

Conclusions

Contractor visits can and do lead to the exclusion of ineligible stores from the FSP. The evaluation data indicate that field offices took negative actions (denial or withdrawal) against 8 to 9 percent of contractor-visited stores; the estimated total was 649 of the total of 7,232 contractor store visits.

Negative field office actions based on contractor visit information were, in about 90 percent of cases, accepted by the retailer or upheld upon appeal.

The evaluation uncovered nearly 20 best practices for contractors and field offices. These lessons learned were incorporated in the Request for Proposal for the full implementation of contractor visits.

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